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1. Fiscal 2008 Budget Prepared

The City of Yokohama has prepared its budget for fiscal 2008, defining it under the motto “Yokohama and the World: The Countdown to the 150th Anniversary of the Opening of the Port of Yokohama.” Under this draft budget, the City government will be pursuing initiatives such as CO-DO30, an action plan to reduce greenhouse gas emissions. The City of Yokohama will also set up a business hub in Mumbai, India, through which it will seek to establish a unique network in Asia and invigorate the local Yokohama economy.

2. IR Strategies for International Investors: Opening of English-Language Websites about the City's Public Bonds

The City of Yokohama began offering on January 22 an English-language website about its public bonds. The City's bonds are rated AA-/Positive by Standard & Poor's and the number of international investors buying the public bonds has increased. With enviable ratings and a strong interest in the bonds, the City government will continue to actively communicate investor relations information to international investors.

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Commemorative Symposium for TICAD IV

The 56th holding of The Yokohama Parade

Reopening of the renovated “NYK (Nippon Yusen Kabushiki Kaisha) Hikawamaru” and more



1. Fiscal 2008 Budget Prepared

Yokohama and the World: The Countdown to the 150th Anniversary of the Opening of the Port of Yokohama.

This year, the City of Yokohama will move forward in its preparations, including its budget allocation, for the 150th Anniversary of the Opening of the Port of Yokohama in 2009. The city regards this period as an excellent opportunity for Yokohama to enter a new era, while also remembering the important fact that Japan modernized thanks to the opening of the Port of Yokohama. Yokohama will do this by fostering the traditional *Hama-kko* spirit, which is namely the flexibility in accepting new things. By designating 2008 as the year of “Yokohama and the World,” the City hopes to continue to work with its citizens in Yokohama's development.

Starting the countdown to a new era based on the City of Yokohama's Medium-Term Management Plan

The FY2008 budget has been prepared at a time of ongoing challenges for the City government. The City of Yokohama is nonetheless committed to achieving its basic mission of moving forward under its Medium-Term Management Plan, which was drafted and released in 2006. Under this mission, the City will assist citizens in contributing to the development of Yokohama, so that they can live safely and reach their full potential, by improving the security of the environment and offering services that encourage both individuality and co-existence in local communities. To bolster these initiatives, the City of Yokohama is also planning to introduce new strategies for local autonomy and the management of local authorities.



As part of campaigns that promote the “Yokohama and the World” concept, the City of Yokohama has set the following tasks: activities to prepare for the 150th Anniversary of the Opening of the Port of Yokohama, plans that enable Yokohama to enter a new era as an international city, and initiatives to tackle environmental issues that require a global perspective.

Major Initiatives for 2008

(1) Host events in support of the 150th anniversary of the conclusion of the Five Treaties of the Ansei Era

The City of Yokohama will host a number of events in support of the the 150th Anniversary of the Opening of the Port of Yokohama in 2009. The events include the Tokyo International Conference on African Development (TICAD) IV and Yokohama Triennale 2008. The former, held between May 28 and May 30, is an international conference that discusses the future of Africa, a region with great significance to global stability and prosperity. The latter, held between September 13 and November 30, is one of Japan’s largest international exhibitions of contemporary art.

(2) Setting up a new Regional Asian hub

The City of Yokohama will set up a new regional hub in Mumbai, the largest international city in India, a country that has achieved dramatic economic growth. Through this new base, the City of Yokohama will pursue business projects with India—for example, the City will encourages companies in India to set up a branch in Yokohama and will offer assistance to companies in Yokohama embarking on businesses in India—while strengthening the network with Asian countries through the promotion of economic and cultural exchange.

(3) Promoting a campaign to reduce greenhouse gas emissions by 30%

Global warming is an increasingly serious issue that must be tackled immediately by the international community. Based on this understanding, the City of Yokohama has launched CO-DO30, an action plan that aims to reduce per capita emissions of greenhouse gasses by more than 30% by 2025. As part of this plan, in 2008, the City will cooperate with citizens and business operators in acting against global warming and urban heat island effect. For example, the City will create a zone in which citizens can take part in activities to combat these issues and experience the effects.

CO-DO30 (pronounced “code 30”) is defined as follows :

CO is an abbreviation for “Carbon Off” while DO represents the meaning “to DO.” The figure 30 represents the target number for citizens, each of whom is required to reduce emissions of greenhouse gasses by more than 30% by 2025. The City of Yokohama has designed action courses, which aim at creating a society that no longer causes global warming, in seven different areas: personal lifestyles, business activities, buildings, transportations, city landscaping, greenery control, and the City government itself, which should act as a model.

(4) Establishing 2 new project headquarters

The City will establish the Climate Change Policy Headquarters for intensive promotion of CO-DO30. The City will also set up the Joint Creation Headquarters, which aims at creating high quality services by encouraging a sharing of resources and knowledge between the public and private sectors. The City will strive to keep all public facilities at proper levels by linking policies, finance, and technology.

<Website> <http://www.city.yokohama.jp/me/gyousei/zaisei/yosan/20yosan/> (Japanese)



2. IR for International Investors

– Opening of English-Language Websites about the City's Public Bonds –

The public bonds issued by the City of Yokohama have been acclaimed even by the international community for their impressive credit standing. The number of investors buying city's public bonds has been increasing both at home and abroad. In response, the City began to offer English-language websites about its public bonds from January 22. The City will actively communicate investor relations information to international investors.

The City of Yokohama's bonds, acclaimed thanks to the City government's proactive strategies

The City has adopted some of the most proactive bond issuing strategies seen among local Japanese governments. In October 2006, the City's bond became the first to be rated by Standard & Poor's, receiving an AA-/Positive. At the time, this was the same rating as Japanese Government Bonds (JGBs). The City's bonds have maintained their credit rating of AA-/Positive this year owing to the stable fiscal management of the City—such as its strong and independent base of financing, highly stable revenue, and excellent fiscal discipline with sound financial fundamentals. The outlook is Positive, reflecting the fact that the City's tax revenue is expected to increase while its debt balance is set to be reduced.

The City has won many awards both in Japan and internationally in 2006 and 2007 (*1), thanks to the acclaim it received from the financial markets for its pioneering activities as an issuer of local bonds, including a request for credit ratings. The public bonds issued in February 2008 were sold out soon after they were released. Both domestic and international investors have exhibited a high level of interest in the City's offering.

Through the English-language websites, the City will continue to provide information about its bonds to international investors. The main details communicated via websites are presentation documents about the City's bonds, information about the issue of public bonds, and credit rating information.

English website for the international Investors: <http://www.city.yokohama.jp/me/gyousei/ir/en/index.html>

(*1) About Awards

- EUROMONEY Japanese Edition 2007 - Best Yen Bond Deal
- Nikkei Bonds & Financial Weekly 2007 - Municipality Bond Deal of the Year No.1 & No.2
- THOMSON Deal Watch Awards 2006 - Issuer of the Year

<Website> <http://www.city.yokohama.jp/me/gyousei/ir/en/awards.html>

<Inquiries> Financial Affairs Department TEL: 045-671-2185



Vol.13

Creating a safe and peaceful environment with the use of citizen manpower

A dramatic change in the Hatsuko / Hinode-cho area

In the immediate postwar period, the area enclosing Hatsune-cho, Kogane-cho, and Hinode-cho—currently located in Naka Ward, City of Yokohama—was home to groups of shabby shacks. Those shacks were subsequently replaced by small-scale back-street eateries that offered illegal services. At its peak, the area was packed with about 250 back-street eateries, making safety and environmental problems a major issue. To tackle these issues, The City introduced new cityscapes plans, aiming at providing citizens with key infrastructure and improving their safety. As



part of this initiative, the City launched a re-development plan for the area. Since 2003, cooperation between local communities, police stations and government authorities has been strengthened. Under such cooperation, all eateries engaging in illegal activities were forced to close their operations.

On the other hand, the town also lost its vigor because of the decline in the number of visitors, and the closed shops failed to attract new tenants. Around the same time, however, locals and students began activities that brought a healthy and vigorous atmosphere to the area. Since then, many activities have been introduced: closed shops have been transformed, apartment buildings targeting families are being constructed, events that promote the area are being proposed by locals, and artistic events are being held. In January 2006, a Kendo training house opened in the area. This was followed in March by the opening of Step One, a local facility that plays a central role in local security and communication, and in June by BankART Sakura-so, a local hub for the promotion of art. In June 2007, with the cooperation of local organizations and Yokohama City University, the Kogane-X Lab opened as a local hub for creating a safe and peaceful environment and in encouraging activities to protect children.

This year, the City will host the Yokohama Triennale 2008 (13 September – 30 November), an international exhibition of contemporary art. Coinciding with this event, the “Kogane-cho Bazaar,” an art exhibition with close links to local communities, will be held in the Hatsuko / Hinode-cho Area (11 September – 30 November). The bazaar will feature exhibitions of artworks and workshops, shops, and cafes, which will be organized by a consortium between neighboring elementary and junior high schools, universities, and local communities.

Thanks to these activities, the Hatsuko / Hinode-cho Area is gradually but steadily changing. Cooperation between local communities, police stations, and government authorities will continue to be encouraged to create an ever more resident-friendly town.

E **What's On
Events & Info**

Commemorative Symposium for TICAD IV

This symposium provides an opportunity for participants to deepen their understanding about Africa prior to the hosting of TICAD IV. There will be a lecture by Ms. Sadako Ogata, President of the Japan International Cooperation Agency (JICA) and a panel discussion featuring Ms. Misako Konno, actress and UNDP Goodwill Ambassador, Mr. Tsuneo Kurokawa from the Africa Department of JICA, and Hiroshi Nakada, the Mayor of Yokohama.

- <Date / Site> Saturday, 29 March 14:00 – 16:30 / Pacifico Yokohama Conference center 1F Main Hall
- <Inquiries> 150th Anniversary of the Port Opening & Creative City Headquarters TEL: 045-671-4346
- <Website> <http://www.yokohama2008ticad.com/event/080329.html> (Japanese)

The 56th holding of The Yokohama Parade (international masquerade parade)

This year marks the 56th holding of The Yokohama Parade, which started in 1953. Embracing “Sports” as this year’s main theme, the event offers three types of parades: the Kids Parade, Super Parade, and Super Exhibition.

- <Date / Site> Saturday, 3 May / Yamashita Park, Akarenga Park
Kids Parade 10:45-, Super Parade 11:45-, Super Exhibition 14 :00-
- <Inquiries> Executive Committee TEL: 045-671-7423
- <Website> <http://www.yokohama-cci.or.jp/parade/56/index.html> (Japanese)



Reopening of the renovated “*NYK (Nippon Yusen Kabushiki Kaisha) Hikawamaru*”

Hikawamaru is a retired cargo-passenger ship that was built in 1930 and traveled the North Pacific Ocean 238 times before retirement in 1960. The ship, moored in the port at Yamashita Park and open to the public, has been undergoing renovations since last August. Now, with the renovations complete, and renamed *NYK Hikawamaru*, the liner will reopen to the public on Friday, April 25, the vessel’s 78th birthday.

<Inquiries> NYK MARITIME MUSEUM TEL: 045-211-1924
<Open Hours> 10:00 – 17:00 (admission accepted until 16:00) Closed on Monday
<Website> http://www.nykline.co.jp/news/2008/0130_2/index.htm (Japanese)

Test-ride of the Yokohama Municipal Subway Green Line

The Yokohama Municipal Subway Green Line is a new Subway line linking JR Nakayama Station with Hiyoshi Station on the Tokyu Toyoko line via Center Minami and Center Kita stations. It is approximately 13km long. Prior to its Sunday, March 30 opening, a test-ride event will be held, inviting those who apply in advance.

<Date > Saturday, 29 March 13:00 – 16:00
<Inquiries> Rapid Transit Railway Department TEL: 045-671-3156
<Website> <http://www.city.yokohama.jp/me/koutuu/info/news/2007/20080222.html> (Japanese)

About Yokohama

Yokohama lies on the peninsula around Tokyo Bay, approximately 30 kilometers (18 miles) southwest of the capital of Japan. Home to over 3.62 million people, Yokohama is Japan’s second largest city. The GDP of Yokohama is about 12 trillion 6.8 billion yen (roughly 112.2 billion US dollars) with main industries being electronic machinery, transportation machinery and service industry. Since its opening in 1859, the port of Yokohama has supported the development of Japan’s economy as Japan’s base for distribution of goods and production, and boasts the highest number of foreign ships entering Japan’s ports.

The City sincerely welcomes foreign enterprises, international conferences and a wide variety of international events. Today, the city has 8 Sister-Friendship Cities (San Diego, Lyon, Mumbai, Manila, Odessa, Vancouver, Shanghai, Constantza) and 6 Sister-Friendship Trade Cooperation Ports (Oakland, Vancouver, Shanghai, Melbourne, Dalian, Hamburg).

In 2009, Yokohama celebrates 150 years since its opening as a port, and out of a sense of gratitude of the City of Yokohama as a whole for the achievements of the port and our predecessors, and to use this opportunity for Yokohama to become a town filled with dreams and aspirations, the City is carrying out a variety of projects including a commemorative ceremony. In 2008, the 4th Tokyo International Conference on African Development (TICAD IV) will be held in May, the Port Town Festival in June, and the Yokohama Triennale 2008 from September to November.

Please address any inquiries or feedback to this newsletter to the following persons:

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