Policy and Fiscal Management of Yokohama City

April 21, 2017
1. Action of Mid-Term 4-Year Plan (2014~2017) ~ Past Achievements ~

2. Mop-up of Mid-Term 4-Year Plan ~ Main Action in FY2017 ~

3. FY2017 Budget Figure/Bond Issuance Plans for Public Offering
Action of Mid-Term 4-Year Plan (2014~2017) ~ Past Achievements ~
Past Achievements

Activation of Yokohama Economy

Many companies start business in Yokohama

- Apple YTC
- Keihin Electric Express Railway Co
- LG Global R&D Center

Y-PORT Project

- Urban problem solution in developing countries and Support for foreign infrastructure business development of small and medium-sized companies in the city
- Inauguration of Y-PORT Center (2015/5)
- Technology cooperation memorandum with 4 cities
  - Cebu (Phillippines)
  - Da Nang (Vietnam)
  - Bangkok (Thailand)
  - Batam (Indonesia)

At the stage of business in all cities

Shiseido, KFC Holdings Japan, Euglena, Chugai Pharmaceutical decided to start business in Yokohama

Kanagawa University’s new campus in MM21 area

Recycle business of waste plastic in Cebu City
Activation of Yokohama Economy

**Promotion of life innovation** by special ward

- Various research outcome in drug development, medical device development and regeneration medicine

- Foundation of **Yokohama Life Innovation Platform (LIP. Yokohama)** (2016/12)

  - Support for creation of new product/technology/service in health and medical area by cooperation of “Industry-academic-government-money”

- “Kick-off event” attended by 56 organization/150 people (on Dec. 1st 2016 at Yokohama Royal Park Hotel)

**First success in the world to create human mini liver from iPS cell**

**Productization of “Operation simulator”**

**Base for practical realization of iPS cell**

-New research building Advanced Medical Research Center Yokohama City University
Past Achievements

Consolidation of urban function

- Function consolidation of **City’s seaside area**
  - Formation of **international business base**
  - Development of **Yokohama Station northwest Tsuruya district** by special ward

- Revitalization/Activation of **suburbs**
  - Construction/promotion of **sustainable residential area model**
  - Action for revitalization in **10 wards** including **4 model areas**

- Housing improvement for workers of global companies (**Multilingualization, Home close to office**) (National strategy house maintenance business (Tsuruya district))

- Stable promotion of **Kannai/Kangai district activation** with New city hall maintenance

- Opening of **“THE BAYS” utilizing former Kanto Local Finance Bureau**

-**Past Achievements**

- **the next-generation suburban city planning (Aoba ward)**
- **Minami-makigahara area renovation project (Asahi ward)**

- **Former Fukaya communication site (77ha)**
- **Former Kamiseya Communications Station (242ha)**

- Function consolidation of **City’s seaside area**
- **Formation of international business base**
- **Development of Yokohama Station northwest Tsuruya district** by special ward
Past Achievements

City’s framework formation

- Improvement of **Yokohama Belt Highway**
  - Opening of Yokohama north line (Yokohane line ~ Daisan keihin 8.2km) (Mar. 18th 2017)

- Improvement of **Advanced Port Facilities**
  - Start of MC – 3 container terminal (2015/4)
  - Opening of Minami Honmoku wharf’s harbor connection road (Mar. 4th 2017)
  - Establishment of Yokohama-Kawasaki International Port Corporation (Jan. 2016)

**Access improvement from Shin-Yokohama to Haneda Airport**
- Streamlining of logistics function
- Enhancement of disaster defense ability

Source: Metropolitan Expressway
Promotion of unique education activities as a combined junior high and high school

**Past Achievements**

**Child • Child-raising, Education**

**Policy on waiting list for children**
- Nearly zero level after 2013

![Bar chart](chart.png)

- 2010: 1,552
- 2011: 1,500
- 2012: 1,000
- 2013: 0
- 2014: 20
- 2015: 8
- 2016: 7

※61,873 applicants in 2016 (about 1.5 times compared with 2010)

**Ambulant treatment aid of children**
- Extends to 6th grade (From 2017/4)
- 2015/10 up to 1st grade (up about 38,000)
- 2017/4 up to 3rd grade (up about 63,000)

**Yokohama Science Frontier High School**
- Combined junior high and high school (Attached junior high school opened in 2017/4)

Junior High School Attached To Yokohama Science Frontier High School
Past Achievements

Supporting Women’s Success

- Women’s Network Meeting
  - Women’s Business Festival

  - Network Meeting 6 times, Business Festival 4 times (2 joint conventions)

  Offering of opportunities of interaction and meeting with role model for about 5,500 people in total

- Incubation for Women
  - F-SUS Yokohama, Crea's Market etc.

  Start of business by support 179

- Continuous communication at home and abroad about Yokohama’s action
  - World Assembly for Women (WAW!)
  - APEC “Women and the Economy Forum” etc.
Past Achievements

Fitness, Medical Welfare

Promotion of Yokohama Walking Point
- Over 2.2 Billion registrations in about 2 years from start until 2016/12 (over 70% of the target 3.0 Billion)
- Eligible person expands to “Work within the city”, “over age of 18”!

About 90% answers “Gets to walk longer than before”

Formation of Area-inclusive Care System
- Expansion of home care alliance base to all wards (2016/5)
- Enforcement of home-healthcare by the alliance with Yokohama Medical Association

Achievement around 2 year than planned

- Arrangement of livelihood support coordinator to all wards (157 in total) (2016)

Coordination of various life support within daily life
Past Achievements

Culture Art, Sightseeing • MICE

Realization of Culture and art create city as the core of Asia

- Yokohama Triennale 2014
  
  Visitors 2.15 billion
  Economic ripple effect 2.3 billion yen

- Dance Dance Dance @ YOKOHAMA2015
  
  Visitors 1 million
  Economic ripple effect 5.4 billion yen

- Yokohama OTOMATSURI 2016
  
  Visitors 1 million
  Economic ripple effect 3.5 billion yen

Evolution to international sightseeing MICE city

Tourists in 2015 (37.61 million), Tourist spending (318.8 billion yen) were 1.7 times than 2011 and marked a record high

Visitors 2.15 billion
Economic ripple effect 2.3 billion yen

(c)bozzo

©bozzo

Michael Randy «Art Bin»
2010/2014 Photo: Ken Kato

Visitors 1 million
Economic ripple effect 5.4 billion yen

(c)oono ryusuke

Visitors 1 million
Economic ripple effect 3.5 billion yen

Economic ripple effect 5.4 billion yen

Visitors 1 million
Economic ripple effect 3.5 billion yen

Economic ripple effect 5.4 billion yen
Yokohama’s Challenge

Yokohama peaks in 2019 and turn to depopulating society afterward

Population

Population peak
About 3.74 million in 2019

Over 1 million (1951)

Super-aging society
population aging rate 21.4% (2013)

Over 1 million over age of 65
population aging rate 27.3% (2029)

One in third over age of 65
population aging rate 30.4% (2035)

Source: “Yokohama Future Population Estimate”
Yokohama’s Challenge

Economic Gap with Tokyo Area

Gross city product and Corporate citizen tax

<table>
<thead>
<tr>
<th>City</th>
<th>Trillion yen</th>
<th>Corporate citizen tax</th>
<th>(100 Million Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo Metropolitan</td>
<td>93.1</td>
<td>870.8</td>
<td>11</td>
</tr>
<tr>
<td>Osaka City</td>
<td>18.7</td>
<td>131.9</td>
<td>131.9</td>
</tr>
<tr>
<td>Yokohama City</td>
<td>12.3</td>
<td>60.5</td>
<td>60.5</td>
</tr>
<tr>
<td>Nagoya City</td>
<td>12.3</td>
<td>67.9</td>
<td>67.9</td>
</tr>
</tbody>
</table>

Government ※
※Source: Gross city product from “Tokyo citizen economic calculation” (Tokyo), Citizen economic calculation of each city (FY2013)
Corporate citizen tax is FY2015 accounting base
The number of Tokyo is Tokyo corporate citizen tax (Sum of corporate municipal inhabitant’s tax of Tokyo’s 23 wards and Tokyo’s corporate prefectural inhabitants tax)
Increasing needs for maintenance・renewal of public facility etc.

Citizen facility・Road・Park etc.

Concentrated maintenance in high economic growth period

Necessity for maintenance・renewal due to aging

Necessity of maintenance cost worth about 3.3 trillion yen※ in 20 years

※Calculation from FY2012 based on “Yokohama public facility management basic policy”

Before

Sakae ward Katsuradai junior high school

After
Mop-up of Mid-Term 4-Year Plan ~ Main Action in FY2017 ~
FY2017 Budget  Basic Concept

"Mop-up" of Mid-Term 4-Year Plan
- Secures safety/security of citizens and achieves spiritually rich life

Action to Urgent Matters
- Children’s poverty countermeasure
- Enhancement of bullying countermeasure

Far-sighted Effort
- Action to “year 2025 problem”
- Action to Rugby World Cup 2019™ · Tokyo 2020 Olympic and Paralympic Games
Support for Women · Children · Seniors

Support for Child · Child-raising ～Friendly society for childbirth and child-raising～

- Maintenance of “zero waiting list”
  - Response to increasing needs
    - New maintenance amount 3,042 children
    - Enhancement of rent aid for important maintenance areas such as childcare centers
    - Childcare center arrangement in city park utilizing National Strategic Special Zones
    - Joint arrangement of childcare centers at city limits with Kawasaki city (“Partnership Agreement of Zero Waiting List Measure”)
  - Children’s Nurse Recruitment
    - Expansion of support for lodgment lease

- Continuous support from pregnant period until after childbirth
  - Expansive support from Comprehensive Support Centers for Families with Small Children
    - Model arrangement of Maternal and Child Health Coordinators (3 wards)
  - Parturient woman medical examination, care for after-baby mother and child (all wards)
Support for Women • Children • Seniors

Improvement of education quality • education environment, action•support • raise child as a whole society

Enforcement of children support system
- Chief School Social Worker
  4 new position
- 5 counselors of continuity from primary through early secondary levels
  Assignment to all junior high school blocks
  (141 in total)

Promotion of Children’s poverty countermeasure
- Close study support in all wards
  - New action to prevent dropout of high school students
- Support to start “Child dining hall”
- 20 additional study place after school
  40 schools in total
Support for Women • Children • Seniors

Support for Women 〜Women Pleasant to Work and Have Work Worth in Japan the Best〜

- Promotion of Yokohama work style innovation
  - Set of various work introduction inquiry counter
    - Spread・enlightenment of telework, promotion of advanced companies

- Further promotion of women’s success in small businesses
  - Action sending of small businesses, environmental arrangement aid, advice from experts

Support for Seniors 〜Society where people can flourish forever〜

- Promotion of active senior’s regional contribution model
  - City’s second livable work support spot in Kohoku ward
  - Support for senior’s business start・management
    (Expansion of senior support fund credit line
     0.5 billion yen → 1.0 billion yen)
Fitness, Medical Welfare ～Goal of the longest healthy life expectancy in Japan～

Yokohama Walking Point
- Target of 3 billion registration

Promotion of Area-inclusive Care System
- Enhancement・enforcement of care prevention・life support service
- Action guideline for all wards depending on regional characteristics
- Concentrated support teams for early dementia in 5 wards in total 13/18 wards

Re-maintenance of civilian hospital
- Main building construction
  - Groundbreaking in September  New hospital open in FY2020

Enhancement of high acute phase healthcare, function enforcement as base of infection・disaster medical care

Securement of medical function for year 2025
- Training・support for doctors of home medical care
- Collection analysis of medical big data
Safety・Enhancement of Citizen’s Life

Disaster-resistant Town Development ～Disaster-resistant “People” “Region” “City”～

Enhancement of disaster prevention capacity in the region
- Installment of simple water plug to all target regional disaster prevention base
- Enhancement of fire company instruments

Further promotion of countermeasures against earthquake disaster
- Non-burnable city (number of support cases 900)
- Widening of narrow road (Accumulated extension distance 189.3km)
- Maintenance of temporary toilet directly connected to sewage (Design 52, Construction 33)

Promotion of cliffs measure
- Field survey of about 1,400 places
  Survey finished for around 9,800 places in total

Enforcement of planned action for maintenance・renewal of public facility etc.

Maintenance・renewal
- Draw up of maintenance・renewal plan for each facilities (2014～2017) based on 「Yokohama public facility management basic policy (March 2015)」
- 「Restructuring maintenance policy of Yokohama public buildings (Tentative)」 (To be formulated in 2017)
- 「Basic policy about rebuilding of municipal elementary/junior high school facilities」 (May 2017)
Activation of Yokohama Economy

Reinforcement of a growth area, the industrial base, Promotion of small businesses etc. ~ Realization of vital Yokohama’s economy~

Creation of new industry · new business by innovation
- Promotion of R&D in health · medical area by utilizing LIP. Yokohama
- Support for small businesses that challenge project with IoT related companies by the cooperation of “industry-academic-government-money”

Development・Enhancement of industry accumulatio base
- Keihin waterfront area …Maintenance of R&D base
- Inland area …Policy consideration for location environment improvement in industrial accumulation area
- Kanazawa waterfront area …Action to secure human resources and function enforcement for area's attractiveness transmission

Promotion of small businesses, support for venture cultivation
- Management counseling, specialist detachment, management・technical support by business consulting

Activation support for shopping area
- Multilingual transmission of shopping area information and implementation of shopping area tour
- Best matching project to attract more appealing stores

Function enforcement of Y-PORT center
- Establishment of public-private collaborated common office etc.

Main index・result | Number
--- | ---
Counter inquiry | 3,369
Legal・labor counseling | 226
Management consulting business | 127
Small company concierge business | 19

Small manufacturer optimizing production process by IoT
Enhancement of City Function/Environment

Revitalization and functional enhancement of the City’s seaside area ~ Attractive city for foreign people and companies ~

Promotion of Excite Yokohama 22
- Extension/connection of underground road and improvement of station square along with development of the Yokohama Station west exit station square building (※)

Improvement of new MICE facilities in Minatomirai 20 Town area
- Start in August Open in 2020
- Project method: PFI

New city hall maintenance
- Start in August Open in 2020

Activation promotion of Kannai/Kangai district activation by New city hall maintenance
- Public offering of re-improvement of Yokohama Cultural Gymnasium
  - Project method: PFI
- Start of public offering for vacant lot of education culture center
- Public offer preparation of vacant lot of current city hall based of sounding survey

Draw up of enforcement policy of current city hall block utilization project (2017/3)
Enhancement of City Function/Environment

Revitalization/Activation of suburbs ~City where people want to live and stay living~

Promotion of sustainable town development

- All area development of action for renewal of residential areas etc

<table>
<thead>
<tr>
<th>Legend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable residential area model district</td>
</tr>
<tr>
<td>Major large scale housing estate (over 2,000 houses)</td>
</tr>
<tr>
<td>Major life base</td>
</tr>
<tr>
<td>U.S. military installation (including returned installation)</td>
</tr>
<tr>
<td>Kanagawa eastbound line</td>
</tr>
<tr>
<td>Planned new station</td>
</tr>
</tbody>
</table>

Examine an invitation that a garden / flora festival or exposition (Former Kamiseya Communications Station, to be held in 2026)

- Establishment of bidding committee
- Draw up of “Framework of opening (plan)” in FY 2017

Former Kamiseya Communications Station (242ha)
Enhancement of City Function/Environment

Strengthened city infrastructure ~Strong framework formation to support economy・citizen’s life~

- Improvement of Yokohama Belt Highway Northwest Line
  Goal to open by Tokyo 2020 Olympic and Paralympic Games

- Promotion of international container strategy port
  - Improvement of Minami Honmoku wharf’s High-standard container terminal MC-4
  - Consideration to form LNG fuel supply base

- Function enhancement of passenger ferry entrance
  - Improvement of No.9 New Port berth
  - Improvement of Daikoku wharf tentative CIQ (※) facilities
    (※) Customs・Emigration and immigration management
  - Function enhancement of Osanbashi International Passenger Terminal

- Formation promotion of railway
  - Extension consideration of No.3 Highway
  - Improvement of East Kanagawa Line

Passenger ferry “Queen Elizabeth” cruises twice from/to Yokohama (2019/4/19~28 2019/4/28~5/5)
Garden Necklace Yokohama 2017

(3/25~6/4)

Beautiful Yokohama colored by flower and green
Expected visitors 5 Million people
Sightseeing • M I C E • Culture and art create city • Sports

50th ADB Annual Meeting

(5/4 (Thu)~7 (Sun))

- Yokohama welcomes about 4,000 guests such as finance ministers, governors of central banks, private financial institution, NGO, news media and so on
Active City

Sightseeing ・ M I C E ・ Culture and art create city ・ Sports

2017 World Triathlon Yokohama
(5/13 (Sat)・14 (Sun))
- 8th time in Yokohama

Yokohama Triennale 2017
(8/4〜11/5)
- One of the major international exhibitions of modern art in Japan 6th exhibition
- Number of visitors in 2014 2.15 Billion people

Yokohama Paratriennale 2017
(5/27〜late Sep)
- Art project by cooperation between disability persons and professionals in various fields

Yokohama Marathon 2017 (10/29 (Sun))
- Participants increase by 3,000 28,000
- For the first time held in autumn
Action promotion with All Yokohama

Rugby World Cup 2019™

Tokyo 2020 Olympic and Paralympic Games

(Yokohama stadium)
Tokyo 2020 Olympic Baseball/Softball main venue

(International Stadium Yokohama)
Rugby World Cup 2019™ final round venue
Tokyo 2020 Olympic Football venue
Yokohama’s Action for the Growth

Realization of Special Autonomous City

**Specific Challenges for large cities**
- Financial burden due to the aging society
- Inadequate tax systems, administrative overlaps between provincial and municipal systems (Challenges for designated city)

**Creation of a “Special Autonomous City” and Promotion of active measures towards the future**

**Benefit 1** Improvement of administrative services by eliminating overlaps

**Benefit 2** Economic revitalization through active policy development

**Invest the Produced Resources in Administrative Services and a Growth Area!**
FY2017 Budget Figure/Bond Issuance Plans for Public Offering
## General Account increases by 8.7% and remain in surplus

<table>
<thead>
<tr>
<th>Accounts Name</th>
<th>FY2017 (Billion Yen)</th>
<th>FY2016 (Billion Yen)</th>
<th>Increase and Decrease (Billion Yen)</th>
<th>Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Accounts</td>
<td>1,645.9</td>
<td>1,514.3</td>
<td>131.6</td>
<td>8.7%</td>
</tr>
<tr>
<td>Government Enterprise Accounts</td>
<td>1,344.9</td>
<td>1,341.6</td>
<td>3.3</td>
<td>0.2%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>580.1</td>
<td>540.9</td>
<td>39.2</td>
<td>7.2%</td>
</tr>
<tr>
<td>Special Accounts</td>
<td>3,570.9</td>
<td>3,396.8</td>
<td>174.1</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Note: General account budget, excluding operating cost of 151 Billion Yen to move school personnel paid by prefecture to the city, is 1,494.9 Billion Yen and decreases by 1.3% from previous fiscal year.

### Reasons of increase and decrease in general account
- Increase rate of payroll costs: +70.7% (payroll costs excluding operating cost to move school personnel paid by prefecture to the city is -0.6%)
- Increase rate of social benefit expenditure: +3.5%

### Expected City Duty Income is 719.3 Billion Yen (+0.5%)
- “Increase in taxpayers of income from employment” in Citizen tax
- “Increase in to new home construction” in Fixed asset tax
Situation of the City Duty Income (Comparison with the estimated amount of duty income)

¥719.3 Billion (+0.5%)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizen tax</td>
<td>¥715.9 Billion (+0.5%)</td>
<td></td>
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<tr>
<td>Corporate citizen tax</td>
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<tr>
<td>Fixed asset / City planning tax</td>
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<tr>
<td>Others</td>
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</tbody>
</table>

Transition of City Duty Income

- Increase in taxpayers of income from employment (City Duty Income)
- Increase in to new home construction (Fixed asset /City planning tax)

Rate of Up Change (%)

- 6.0
- 4.0
- 2.0
- 0.0

Figures up to FY2015 are based on the closing accounts and figures for FY2016 and FY2017 are based on the estimated amount of duty income.
Situación de la Contribución del Ciudadano Empresario

**Transition of Corporate Citizen Tax**

- Recovers at a good rate from Lehman Shock, and increases to about ¥65 Billion in FY2014
- Continuously on an upward trend excluding the decrease in "Partial National Tax" (FY2015～) of corporate citizen tax
- Expects decrease in corporate revenue in FY2017, and slightly decreases, but remains stable

![Graph](image)

※ Results until FY2015, the numbers of FY2016/2017 are initially estimated amount
Coexistence of “Promoting Policies” and “Maintaining the Fiscal Soundness”

Achievement of FY2017 Fiscal Goal

- **General Account Debt Balance**
  - **Goal**: Under ¥3.2 Trillion
  - **Expectation of FY2017**: ¥3,174.1 Trillion

- **Primary balance in the Yokohama formula**
  - Focused in the city’s fiscal management
  - **Goal**: Broad Balance
  - **[FY2017]**: ¥6.5 Billion (level above broad balance)

Transition of General Account Debt Balance

- **Reduced approx. ¥790 Billion since the midterm vision (2003)**

Achievement of target of Mid-Term 4-Year Plan
Under ¥3.2 Trillion

Goal achievement
**Issuance Policy**

Continue to adopt the “book-building method” (spread pricing and uniform price release)” in public bond issues for all tenors and aim for adequate sales through dialogue with a wide range of investors.

Promote meetings with investors to strengthen relationships with investors through the proactive provision of information.

**Issuance Plan**

FY2017: ¥150 Billion issuance

(Unit: 100 Million Yen)

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<tbody>
<tr>
<td>Medium-Term Bonds</td>
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<td>Super-Long-Term Bonds</td>
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<td>Flex Quota</td>
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<td></td>
<td></td>
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<td></td>
<td>400</td>
<td>For Institutional Investors 1,500</td>
</tr>
</tbody>
</table>
Yokohama will further enhance the outcome of Mid-term 4-year plan and take actions for 2019/2020

If you have any questions, please don't hesitate to get in touch

Yokohama City Home Page

http://www.city.yokohama.lg.jp/

Yokohama City Bonds Home Page

http://www.city.yokohama.lg.jp/zaisei/sisai

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Yokohama Supporters Donation (Hometown tax) Top Page

http://www.city.yokohama.lg.jp/zaisei/kifu/