

Report on Audits of Financially-Supported Organizations

(The Tokyo Organising Committee of the Olympic and Paralympic Games)

June 2023

Audit and Inspection Commissioners of the Tokyo Metropolitan Government

We hereby submit this report on the results of the audits of financially-supported organizations of FY2021, FY2022, and FY2023 pursuant to the provisions of Article 199, paragraph (9) of the Local Autonomy Act (Act No.67 of 1947).

June 5, 2023

Audit and Inspection Commissioners of the Tokyo Metropolitan Government

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- * This English version is the translation of the Report on Audit of Financially-Supported Organizations written in Japanese. When there is a difference between the English version and the Japanese version, the Japanese version shall prevail.
- * Since the digits less than the display unit are rounded down, the total may not coincide.
- * Decreases or negative numbers are shown in symbols “△” instead of in parentheses in the tables including the revenues and expenses account (Income Statement) and the statement of financial position (Balance Sheet). In addition, the amount shown in parentheses is the expenses for the Tokyo 2020 Paralympic Games.
- * The term “burden expenses” in this English version is to express sharing the burden of expenses, while the term “burden expenses” is generally translated into “contribution” in the Japanese laws and regulations in English. However, this English version uses “contribution” which means money given to an organization to help them achieve a goal, and uses the term “burden expenses” which means sharing the burden of expenses to distinguish it from “contribution”.

The Tokyo Organising Committee of the Olympic and Paralympic Games

Chapter 1 Purpose of audits

Based on Article 199, paragraph (7) of the Local Autonomy Act (Act No.67 of 1947, hereinafter referred to as the “Act”) and Article 19, paragraph (3), items (i) and (ii) of the Auditing Standards for Tokyo Audit and Inspection Commissioners (Notice of Tokyo Audit and Inspection Commissioners No.2 of 2020, hereinafter referred to as the “Auditing Standards”), we conducted the audits to see whether the organization which the Tokyo Metropolitan Government grants burden expenses or a contribution, etc. to has carried out their projects appropriately in line with the purpose of burden expenses or the contribution, etc.

In addition, we conducted the audits to see whether guidance and supervision have been provided appropriately by bureaus, etc. of the Tokyo Metropolitan Government (hereinafter referred to as the “TMG”) that supervise that organization based on Article 199, paragraphs (1) and (5) of the Act as well as Article 19, paragraph (3), item (iv) of the Auditing Standards.

Chapter 2 Targets of audit

1. Organization and bureaus audited

Category	Name of organization/bureau audited	Period of fieldwork	Scope of audit
Organization	The Tokyo Organising Committee of the Olympic and Paralympic Games	- From December 15, 2020 to June 21, 2021 (See Table 1 for details) - From December 6, 2021 to April 14, 2023 (See Table 2 for details)	Projects carried out between FY2017 and FY2022
Bureau	Bureau of Olympic and Paralympic Games Tokyo 2020 Preparation (By March 31, 2022)	December 3, 2021 February 15~18, 24, and 25, 2022	
	Office of the Governor for Policy Planning (Note 1)	April 18, 25, and 26 May 10, 24, and 26 June 29 August 16 September 20, 2022	
	Office of Education	February 28, 2022	
	Office of Metropolitan Hospital Management (Note 2)	March 9, 2022	

(Note 1) The Olympic and Paralympic Games 2020 Coordination Division was established under the Office of the Governor for Policy Planning in response to the organizational reform as of April 1, 2022.

(Note2) The Office of Metropolitan Hospital Management were abolished in response to the organizational reform as of July 1, 2022 and turned into Bureau of Social Welfare and Public Health.

(Table 1) Date of fieldwork at 20 competition venues and 3 facilities

Date		Name of venue/facility		
2020	December 15	Olympic Stadium	Asaka Shooting Range	
	December 16	*International Broadcast Centre/Main Press Centre	Odaiba Marine Park	Shiokaze Park
	December 21	*Olympic and Paralympic Village	Ariake Urban Sports Park	
	December 22		Sea Forest Waterway	Oi Hockey Stadium
2021	January 7	Kasai Canoe Slalom Centre	Sea Forest Cross-Country Course	
	January 8	Tokyo Aquatics Centre	Tatsumi International Swimming Centre	
	February 9	Ariake Gymnastics Centre	Ariake Tennis Park	Tokyo Metropolitan Gymnasium
	February 10	Aomi Urban Sports Park	Yumenoshima Park Archery Field	Equestrian Park
	February 12	*Tsukiji Depot		
	March 1	Ariake Arena		
	June 21	Nippon Budokan	Yoyogi National Stadium	

(Note 1) * refers to facilities and other are competition venues.

(Note 2) The audits of competition venues, etc. were conducted in fieldwork mainly at temporary buildings and equipment to be demolished or removed after the Games of the X X X II Olympiad and Tokyo 2020 Paralympic Games end.

(Note 3) The total number of competition venues are 43 out of which 20 were audited in fieldwork.

(Table 2) Date of fieldwork at the Tokyo 2020 Organising Committee

2021	December	6, 7, 8, 10, 13, 14, 15, 17, 20, 21
2022	February	1, 2, 3, 4, 7, 8, 10, 14
	March	4, 7, 8, 10, 11
	April	18, 25, 26
	May	10, 24 26
	June	29
	August	16
	September	20
	November	22, 24, 29
	December	14, 16, 19, 22, 23
2023	April	10, 12, 13, 14

2. Outline of organization

<p>Purpose of establishment</p>	<p>It was decided that Tokyo was going to host the Games of the XXXII Olympiad and Tokyo 2020 Paralympic Games (hereinafter referred to as the “Tokyo 2020 Games”) at the 125th International Olympic Committee (hereinafter referred to as the “IOC”) Session held in Buenos Aires (Argentina) on September 7, 2013.</p> <p>Based on the Host City Contract for the Games of the XXXII Olympiad in the year 2020 - TOKYO (hereinafter referred to as the “Host City Contract 2020”, Note), the Tokyo Organising Committee of the Olympic and Paralympic Games (hereinafter referred to as the “Tokyo 2020 Organising Committee”) was established on January 24, 2014 by the TMG and the Japanese Olympic Committee (hereinafter referred to as the “JOC”).</p> <p>The Tokyo 2020 Organising Committee aims to carry out projects related to the preparation and operation of the Tokyo 2020 Games, thereby leading the Tokyo 2020 Games to success.</p> <p>(Note) An agreement concluded between the IOC, the TMG, and the JOC, specifying the details to be complied with for the Tokyo 2020 Games. This contract sets forth the establishment of the Tokyo 2020 Organising Committee. It should be noted that the Tokyo 2020 Organising Committee joined the contract after its establishment (Joinder Agreement).</p>
<p>History</p>	<p>September 2013: - Decision to hold the Olympic and Paralympic Games 2020 in Tokyo - Conclusion of the Host City Contract 2020</p> <p>January 2014: - Establishment of the Tokyo 2020 Organising Committee</p> <p>August 2014: - Conclusion of the Joinder Agreement of the Host City Contract 2020</p> <p>January 2015: - Transition to a public interest-incorporated foundation</p> <p>March 2020: - The IOC’s approve of the postponement of the Tokyo 2020 Games</p> <p>October 2020: - Renewal of the Host City Contract 2020 (Postponement)</p> <p>July 2021: - the Games of the XXXII Olympiad in the year 2020 - TOKYO</p> <p>August 2021: - Tokyo 2020 Paralympic Games</p> <p>July 2022: - Transition to a corporation in liquidation</p>
<p>Outline of projects</p>	<p>- Projects related to the preparation and operation of the Tokyo 2020 Games - Projects related to communication and cooperation with related organizations, institutions, etc. in Japan and other countries concerning the preparation and operation of the Tokyo 2020 Games - Other projects necessary for achieving the objective of the Tokyo 2020 Organising Committee</p> <div style="border: 1px solid black; padding: 5px;"> <p>【Outline of the Tokyo 2020 Games】</p> <p>1. Games of the XXXII Olympiad in the year 2020 - TOKYO (Number of sports: 33) Period: July 23 (Fri) ~ August 8 (Sun), 2021</p> <p>2. Tokyo 2020 Paralympic Games (Number of sports: 22) Period: August 24 (Tue) ~ September 5 (Sun), 2021</p> </div>
<p>Location</p>	<p>Harumi Triton Square: 1-8-11 Harumi, Chuo-ku, Tokyo, Japan</p>
<p>Organization</p>	<p>8 offices and 11 bureaus</p>

Personnel		Executives: 47 (President: 1, Vice President: 7, Director General/CEO: 1, Senior Executive Board Member: 2, Board Member: 34, Auditor: 2) Staff: 6,954 (1,113 from the TMG, 472 from other municipalities 91 from the Government of Japan, 998 from the private sector, 4,280 contract employees/temporary staff)
Relationship with the Tokyo Metropolitan Government	Contribution as a founder	150 million yen out of the basic assets of 300 million yen (50%)
	Burden expense (Table 3)	Total amount granted between FY2016 and FY2021 :Approx. 440,677.97 million yen Approx. 107.15 million yen (Amount granted in FY2016) Approx. 7,282.50 million yen (Amount granted in FY2017) Approx. 21,971.96 million yen (Amount granted in FY2018) Approx. 96,438.60 million yen (Amount granted in FY2019) Approx. 64,009.94 million yen (Amount granted in FY2020) Approx. 250,867.79 million yen (Amount granted in FY2021)
	Income from the TMG among ordinary revenue (Table 4)	Approx. 311.2 billion yen out of ordinary revenue (Approx. 458.7 billion yen, 67.8%) (FY2021)
	Loan of assets owned by the TMG (Table 5)	Land (3,561,536.33m ²), buildings (1,478,601.38m ²), roads (152,968.10m ²), and water areas (64,875m ²) were loaned without charge.
	Dispatch of staff, etc.	- 2 councillors: Vice Governor of Tokyo - 1 part-time Board Member (Vice President): Vice Governor of Tokyo - 1 part-time Board Member and 1 part-time Auditor: TMG's executive (Director General of Bureau-level) - 1,113 full-time staff were dispatched from the TMG
	Tokyo Policy Collaboration Organization, etc. (Note 2)	The TMG designates Tokyo 2020 Organising Committee as a project cooperation organization and receives reports on the status of its operations when each fiscal year ends.

(Note 1) The number of organizations, personnel, and dispatched staff as well as the area in the section of loan of assets are the maximum amounts. Other amounts are as of March 31, 2022.

(Note 2) As of April 1, 2019, the former standards and names of “supervising organizations of the TMG” and “other organizations that submit report (reporting organizations)” were reviewed and the Tokyo 2020 Organising Committee was designated as a project cooperating organization.

(Table 3) Status of grant of burden expenses

(Unit: Million yen)

Name of burden expense	Ground	Project (Ratio of burden expense)	Amount granted (Total)			
			FY2019	FY2020	FY2021	
			FY2016	FY2017	FY2018	
Burden expenses related to the Joint Implementation Project for the Tokyo 2020 Olympic and Paralympic Games	Agreement	The costs of these projects are covered by the Tokyo 2020 Organising Committee, the TMG, and the Government of Japan based on the general agreement (See Table 14 on page 76). The subsidies from the Government of Japan are granted to the Tokyo 2020 Organising Committee together with the burden expenses from the TMG. The maximum amount of burden expenses is as follows: FY2017: 8,734 million yen FY2018: 74,413 million yen FY2019: 150,644 million yen FY2020: 96,796 million yen FY2021: 376,446 million yen	407,757			
			83,133	62,331	* 238,687	
			—	4,934	18,669	
Burden expenses related to the development of Ariake Gymnastics Centre	Agreement	The TMG covers costs required for renovation works of Ariake Gymnastics Centre necessary for its use after the Tokyo 2020 Games as an exhibition hall specified by the agreement, the development of facilities and outdoor facilities associated therewith. Estimated burden expenses: 17,322 million yen	17,241			
			12,030	4	*△26	
			—	2,042	3,190	
Burden expenses related to security services for PSA/VSA at competition venues in Tokyo	Agreement	The TMG covers 50% of the costs required for security-related services (assignment of security guards, etc.) specified by the agreement. Maximum burden expenses: 5,171 million yen	4,332			
			—	—	4,332	
			—	—	—	
Burden expenses related to operations such as the Last-Mile security operations and other services	Agreement	The TMG covers 100% of the costs required for the Last-Mile security-related services (planning, education for security guards, and operations during the Games) specified by the agreement. Maximum burden expenses: 3,659 million yen	2,567			
			—	—	2,567	
			—	—	—	
Burden expenses related to the introduction of free Wi-Fi at competition venues of the Tokyo 2020 Games	Agreement	The TMG covers the costs for introducing public Wi-Fi for spectators within the limit of burden expenses described in the income and expenditure plan specified by the agreement. Maximum burden expenses FY2019: 95 million yen FY2021: 2,631 million yen	2,632			
			68	—	2,564	
			—	—	—	
Burden expenses related to the purchase of uniforms for City Cast (city volunteers) of the Tokyo 2020 Games	Agreement	The TMG covers the costs required for purchasing uniforms for City Cast (city volunteers) within the limit described in the income and expenditure plan specified by the agreement. Maximum burden expenses: 1,315 million yen	1,315			
			—	1,315	—	
			—	—	—	

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Name of burden expense	Ground	Project (Ratio of burden expense)	Amount granted (Total)		
			FY2019	FY2020	FY2021
			FY2016	FY2017	FY2018
Burden expenses related to the project to set up tents as the anti-heat measures for the Olympic and Paralympic Viewing Programme for students	Agreement	The TMG covers the costs required for the anti-heat measures for students through the Olympic and Paralympic Viewing Programme (installation of tents, etc.) within the limit of burden expenses specified by the agreement. Maximum burden expenses: - Amount covered by the Office of Education: 1.197 billion yen - Amount covered by the Bureau of Citizens and Cultural Affairs: 133 million yen	637		
			—	—	Office of Education: 573
			—	—	Bureau of Citizens and Cultural Affairs: 63
Others			4,193		
			1,206	357	2,104
			107	306	111
Total			440,677		
			96,438	64,009	250,867
			107	7,282	21,971

*Including reimbursement or settlement of past fiscal years.

(Table 4) Changes in income from the TMG in ordinary income

(Unit: Million yen, %)

Item	FY2016		FY2017		FY2018	
		Ratio		Ratio		Ratio
Total	65,124	100	67,986	100	86,740	100
Income from the TMG	5,700	8.8	884	1.3	6,049	7.0
Burden expenses received	—	—	884	1.3	6,049	7.0
Joint Implementation Project	—	—	883	1.3	6,049	7.0
Development of Ariake Gymnastics Centre	—	—	1	0.0	—	—
Other Burden expenses received	—	—	—	—	—	—
Donations	5,700	8.8	—	—	—	—
Other	59,424	91.2	67,101	98.7	80,691	93.0
Accounting for business for public interest purposes	55,540	85.3	63,900	94.0	81,206	93.6
Income from the TMG	5,700	8.8	884	1.3	6,049	7.0
Burden expenses received	—	—	884	1.3	6,049	7.0
Joint Implementation Project	—	—	883	1.3	6,049	7.0
Development of Ariake Gymnastics Centre	—	—	1	0.0	—	—
Other Burden expenses received	—	—	—	—	—	—
Donations	5,700	8.8	—	—	—	—
Other	49,840	76.5	63,015	92.7	75,157	86.6
Corporate accounting	9,584	14.7	4,085	6.0	5,534	6.4
Income from the TMG	0	0	0	0	0	0
Other	9,584	14.7	4,085	6.0	5,534	6.4

Item	FY2019		FY2020		FY2021		Total	
		Ratio		Ratio		Ratio		Ratio
Total	138,902	100	151,025	100	458,700	100	968,479	100
Income from the TMG	28,986	20.9	50,227	33.3	311,224	67.8	403,072	41.6
Burden expenses received	28,986	20.9	50,227	33.3	310,094	67.6	396,243	40.9
Joint Implementation Project	28,205	20.3	48,348	32.0	309,099	67.4	392,585	40.5
Development of Ariake Gymnastics Centre	780	0.6	1,879	1.2	995	0.2	3,657	0.4
Other Burden expenses received	—	—	—	—	1,129	0.2	1,129	0.1
Donations	—	—	—	—	—	—	5,700	0.6
Other	109,915	79.1	100,797	66.7	147,476	32.2	565,406	58.4
Accounting for business for public interest purposes	132,117	95.1	143,520	95.0	454,152	99.0	930,437	96.1
Income from the TMG	28,986	20.9	50,227	33.3	311,224	67.8	403,072	41.6
Burden expenses received	28,986	20.9	50,227	33.3	310,094	67.6	396,243	40.9
Joint Implementation Project	28,205	20.3	48,348	32.0	309,099	67.4	392,585	40.5
Development of Ariake Gymnastics Centre	780	0.6	1,879	1.2	995	0.2	3,657	0.4
Other Burden expenses received	—	—	—	—	1,129	0.2	1,129	0.1
Donations	—	—	—	—	—	—	5,700	0.6
Other	103,130	74.2	93,293	61.8	142,928	31.2	527,364	54.5
Corporate accounting	6,784	4.9	7,504	5.0	4,548	1.0	38,042	3.9
Income from the TMG	0	0	0	0	0	0	0	0
Other	6,784	4.9	7,504	5.0	4,548	1.0	38,042	3.9

(Note 1) Accounting related to projects for the Tokyo 2020 Games is classified as account of business for public interest purposes, while accounting related to the Management Department is classified as corporate account.

(Note 2) The section of “Joint Implementation Project” includes subsidies from the Government of Japan.

(Table 5) State of loan of public assets owned by the TMG

(Unit: m²)

Name/use in the event	Name of loaned asset	Purpose	Area loaned for each category (Note 1)				Annual usage fees
			Land	Building	Road	Water area	
New National Stadium (Olympic Stadium)	Tokyo Meiji Park, etc.	Competition venue	54,526.02	—	65,940	—	Without charge (note 2)
Ariake Arena	Ariake Arina, etc.	Competition venue	55,925.19	48,514.15	—	—	
Tokyo Metropolitan Gymnasium	Tokyo Metropolitan Gymnasium	Competition venue	619	28,084	—	—	
Training venue	Rugby Practice Field at the Forest Seaside Park in Tatsumi	Training venue	—	17,835.30	—	—	
Olympic and Paralympic Village	Harumi Greenway Park, etc.	Olympic and Paralympic Village	284,501.04	59,768.35	—	—	
Where the Olympic Cauldron is established	Tokyo Metropolitan Symbol Promenade Park	Where the Olympic Cauldron is established during the Games	3,301	—	—	—	
Waiting rooms for volunteers, etc.	Tokyo Metropolitan School Personnel In-Service Training Centre	Waiting rooms for volunteers, etc.	—	1,466.50	—	—	
Tsukiji Depot	Former Tsukiji Market, etc.	Vehicle depot	147,998.80	54,945.12	—	—	
Security	Tokyo Metropolitan roads north of Tokyo Metropolitan Gymnasium	Installation of security fences	—	—	2,672	—	
Marks and signs	Planned site for water park	Passageways for persons related, etc.	18,988.55	—	—	—	
Marks and signs	Planned site for Ariake Marine Park (water area)	Entrance of ships which are not related to the Games is restricted	—	—	—	64,875	
Structures/equipment	Land of former Chofu Airport	Development of communications infrastructure	50,640	—	—	—	
Place for storing materials/articles	Landfill	Place for storing materials	14,152.80	—	—	—	
International Broadcast Centre/Main Press Centre	Tokyo International Exhibition Centre (Tokyo Big Sight), etc.	International Broadcasting Centre/Main Press Centre	71,979.82	256,345.44	—	—	
TV studio	Odaiba Marine Park	TV studio	4,000	—	—	—	
Others			2,854,904.11	1,011,642.52	84,356.10	—	

(Note 1) The area is the maximum amount at the time of loan.

(Note 2) The loan fees, usage fees, and occupancy fees were set to be free for the use of assets owned by the TMG (competition venues, training venues, and land and buildings owned by the TMG and used as facilities required for the operation of the Tokyo 2020 Games) by the Tokyo 2020 Organising Committee for the Tokyo 2020 Games based on the Policy for Management of Assets Owned by the TMG in the Olympic and Paralympic Games Tokyo 2020 (Decision of the Governor No.213 of March 9, 2016).

Chapter 3 Audit results

The Tokyo 2020 Games were held in the face of a global crisis, the COVID-19 pandemic. It was decided to postpone the Tokyo 2020 Games one year and to hold it without spectators, in principle, at the last minute.

In spite of such situation, the Tokyo 2020 Organising Committee has taken various measures to smoothly operate the Tokyo 2020 Games and led it to success.

Although the Tokyo 2020 Organising Committee was dissolved in June 2022, a variety of lessons learnt from its creativity, tireless efforts and activities for the success of the Tokyo 2020 Games are the legacy to be succeeded for the future.

From this point of view, this report does not pile up individual matters pointed out to be improved as in regular audit reports. Rather, it audits and evaluates the Tokyo 2020 Organising Committee thorough its lifetime budgets, the final report on income and expenditure (Note 1), and activities from its establishment to its dissolution, mentions both the positive and negative aspects (those that are not necessarily considered appropriate), and draws an overall conclusion including issues for the future in order to accumulate them as knowledge based on what was revealed by the audit.

(Note 1) The final report refers to “Income and expenditure of the Tokyo 2020 Organising Committee and final report of Games expenses” announced on June 21, 2022 before it was dissolved.

1. Focuses of these audits

These audits verified and evaluated the projects implemented by the Tokyo 2020 Organising Committee after setting 10 focuses and checked if they have responded to the results of 2017 Audit of Financially-Supported Organizations

The outline of each focus is explained below.

(1) Are corporate operation structures in place?

- Are projects, etc. related to the preparation and operation of the Tokyo 2020 Games carried out appropriately in line with the purpose and plans of financial support?

- Are duties executed, managed, and operated properly by organs such as the Executive Board?
 - Do internal controls such as the preparation of regulations, accounting management, information management, and asset management of the corporation function effectively?
- (2) Are the lifetime budgets financially controlled?
- Are planning and controls related to the lifetime budgets carried out appropriately and are budgets managed?
 - Are efforts for cost reduction made appropriately?
- (3) Are expenses related to the Joint Implementation Project checked?
- Are the Joint Implementation Project such as the development of temporary facilities and security measures carried out effectively and properly in line with their purpose and agreements? Is accounting management appropriate?
 - Does the TMG check and pay expenses related to the Joint Implementation Project appropriately?
- (4) Do the Tokyo 2020 Games take necessary measures against the expansion of the COVID-19 pandemic?
- Are measures for the postponement of the Tokyo 2020 Games and holding the Tokyo 2020 Games without spectators appropriate? Is the sharing of expenses for the Tokyo 2020 Games appropriate?
 - Were the Tokyo 2020 Games operated appropriately?
- (5) Are budget execution controls in place?
- Is budget management carried out appropriately based on a management system by functional area (FA, see Note 2)?
 - Do budget managers (they are assigned under the Planning and Finance Bureau of the Tokyo 2020 Organising Committee and take charge of budget execution management such as procurement by each bureau of the Tokyo 2020 Organising Committee) carry out examinations appropriately?
- (6) Is procurement carried out properly?
- Is procurement carried out appropriately based on regulations, etc.?
 - Was the check of enforcement carried out appropriately?
- (7) Are efforts for securing income made?
- Were efforts for securing income made appropriately based on the Tokyo 2020 Sponsorship Programme?
 - Were efforts for securing income made appropriately based on the Tokyo 2020 Licensing Programme?
- (8) Is disclosure of information sufficient?
- Is disclosure of information sufficient, appropriate, and timely?
- (9) Are records stored and utilized effectively?
- Is the storage of records of information related to the Tokyo 2020 Games (including the succession of assets) appropriate?

(10) Does the TMG involve where necessary?

- Does the TMG grant burden expenses and loan assets to the corporation appropriately?

In the process of this verification, we checked the contracts, specifications, reports on performance, photos of construction works, etc. by extracting procurement contracts such as construction works and entrustment, in addition to disclosed materials such as project plans, project reports, and materials submitted by the Executive Board. In addition, we checked competition venues, etc. in fieldwork where necessary.

Since most of buildings and equipment developed by the Tokyo 2020 Organising Committee at competition venues, etc. for the Tokyo 2020 Games were temporary and were to be demolished immediately after the conclusion of the Tokyo 2020 Games, it was impossible to perform fieldwork after the Tokyo 2020 Games and check supervision of construction works, status of construction, and performance. Therefore, as shown in Table 1, 20 competition venues and 3 facilities were audited in fieldwork between December 2020 and June 2021 prior to the start of the Tokyo 2020 Games (July 2021).

(Note 2) Functional area: A department in charge of providing a series of specific services and associated services required for the Tokyo 2020 Games. There are 52 functional areas by service (See Table16 on page 78).

2. Restrictions in performing these audits

As explained in “Chapter 1 Purpose of Audits” above, these audits aim to verify whether projects of the organizations to which the TMG grants burden expenses or a contribution, etc. based on the provisions of Article 199, paragraph (7) of the Act and Article 19, paragraph (3), items (i) and (ii) of the Auditing Standards are carried out appropriately in line with the purpose of granting burden expenses or the contribution, etc. They also aim to verify whether TMG’s guidance and supervision over the organizations are carried out appropriately based on the provisions of Article 199, paragraphs (1) and (5) of the Act and Article 19, paragraph (3), item (iv) of the Auditing Standards.

To be more specific, the Audit and Inspection Commissioners ask the Tokyo 2020 Organising Committee, etc. to submit related documents on the ground of the Auditing Standards specified thereby based on the Act in accordance with the Act, performed fieldwork, and compiled reports.

As regards related documents, the Tokyo 2020 Organising Committee did not submit documents, since sponsorship contracts with individual private companies, a marketing agency (Note 3) contracts on finding of sponsors, licensing contracts, etc. are confidential under non-disclosure contracts. Therefore, cases that have restrictions for confidentiality reasons were verified within the scope of documents presented by the Tokyo 2020 Organising Committee such as alternative documents.

(Note 3) Marketing agency: A private company that supports the formulation of marketing plan and sponsors sales upon request from the Tokyo 2020 Organising Committee

3. Performance of activities

The IOC decided Tokyo as a host city of the 32nd Olympic Games and the 16th Paralympic Games to be held in summer 2020 at the IOC Session held in Buenos Aires (Argentina) in September 2013. The IOC, the TMG, and the JOC concluded the Host City Contract 2020 in September 2013 and the IOC entrusted the planning, organization, financing, and operation of the Tokyo 2020 Games to the TMG and the JOC. The Tokyo Organising Committee of the Olympic and Paralympic Games was established as a general incorporated foundation in January 2014 (Transitions to a public interest-incorporated foundation in January 1, 2015) through financing from the TMG and the JOC. The Tokyo 2020 Organising Committee was added to the Host City Contract 2020 when the Host City Contract 2020 Joinder Agreement was concluded in August 2014.

In January 2015, the Tokyo 2020 Organising Committee was turned into a public interest incorporated foundation upon the approval of the Cabinet Office.

In December 2016, it was decided to review the sharing of roles in the preparation process, since issues such as the soaring prices of materials and labour costs and terrorist threats on a global scale came to the surface after the host city was decided. The Tokyo 2020 Organising Committee announced expenses of Tokyo 2020 Organising Committee and other entities, the Lifetime Budget Version1 (hereinafter referred to as the “V1 budget”) so as to clarify an overall picture of Games expenses.

After the V1 budget was announced, the Tokyo 2020 Organising Committee, the TMG, the Government of Japan, and related municipal entities agreed on a basic direction for the sharing of roles and expenses for the Tokyo 2020 Games (hereinafter referred to as the “general agreement”) in May 2017. Under this agreement, the Tokyo 2020 Organising Committee takes the responsibility of covering expenses for venues and the Tokyo 2020 Games including the development of temporary installations for facilities owned by the Government of Japan and private sectors and so on, and Games-related service as well as scrutinizing and grasping overall expenses from the viewpoint of playing the role of the main actor of the Tokyo 2020 Games. The TMG takes the responsibility of covering expenses for venues including the development of temporary installations for facilities owned by the TMG and other municipalities and so on, and Games-related service such as transportation of the areas around the venues in Tokyo, developing new permanent facilities, etc. from the viewpoint of playing a role as the host city of the Tokyo 2020 Games. The Government of Japan takes the responsibility of covering its share of the Paralympic expenses and developing the National Stadium, etc. The sharing of roles under an all-Japan framework was clarified.

The Tokyo 2020 Organising Committee scrutinized the V1 budget based on the above sharing of roles and expenses and saved 150 billion yen by reducing temporary facility development costs and

reviewing unit prices of materials. As a result, the Lifetime Budget Version 2 (hereinafter referred to as the “V2 budget”) totalling 1,350 billion yen was formulated in December 2017.

Then, the Tokyo 2020 Organising Committee pushed forward coordination with relevant organizations based on the general agreement and allocated expenses required along with the progress of preparations for the Tokyo 2020 Games and the concretization of plans, while making a tireless effort to reducing costs. As a result, it announced the Lifetime Budget V3 (hereinafter referred to as the “V3 budget”) in December 2018 and the Lifetime Budget V4 (hereinafter referred to as the “V4 budget”) in December 2019. Both Lifetime Budget total 1,350 billion yen, which is the same amount as the V2 budget.

In 2020, as the COVID-19 pandemic expanded rapidly on a global scale, it was decided to postpone the Tokyo 2020 Games in March 2020 for one year. Under these circumstances, the Tokyo 2020 Organising Committee, the TMG, and the Government of Japan shared a basic idea that they need to play their roles and work together and agreed on the sharing of additional expenses of the Tokyo 2020 Games in December 2020.

This agreement distinguished the expenses associated with measures against COVID-19 that newly arose and other additional expenses incurred due to the postponement of the Tokyo 2020 Games. The Government of Japan and the TMG decided to cover all of the expenses related to measures against COVID-19. Basically, it was decided that each party covers 50%, but the Government of Japan covers all expenses of principal measures against infectious diseases of the Tokyo 2020 Games. As regards other additional expenses, the Tokyo 2020 Organising Committee takes the responsibility of securing income and reducing expenses as much as possible, and the three parties bore expenses based on the general agreement.

On the other hand, as a result of efforts to simplify the Tokyo 2020 Games and to curb and reduce expenses, 30 billion yen was saved. Therefore, the Tokyo 2020 Organising Committee decided to increase 91 billion yen, while the TMG and the Government of Japan 176 billion yen compared to the V4 budget. The Tokyo 2020 Organising Committee incorporated a reserve fund that was outside the V4 budget and compiled the Lifetime Budget V5 (hereinafter referred to as the “V5 budget”) totalling 1,644 billion yen in December 2020.

Although the Tokyo 2020 Games were kicked off about 6 months after the formulation of the V5 budget, it was decided to hold the Olympic Games without spectators, in principle, on July 8, 2021, due to the re-expansion of COVID-19 infections. Also, the same decision was made for the Paralympic Games in August 2021.

The Tokyo 2020 Games were postponed for one year and held without spectators, in principle, after the decisions made immediately prior to the Tokyo 2020 Games opening. Therefore, we can say that the Tokyo 2020 Games were an unprecedented event held under the COVID-19 pandemic.

In addition to the simplification made prior to the postponement, the Tokyo 2020 Organising

Committee was committed to carrying out projects for the preparation and operation of the Tokyo 2020 Games such as the response to the postponement and measures against COVID-19 including further simplification for the success of the Tokyo 2020 Games, and operated the Tokyo 2020 Games giving priority to safety and security.

After the Tokyo 2020 Games ended, articles which are assets were dismantled from competition venues and the dismantlement of temporal installations and restoration works were carried out systematically at all competition venues to swiftly complete duties.

The Tokyo 2020 Organising Committee made a tireless effort to review and simplify projects even after the Tokyo 2020 Games were postponed. According to the final report announced by the Tokyo 2020 Organising Committee in June 2022, the total of the Games expenses was reduced to 1,423.8 billion yen, a reduction of 220.2 billion yen compared to the V5 budget. Table 6 shows the details of the final report of the Games expenses. Moreover, Table 7 shows the changes from the V1 budget to the final report. After the final report was submitted, the Tokyo 2020 Organising Committee was turned into a corporation in liquidation.

(Table 6) Final report (expenditures) of the Games expenses (Tokyo 2020 Organising Committee, TMG, and the Government of Japan)

(Unit: 100 million yen)

Item	Tokyo 2020 Organising Committee			TMG			Government of Japan		
	V5 budget	Final report	Increase/decrease	V5 budget	Final report	Increase/decrease	V5 budget	Final report	Increase/decrease
Venues-related	2,310 (600)	1,955 (534)	△ 355 (△ 66)	5,470 (300)	5,187 (267)	△ 283 (△ 33)	1,500 (300)	1,506 (267)	6 (△ 33)
Permanent facilities	—	—	—	2,260	2,252	△ 8	1,200	1,240	40
Temporary/Overlay	1,280	1,043	△ 237	2,410	2,161	△ 249	200	182	△ 18
Energy infrastructure	250	162	△ 88	420	413	△ 7	50	42	△ 8
Technology	780	750	△ 30	380	362	△ 18	50	44	△ 6
Games-related (Service)	4,900 (300)	4,449 (223)	△ 451 (△ 77)	1,050 (150)	675 (112)	△ 375 (△ 38)	150 (150)	112 (112)	△ 38 (△ 38)
Transportation	480	347	△ 133	350	147	△ 203	20	22	2
Security	340	263	△ 77	550	444	△ 106	30	24	△ 6
Games operation	1,680	1,576	△ 104	150	83	△ 67	100	64	△ 36
General affairs/Communication	840	767	△ 73	0	1	1	0	1	1
Marketing	1,360	1,299	△ 61	0	0	0	0	0	0
Others	200	196	△ 4	0	—	—	0	—	—
Costs for COVID-19 countermeasures	—	—	—	400	103	△ 297	560	251	△ 309
Emergency response costs	—	—	—	100	—	△ 100	—	—	—
Total expenses (Expenditures)	7,210 (900)	6,404 (757)	△ 806 (△ 143)	7,020 (450)	5,965 (379)	△ 1,055 (△ 71)	2,210 (450)	1,869 (379)	△ 341 (△ 71)

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Item	Total expenditure		
	V5 budget	Final report	Increase/ decrease
Venues-related	9,280 (1,200)	8,649 (1,067)	△ 631 (△ 133)
Permanent facilities	3,460	3,491	31
Temporary/Overlay	3,890	3,386	△ 504
Energy infrastructure	720	616	△ 104
Technology	1,210	1,156	△ 54
Games-related (Service)	6,100 (600)	5,236 (447)	△ 864 (△ 153)
Transportation	850	517	△ 333
Security	920	731	△ 189
Games operation	1,930	1,723	△ 207
General affairs/ Communication	840	769	△ 71
Marketing	1,360	1,299	△ 61
Others	200	196	△ 4
Costs for COVID-19 countermeasures	960	353	△ 607
Emergency response costs	100	—	△ 100
Total expenses (Expenditures)	16,440 (1,800)	14,238 (1,514)	△ 2,202 (△ 286)

(Note 1) The amounts in parenthesis are Paralympic expenses and are included in the amounts shown above.

(Note 2) Since the digits less than the display unit are rounded down, the total may not coincide.

(Note 3) The expenditure of the TMG in the final report of the Games expenses includes 40.9 billion yen paid as burden expenses of the Joint Implementation Project (safety measures) (30.1 billion yen for temporary/overlay, 6 billion yen for energy infrastructure, and 4.8 billion yen for technology).

(Table 7) Changes from the V1 budget to the final report of the Games expenses

(Unit: 100 million yen)

Category/budget		V1	V2	V3	V4	V5	Final report
Time of announcement		December 2016	December 2017	December 2018	December 2019	December 2020	June 2022
Expenditure	Tokyo 2020 Organising Committee	5,000	6,000	6,000	6,030	7,210	6,404
	TMG	10,000	6,000	6,000	5,970	7,020	5,965
	Government of Japan		1,500	1,500	1,500	2,210	1,869
	Reserve fund	1,000~3,000	—	—	—	—	—
	Total Games Expenses	16,000 ~ 18,000 (Note)	13,500	13,500	13,500	16,440	14,238
Reserve fund		(Repeated) 1,000~3,000	1,000~3,000	1,000~3,000	270	—	—
Revenues (Income)	Tokyo 2020 Organising Committee	5,000	6,000	6,000	6,300	7,210	6,404

(Note) The total Games Expenses of the V1 budget include a reserve fund. The total Games expenses of the V2~V4 budgets do not include a reserve fund, while the V5 budget incorporates a reserve fund into its expenditure.

The outlines of the Tokyo 2020 Games are as follows:

【Outline of the Games of the XXXII Olympiad in the year 2020 - TOKYO】

- Period: July 23, 2021 (Fri) ~ August 8, 2023 (Sun) <17 days>
- Number of sports: 33
- Number of disciplines: 339
- Number of venues: 43 (24 within Tokyo, 18 outside Tokyo)
- Number of participating countries, etc.: 205 Notional Olympic Committees (hereinafter referred to as “NOC”) and IOC Refugee Olympic Team (Total 206 athletes’ teams)
- Number of participating athletes: 11,420 (Japanese athletes: 583), About 48% are female
- Number of medals won by the Japan team: Total 58 (Gold: 27, silver: 14, bronze: 17, record high)
- Spectators: [Without spectators] Tokyo, Saitama, Chiba, Kanagawa, Hokkaido, Fukushima
[With spectators] Miyagi, Shizuoka, Ibaraki
(Only through the Olympic and Paralympic Viewing Programme for students, about 43,300 spectators)

【Outline of the Tokyo 2020 Paralympic Games】

- Period: August 24, 2021 (Tue) ~ September 5, 2023 (Sun) <13 days>
- Number of sports: 22
- Number of disciplines: 539
- Number of venues: 21 (15 within Tokyo, 6 outside Tokyo)
- Number of participating countries, etc.: 161 delegations and Refugee Paralympic Team (Total 162 athletes’ teams)
- Number of participating athletes: 4,403 (Japanese athletes: 254), About 42% are female
- Number of medals won by the Japan team: Total 51 (Gold: 13, silver: 15, bronze: 23, the second highest in the history)
- Spectators: No spectators except those who participated in the Olympic and Paralympic Viewing Programme for students
[With spectators] Tokyo, Saitama, Chiba
(Only through the Olympic and Paralympic Viewing Programme for students , about 12,100 spectators in Tokyo)

4. Lifetime budgets of the Tokyo 2020 Organising Committee and final report of Games expenses

As described above, the Tokyo 2020 Organising Committee announced the V1 budget outlining all income and expenditure of the Tokyo 2020 Organising Committee (so-called lifetime budget, hereinafter referred to as “lifetime budget”) related to the operation of the Tokyo 2020 Games and the Games expenses (including expenses borne by entities other than the Tokyo 2020 Organising Committee) in December 2016 to calculate expenditure items necessary for holding the Tokyo 2020

Games by field and to clarify an overall picture.

The Tokyo 2020 Organising Committee has refined and announced the above lifetime budget, etc. in December each year. The V5 budget announced in December 2020 are the final version. The outline of their changes is explained below.

Table 8 shows the income and expenditure of the Tokyo 2020 Organising Committee as shown in the final report of the Games expenses issued in June 2022.

The amount of income is 640.4 billion yen which is a decrease of 80.6 billion yen compared to the V5 budget. This is because ticket sales decreased by 89.6 billion yen compared to the V5 budget due to the holding of the Tokyo 2020 Games without spectators. All of the other items surpass those in the V5 budget (See Note 1 of Table 8 for the expected increase in income of the V5 budget).

The amount of expenditure is 640.4 billion yen which is a decrease of 80.6 billion yen compared to the V5 budget, achieving a balance between income and expenditure. The reduction in expenditure of the Tokyo 2020 Organising Committee was achieved by tirelessly reviewing expenses and making other efforts (39.7 billion yen). Also, since the TMG covered 40.9 billion yen for the burden expenses of the Joint Implementation Project (safety measures) within the range of the V5 budget from the perspective of holding the Tokyo 2020 Games safely and securely as a host city, a corresponding expenditure of the Tokyo 2020 Organising Committee was reduced (See Note 3 of Table 6).

(Table 8) Income and expenditure of the Tokyo 2020 Organising Committee on the final report

(Unit: 100 million yen)

Item (income)	V5 budget	Final report	Increase / decrease (△)
Burden expenses from the IOC	850	868	18
TOP sponsorship	560	569	9
Domestic sponsorship	3,500	3,761	261
Licensing	140	144	4
Ticket sales	900	4	△ 896
Others	350	559	209
Expected increase in income (Note 1)	760	—	△ 760
Insurance due to postponement	—	500	500
Sub-total	7,060	6,404	△ 656
Amount of revenue and expenditure adjustment(Note 2)	150	—	△ 150
Total income (Revenues)	7,210	6,404	△ 806

(Unit: 100 million yen)

Item (expense)	V5 budget	Final report	Increase / decrease (△)
Venues-related	2,310 (600)	1,955 (534)	△ 355 (△ 66)
Permanent facilities	—	—	—
Temporary/Overlay	1,280	1,043	△ 237
Energy infrastructure	250	162	△ 88
Technology	780	750	△ 30
Games-related (Service)	4,900 (300)	4,449 (223)	△ 451 (△ 77)
Transportation	480	347	△ 133
Security	340	263	△ 77
Games operation	1,680	1,576	△ 104
General affairs/Communication	840	767	△ 73
Marketing	1,360	1,299	△ 61
Others	200	196	△ 4
Costs for COVID-19 countermeasures	—	—	—
Emergency response cost	—	—	—
Total expenses (Expenditures)	7,210 (900)	6,404 (757)	△ 806 (△ 143)

(Note 1) The expected increase in income in the V5 budget includes insurance due to the postponement of the Tokyo 2020 Games, additional contributions from domestic sponsors, etc. The amount corresponding to the expected increase in income in the final report of income and expenditure of the Tokyo 2020 Organising Committee is 79.4 billion yen. However, the item of this expected increase in income was eliminated, while an independent item of “Insurance due to postponement” was added. In addition, additional contributions from domestic sponsors are included in the item of “domestic sponsorship” and other expected increase in income in the column of “others”.

(Note 2) The expense borne by the TMG that cannot be covered by the Tokyo 2020 Organising Committee’s cost reduction and income-increasing efforts.

(Note 3) Since the digits less than the display unit are rounded down, the total may not coincide.

5. Evaluation of administrative operations

The Tokyo 2020 Organising Committee overcame a number of difficulties such as the postponement of the Tokyo 2020 Games for 1 year and the decision to hold the Tokyo 2020 Games without spectators immediately prior to the opening and successfully held the Tokyo 2020 Games in an unprecedented situation of the COVID-19 pandemic by giving top priority to safety and security. The total Games expenses totalled to 1,423.8 billion yen out of which the Tokyo 2020 Organising

Committee's expenditures were 640.4 billion yen.

Since an enormous expense was paid for the Tokyo 2020 Games as mentioned earlier, we audited and evaluated whether administrative operations, etc. of the Tokyo 2020 Organising Committee that played a central role in operating the Tokyo 2020 Games were appropriate and efficient and whether the involvement of the TMG in the Tokyo 2020 Organising Committee was appropriate based on the 10 focuses.

Moreover, while we conducted these audits, 1) a former executive of the Tokyo 2020 Organising Committee was arrested and charged with alleged acceptance of bribes in connection with sponsorship contracts, and 2) a former manager of the Tokyo 2020 Organising Committee and 6 individuals were charged with bid rigging under unreasonable restraint of trade (hereinafter referred to as "bid rigging") stipulated in the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No.54 of 1947, hereinafter referred to as the "Anti-Monopoly Act") at the time of accepting an "entrustment of service for designing and supporting plans for implementing test events of target sports" (hereinafter referred to as "entrustment of service for test events (Note 4) planning, etc.") and operation services of the Tokyo 2020 Games. It is truly regrettable that the Tokyo 2020 Organising Committee that plays a central role in the operation of the Olympic and Paralympic Games, a large-scale sport event which draws the attention of people around the world and a large amount of public funds is injected into, involved in such cases.

These audits do not investigate the cases nor respond to illegal activities, since these matters are left to judicial authorities. However, these audits verify facts and present issues for the future concerning the organizational and operational structures that are related to the cases and the management of financial accounting acts including procurement as long as the authority reaches.

This report includes necessary descriptions in each focus about those cases and other descriptions in independent items.

(Note 4) Test event: The Host City Contract 2020 provides that "the Tokyo 2020 Organising Committee shall, prior to the Opening Ceremony of the Tokyo 2020 Games, organize and hold athletic competitions for each sport and discipline included in the programme for the Tokyo 2020 Games at the installations and facilities intended for use during the Tokyo 2020 Games, in order to test the venues and operations".

(1) Development of corporate administrative structures

As a public interest incorporated foundation, the Tokyo 2020 Organising Committee operated based on articles of incorporation, the Regulation on the Operation of the Executive Board and the Regulation on the Secretariat based on articles of incorporation, bylaws on case decision and bylaws on procurement in response to the Regulation, etc. which specify the authorities of the President,

executive board members, and auditors, the operation of the Council, the Executive Board, and the Management Board, and the holders of the right of decision on contract.

As regards decisions on business operations, the bylaws on case decision specify who has the right of decision from the director general of bureau level to the director level. The decision-making process was in place in which the Management Board deliberates and approves a case and sends it to the Executive Board for decision, and a holder of the right of decision makes a final decision.

The Council, the supreme decision-making body, and the Executive Board in charge of making decisions on the execution of operations were established pursuant to the provisions of articles of incorporation. Important matters were approved and decided after deliberations at those boards. The Secretariat (8 offices and 11 bureaus (maximum)) were established under the Executive Board to execute projects. When the Tokyo 2020 Games started, an organization was established by venue for each of 43 competition venues to execute operations.

The Executive Board made decisions on important matters such as decisions on project execution of the Corporation and approval of project reports and financial statements. We confirmed that the Executive Board was in operation and held a total of 50 meetings (as of the end of June 2022) for about 8.5 years, after the Tokyo 2020 Organising Committee was established, through materials submitted, its minutes, and other documents.

The Secretariat established a Management Board in November 2015 in order to reinforce the organizational and operational structures of the Tokyo 2020 Organising Committee. The Management Board was held 1~4 times per month depending on cases to be handled and the total number of the Management Board held was 190.

The Management Board consisted of the Director General/CEO, Vice Director General/COO and Directors General of all bureaus, etc. It aims to present opinions where necessary by sharing information on matters to be taken into account at the time of executing operations and deliberating important matters based on the expertise of the Directors General of each bureau and other persons concerned. We confirmed that it was stipulated that matters presented to the Executive Board must go through this Management Board and that the decision-making process has been complied with.

Moreover, the Audit Office was established as an organization directly supervised by the Director General/CEO in the Secretariat to perform internal audits of all bureaus and departments of the Tokyo 2020 Organising Committee every fiscal year as to its systems, organizations, and operational activities. We verified that any problem, etc. pointed out by internal audits were improved timely.

Additionally, the Chief Compliance Officer (CCO) was assigned for the purpose of improving compliance of the whole organization. The Compliance Committee was established and held to examine and deliberate cases concerning the establishment and promotion of compliance systems.

The Tokyo 2020 Organising Committee made continuous efforts for strengthening its organizational and operational structures in spite of the expansion of its organization and personnel

toward the implementation of the Tokyo 2020 Games, established the Management Board as a part of governance reforms, swiftly utilized it subsequently, and promoted the clarification and practice of the decision-making process throughout the lifetime of the Tokyo 2020 Organising Committee for the purpose of strengthening governance of the entire organization including the Council and the Executive Board. We verified that these efforts are in line with the requests described in “Evaluation of Administrative Operations” in the report of the audit of financially-supported organizations performed for the Tokyo 2020 Organising Committee in 2017 (hereinafter referred to as the “requests in the previous report”).

Although the Tokyo 2020 Organising Committee introduced the above operational structures, the incidents mentioned earlier occurred. This poses a major challenge to the desirable way of practical governance of similar organizations in the future.

(2) Financial control related to lifetime budgets

The Games expenses of 734 billion yen presented in the Candidature File at the time of the bidding process were calculated based on amounts extracting fundamental elements without including demolishing costs of temporal installations, etc. and expenses of additional sports so that the IOC can easily compare the candidate cities. They did not show the total Games expenses.

After the host city was decided, the roles in the preparation for holding the Tokyo 2020 Games were reviewed in December 2016 taking into account changing circumstances such as the soaring material and labour costs and increasing global terrorist threats. The Tokyo 2020 Organising Committee announced the V1 budget in order to clarify an overall picture of the Games expenses which constitute the base for that review. The V1 budget combined the lifetime budget of the Tokyo 2020 Organising Committee and the expenses borne by the TMG and the Government of Japan, and served as a base for subsequent budgets that indicate an overall picture of the Games expenses.

The Tokyo 2020 Organising Committee has refined the budget four times after the V1 budget and formulated and announced the V2~V5 budgets at the end of December every year to clarify an overall picture of the new total Games expenses together with its lifetime budget.

In the V2 budget, the lifetime budget of the Tokyo 2020 Organising Committee increased by 100 billion yen and reached 600 billion yen as a result of scrutinizing the sharing of expenses based on the general agreement in May 2017 as described above. In the V3 budget, the bus-related costs increased, while the lifetime budget of the Tokyo 2020 Organising Committee did not change compared to the V2 budget as is the case with the total Games expenses as a result of optimising expenses by reviewing the specifications and quantities of accessories for the Olympic and Paralympic Village. In the V4 budget, although the total Games expenses were the same as the V3 budget, the lifetime budget expenditure of the Tokyo 2020 Organising Committee ascended to 603 billion yen. This was because the cost of temporal installations, etc. (3 billion yen) borne by the TMG was reallocated to the Tokyo

2020 Organising Committee due to the change of Olympic Games Tokyo 2020 marathon and race walk venue from Tokyo to Sapporo.

After the V4 budget was announced, 30 billion yen was saved by reviewing 52 items for the purpose of simplification in the light of an increase in expenses due to the postponement of the Tokyo 2020 Games. Moreover, in December 2020, the Tokyo 2020 Organising Committee, the TMG, and the Government of Japan agreed that the TMG and the Government Japan cover the expenses related to measures against COVID-19.

The last V5 budget refined some changes due to the postponement of the Tokyo 2020 Games and totalled to 721 billion yen, an increase of 91 billion yen compared to the V4 budget (630 billion yen). The Tokyo 2020 Organising Committee's revenue was estimated to increase by 76 billion yen due to additional sponsorship income from domestic sponsors along with the postponement of the Tokyo 2020 Games, and an amount of revenue and expenditure adjustment of 15 billion yen borne by the TMG based on the three-party agreement was allocated. The amount of expenditure is the same as the amount of income due to the increased expenses along with the postponement of the Tokyo 2020 Games.

According to the final report issued in June 2022, the total expenditure is 640.4 billion yen, a decrease of 80.6 billion yen compared to the V5 budget, thanks to conducting the Joint Implementation Project (safety measures) with the TMG and reviewing expenses. The changes in the lifetime budgets (from the V1 budget to the final report) are shown in Table 9.

(Table 9) Changes in the lifetime budgets (from the V1 budget to the final report)

(Unit: 100 million yen)

Category/budget	V1	V2	V3	V4	V5	Final report
Time of announcement	December 2016	December 2017	December 2018	December 2019	December 2020	June 2022
Expenditures	5,000	6,000	6,000	6,030	7,210	6,404
Revenues (Income)	5,000	6,000	6,000	6,300	7,210	6,404

* The V5 budget refined the changes due to the postponement of the Tokyo 2020 Games and incorporated a reserve fund into the expenditure.

The Tokyo 2020 Organising Committee could grasp the status of budget execution on a timely basis by introducing a financial accounting system and implemented budget management in a detailed manner for 52 FAs necessary for operating the Tokyo 2020 Games. Moreover, every time a new lifetime budget was formulated, changes were reflected in the financial accounting system.

Decisions on budget execution were made in accordance with the category of decision stipulated in the bylaws on case decision. The Management Board and the Executive Board approved some cases

depending on the amount of expenditure before the right holder of decision makes a decision. The governance function was maintained through the involvement of several boards and committees to reflect the intention as an organization in its decisions.

These efforts are in line with a request made in the previous report that budget and other plans by the end of the Tokyo 2020 Games should be clarified at the same time as the creation of the lifetime budget.

As described above, the Tokyo 2020 Organising Committee formulated the V1~V5 budgets in accordance with changes in environment such as the changes in competition venues and the need for measures against COVID-19 and made efforts for simplifying the Tokyo 2020 Games and reducing costs every time a new budget was created such as the reduction in costs for development of temporal installations and the review of 52 items. In the final report issued in June 2022, the lifetime budget was reduced further compared to the V5 budget. Therefore, we can observe that its financial control over the lifetime budget has been flexible, efficient, and expeditious.

(3) Joint Implementation Project

According to the general agreement, the Tokyo 2020 Organising Committee centrally executed the expenses for developing an infrastructure such as temporal installations, etc., overlays, energy and technology infrastructure (Note 5) as well as the Paralympic expenses. Therefore, the TMG, the Government of Japan, and the Tokyo 2020 Organising Committee established the Joint Implementation Project Management Committee from the perspective of cost management and execution control of the Joint Implementation Project conducted by the Tokyo 2020 Organising Committee using the funds borne by the TMG, the Government of Japan, and other stakeholders in accordance with the sharing of roles (expenses). The TMG concluded with the Tokyo 2020 Organising Committee an implementation agreement and an annual agreement related to the Joint Implementation Project and paid burden expenses of the TMG and other entities to the Tokyo 2020 Organising Committee as shown in Table 10 based on both agreements after having discussions on expenses, etc. at the Joint Implementation Project Management Committee.

(Note 5) Temporal installations: Spectator seats, security fences, etc.

Overlays: Prefabricated tents for operation

Energy: Generators, uninterrupted power-supply systems, electricity charges, etc.

Technology: Broadcasting video lines, sound systems, computers, competition measurement, etc.

(Table 10) Joint Implementation Project (Breakdown of the share of expenses between the TMG and the Government of Japan)

(Unit: 100 million yen)

Item	TMG	Government of Japan
Venues-related	2,691	266
Temporary/Overlay	1,917	181
Energy infrastructure	412	41
Technology	361	43
Games-related (Service)	654	111
Transportation	126	22
Security	444	23
Games operation	83	65
General affairs/ Communication		
Marketing		
Others	—	—
Costs for COVID-19 countermeasures	102	250
Total	3,448	629

The details of cases related to the implementation of the Joint Implementation Project and detailed expenses were mainly verified by the TMG Working Group, Paralympic Working Group, and COVID-19 Infections Countermeasures Working Group which were established as lower-level organizations of the Joint Implementation Project Management Committee as shown in Table 11 (See page 81 onwards). We recognise that the persons in charge of the TMG examined the details of materials related to contracts submitted by the Tokyo 2020 Organising Committee for each FA (venue, infrastructure, security, etc.), and then reported them to the working groups for verification. The Joint Implementation Project Management Committee received reports on the status of execution and cost reduction efforts from the working groups and verified their details.

Moreover, we checked the sharing of expenses for temporal infrastructure and overlays, etc. between the TMG and the Tokyo 2020 Organising Committee in each contract among the grant of burden expenses to the Joint Implementation Project. We verified that the details of the sharing were clearly sorted out based on the general agreement and the expenses were shared based on performance.

As regards the procedures for actual expenditure, expenditure was decided upon a decision by the right holder of decision as stipulated in the bylaws on case decision described in “(1) Development of Corporate Administrative Structures”. Therefore, it was necessary to obtain approvals from the Management Board and the Executive Board depending on the amount of expenditure before the right holder of decision makes a decision.

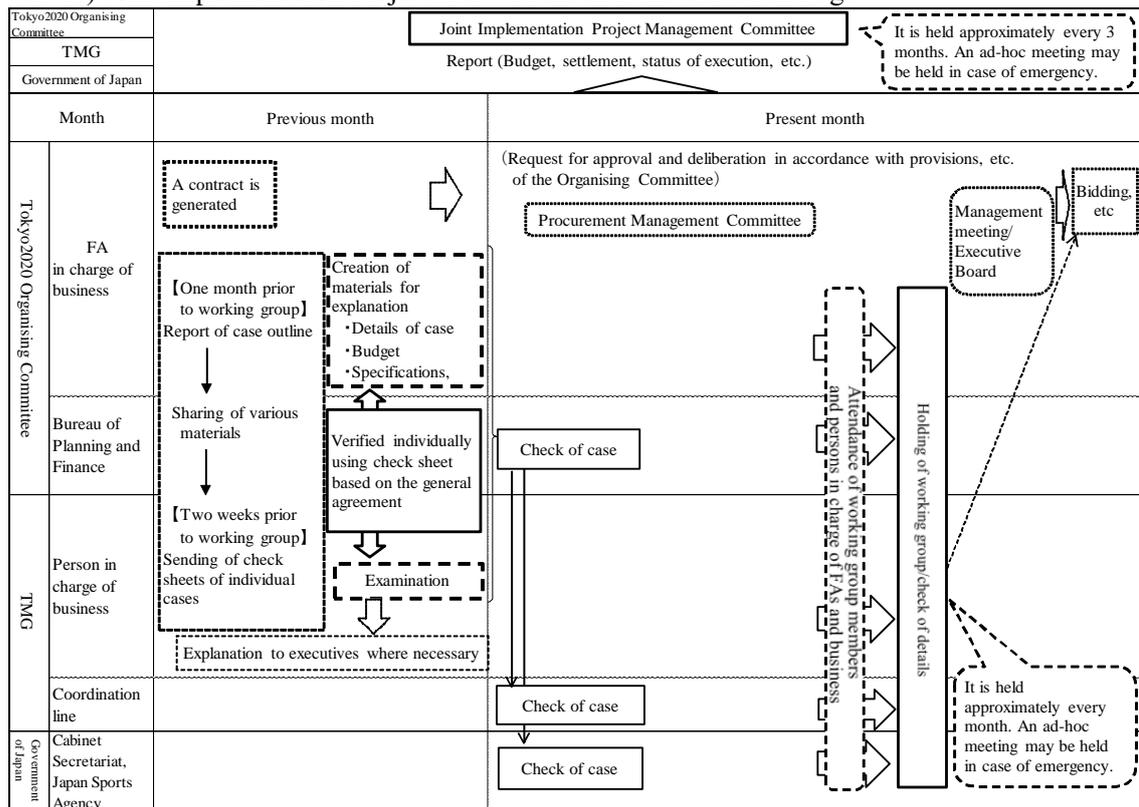
The establishment of each of the working groups and the procedures for examination by persons

in charge of the TMG are in line with a request in the previous report that it is necessary to strive to prevent the expenses borne by the TMG, etc. from increasing through the effective function of the Joint Implementation Project Management Committee.

Although the Tokyo 2020 Organising Committee was committed to appropriate and effective implementation of projects in line with the purpose of the Joint Implementation Project and agreements, etc., and the TMG checked the Joint Implementation Project, the citizens of Tokyo and the rest of Japan sent a stern look at the bid-rigging case concerning projects including the Joint Implementation Project.

Furthermore, a business operator that commits any act in violation of the Anti-Monopoly Act such as bid rigging assumes liability for damages against the Tokyo 2020 Organising Committee, if a cease and desist order is confirmed. As for contracts which public funds have been allocated to, it is required for the TMG to consider a possibility of taking a measure for returning public funds out of the amount of claimed damages.

(Table 11) Joint Implementation Project: Flow of check at the execution stage



(4) Response to the Tokyo 2020 Games taking into account the expansion of the COVID-19 pandemic

In the beginning, the preparations for the Tokyo 2020 Games progressed as planned. However, the novel coronavirus infections expanded in Japan and other countries in 2020. Some countries introduced the lock-down policy and postponed or cancelled trials for athletes participating in the Tokyo 2020 Games.

Then, as the COVID-19 pandemic expanded further and situations became worse, the one-year postponement of the Tokyo 2020 Games was decided on March 24, 2020.

The Tokyo 2020 Organising Committee established the “New Beginning: Tokyo 2020 Games Implementation Headquarters” in order to respond to this postponement, confirmed competition venues and schedules as early as possible, picked up contracts to be revised, and reviewed service standards. Moreover, the Tokyo 2020 Organising Committee made further efforts to simplify the Tokyo 2020 Games and reduced the number of persons concerned of the Tokyo 2020 Games other than athletes by 10~15%. As a result, the Tokyo 2020 Organising Committee decided to review 52 items.

In order to take measures against COVID-19, the Coordination Council on Measures to Combat COVID-19 Infections during the Tokyo 2020 Olympic and Paralympic Games (hereinafter referred to as the “COVID-19 Response Coordination Council”), consisting of the Government of Japan, the TMG, the Tokyo 2020 Organising Committee, etc., was established in September 2020. The COVID-19 Response Coordination Council comprehensively examined and coordinated measures against COVID-19.

The Tokyo 2020 Organising Committee created and announced “The Playbook” together with the IOC and the International Paralympic Committee (hereinafter referred to as the “IPC”), a rulebook of measures against COVID-19 which all Olympic and Paralympic Games participants should comply with based on scientific knowledge of experts so that the Tokyo 2020 Games would be safe and secure for all participants and the citizens of Japan. The content of this playbook became more specific and detailed based on additional measures taking coronavirus variants into consideration and the third version was created and announced.

During the Tokyo 2020 Games, the Tokyo 2020 Infectious Disease Control Centre was established under the Main Operation Centre to constantly monitor health conditions of athletes, etc. even after the Tokyo 2020 Games ended and strive to test a person suspected of coronavirus infection and detect a positive person or a person with symptoms at an early stage.

Moreover, it was decided to hold the Olympic and Paralympic Games, in principle, without spectators in many venues in Tokyo and other places on July 8, 2021, immediately prior to the commencement of the Tokyo 2020 Games. In response, the Tokyo 2020 Organising Committee accurately and swiftly changed the operational structures of venues and refunded about 5.41 million tickets out of about 5.45 million general tickets sold.

While the Tokyo 2020 Organising Committee swiftly responded to the postponement of the Tokyo 2020 Games and took measures against COVID-19 and the Tokyo 2020 Games without spectators, it flexibly made further efforts for simplifying the Tokyo 2020 Games by reviewing 52 items. 42 competition venues for the Olympic Games Tokyo 2020 and 21 competition venues for the Tokyo 2020 Paralympic Games were operated without major issues under an unprecedented situation of the global expansion of the COVID-19 pandemic.

As regards anti-heat measures, it was decided to move up the starting time of some competitions in advance taking into account extreme heat in recent years. However, some persons concerned such as athletes complained, since the decision to change the starting time or its notification was made one day prior to some competitions such as marathon and football.

(5) Budget execution managements

The Tokyo 2020 Organising Committee made decisions on budget execution in accordance with the category of decisions stipulated in the bylaws on case decision in order to promote governance over financial management and financial risks. Some cases had to go through deliberations and approvals at the Management Board and decisions at the Executive Board. Thus, the governance function was maintained through decisions at several boards and committees. In addition, as regards budget execution management, budget managers (14 (maximum), one budget manager was in charge of several FAs) in charge of each FA were assigned to the Planning and Finance Bureau for stricter budget execution management by first examining budget execution of FAs (Each budget manager is also in charge of each competition venue).

To be specific, a contract which is expected to exceed 30 million yen had to be approved by the Director General/CEO and sent to the above Management Board consisting of the management members under the Director General/CEO for deliberation of necessity and effectiveness (the criteria for approval by the Director General/CEO were changed to over 200 million yen for outsourcing/entrustment contracts and over 60 million yen for purchase of properties, etc. in order to accelerate the decision-making process after June 2019).

On the other hand, for the purpose of realizing optimal procurement and ensuring equality, fairness, and transparency of procurement activities, the Procurement Management Committee (original planned price: over 30 million yen, over 200 million yen for outsourcing/entrustment contracts and over 60 million yen for purchase of properties, etc. after the criteria for approval by the Director General/CEO were modified in June 2019) consisting of external members such as lawyer and accountant and the Procurement Meeting (planned price: over 0.5 million yen) established thereunder deliberated if procurement methods and prices are adequate.

It was possible to grasp the status of budget execution and the progress of procurement of each FA on a timely basis through the financial accounting system. The status of budget execution of each FA

was presented to the Director Generals of each bureau in charge of projects of FAs under his/her supervision every month, ensuring autonomous budget management.

These efforts are in line with a request in the previous report that it is desirable to grasp the amount of budget execution of each FA for the purpose of appropriate budget management.

As described, the Tokyo 2020 Organising Committee established a system of managing each FA by its duty and strictly managed budget execution through examinations by the budget managers.

(6) Appropriate procurement

a. Verification of contracts extracted

Procurement encompasses equipment, gears, services, facilities, temporal installations, construction and installation of equipment, etc. required for the operation of the Tokyo 2020 Games. The number of contracts subject to audit was 6,419 (between FY2017 and FY2021) and their amount totalled to approx. 631 billion yen (without tax) (Note 6).

Out of them, 410 contracts (approx. 417.4 billion yen (without tax)) were verified. When they were selected, we took into account their low or high prices, the existence of changes, timing, deadline, ratio of successful bids, special contracts similar to extraordinary discretionary contracts, partnership contracts (contracts with sponsors), and the marketing agency contract and set forth the following criteria for selection based on the characteristics of the Tokyo 2020 Games.

The criteria for selection are as follows:

1. We chose cases affected by the decision of holding the Tokyo 2020 Games without spectators to check if contracts were adapted, because the quantity required for procurement reduces if there are no spectators. For example, there are contracts of security at competition venues, ticket sales, medical and other consumables, food services, cleaning, transportation, the Last-Mile security, temporal installations, signs, decorations, volunteer uniforms, equipment for free Wi-Fi, and communication services.
2. We chose cases related to cost reduction efforts, because the postponement of the Tokyo 2020 Games caused the increase in expenses. For example, we verified cases related to the review of specifications for temporal overlays at competition venues, the reduction in decorations at competition venues and other places, and the simplification of how to implement the Torch Relay.
3. We chose cases whose expenses were borne by the TMG and the Tokyo 2020 Organising Committee from items of expenses borne by the two entities to check if the sharing of expenses was in line with the general agreement. These examples include temporal overlays and transportation.
4. We chose cases related to sustainability, since it is difficult to strike a balance between economic rationality and sustainability such as reduced environmental burden. These

examples include dining facilities that offer meals at the Olympic and Paralympic Village and competition venues, medals made of recycled metals, construction works at competition venues and facilities, and treatment of wastes at the time of the operation of the Tokyo 2020 Games.

5. We chose cases related to measures against COVID-19, since those measures are essential to safely and securely hold the Tokyo 2020 Games but result in the increase in expenses. These examples include measures for stakeholders and spectators and the establishment of testing management systems, etc.

As a result of verifying the contracts extracted based on these criteria for selection, we did not find issues in most of procurement. However, the following cases were observed

(Note 6) The number and amount of contracts in FY2021 are from April to December.

<Case a> Disposal of medical consumables

Medical consumables such as masks and gloves were procured as a part of measures against COVID-19 for the safe and secure operations of the Tokyo 2020 Games. However, medical consumables supplied before the decision of holding the Tokyo 2020 Games without spectators was made were left unused, since the number of visitors reduced significantly and there were not many patients with fever. The Tokyo 2020 Organising Committee cancelled orders of consumables which are expected to be excess and intended to negotiate their return. Moreover, the Tokyo 2020 Organising Committee strived to effectively utilize such excess consumables by donating to facility managers of competition venues, cooperating medical institutions, etc. after the Tokyo 2020 Games ended.

However, medical consumables worth of 5 million yen such as 33,000 masks were disposed at 9 competition venues due to the schedule of handing over competition venues to facility owners and the limitation of storage spaces.

<Case b> Handling of consumption tax in entrustment contracts

The Tokyo 2020 Organising Committee concluded a number of entrustment contracts at the time of procuring equipment, etc. necessary for the preparation and operation of the Tokyo 2020 Games. The amount of contracts includes movable insurance related to transportation and installation, but the handling of consumption tax differed between entrusts. Or, in some cases, the handling of consumption tax differed in contracts of the same entrusted. Some contracts with entrusts that are taxable business operators charged consumption tax on the total entrustment costs, while other contracts did not charge tax on the part of insurance. As a result, the amount of entrustment costs including consumption tax paid by the Tokyo 2020 Organising Committee based on contracts differed.

<Case c> Unused articles based on Procurement Code

The Tokyo 2020 Organising Committee formulated and operated the “Procurement Code in Consideration of Sustainability” (hereinafter referred to as “Procurement Code”) to fulfil its social responsibility and encourage the society to focus on sustainability by procuring goods and services in consideration not only of economic rationality but also of sustainability. This Procurement Code requires the use of articles, etc. that satisfy the standard specified in the “Principle for Procurement of Environmentally-Friendly Articles, etc. (public work projects) of the TMG” (hereinafter referred to as “this Principle”). This Principle states that it is desirable to promote the use of environmentally-friendly articles, etc. for construction works carried out by reporting organizations of the TMG (project cooperating organizations) and environmentally-friendly (EM) cables used for construction works, in principle. However, these codes were not used in construction works whose basic and implementation design stage was before the Procurement Code came into effect not to exceed the budget in the trend of taking thorough measures for curbing the Games expenses.

<Case d> Contract change procedure not based on required standards

The Tokyo 2020 Organising Committee developed temporal facilities such as tents and prefabs, installed equipment and devices, and carried out repair of each venue in order to make facilities and parks available for the Tokyo 2020 Games as competition venues. The design-build ordering system in which execution design and actual works are ordered in an integrated manner, was adopted for these construction works. The standards for work required for contractors are specified in ordering documents such as written required standards. A contractor is expected to carry out works in compliance with these standards. The written required standards state that any change in design made after a contractor completes execution design and agrees on a statement of construction cost items created thereby with its contractee shall be made based on this statement. We can interpret that each unit price shown in this statement should not be modified, in principle. However, as labour costs increased due to the decision to postpone the Tokyo 2020 Games after the execution design completed, some construction work contracts were modified in consultation with their contractors by increasing the unit price of traffic control staff.

<Case e> Service of inquiry counter

The Tokyo 2020 Inquiry Counter was launched in June 2014 in order to respond to phone calls and emails from individuals, private businesses, municipalities, etc. When we checked the status of responses by this inquiry counter, the response rate of phone calls by operators was extremely low in spite of the increase in inquiries, and operators could not respond flexibly to different situations in several months because of the fixed assignment of personnel. Moreover, although inquiries by emails were handled in 2 languages (Japanese and English), phone calls only in Japanese except the period

of the Tokyo 2020 Games in spite of efforts for multilingual support.

b. Contracts involving the bid rigging (adjustment of bid) case

A bid-rigging case occurred in the bidding process of entrustment of service for test events planning, etc. ordered by the Tokyo 2020 Organising Committee. We verified all 26 contracts on entrustment of service for test events planning, etc. apart from those extracted and verified in (6)a above taking into account the seriousness of the case. Moreover, we verified service contracts on implementation services of test events and operational services of the Tokyo 2020 Games because they were entrusted to the same contractor from the perspective of appropriateness of contract. These issues we found will be explained in detail later (See (11) on page 45).

It should be noted that we received materials such as contracts, requests for approval, documents concerning the selection of business operators, etc. from the Tokyo 2020 Organising Committee for verification without affecting the investigations by the Special Investigation Department of the Tokyo District Public Prosecutors Office and the inspections by the Fair Trade Commission.

(7) Securing of income

The Tokyo 2020 Organising Committee made efforts for securing income principally through its marketing programme consisting mainly of domestic sponsorship, licensing, and ticket sales (Note 7, See page 84 onward) in order to finance costs borne thereby.

a. Marketing programme

The total income from marketing such as domestic sponsorship, licensing, and ticket sales was 390.9 billion yen in spite of an unprecedented situation in the Olympic and Paralympic history such as the postponement of the Tokyo 2020 Games and the decision to hold the Tokyo 2020 Games without spectators immediately prior thereto due to the COVID-19 pandemic. This surpassed by far 241.4 billion yen of the London 2012 Organising Committee of the Olympic and Paralympic Games, which was the record high after the Atlanta 1996 Games (Note 8).

(a) Tokyo 2020 Sponsorship Programme

The Tokyo 2020 Sponsorship Programme was introduced to finance the Tokyo 2020 Games operation costs for the purpose of maximizing the total income from marketing and promoting the Olympic and Paralympic movement and made it possible for each participating sponsor to exercise the rights to use the designations of the Tokyo 2020 Games and marks such as the emblems. As shown in Figure 1, Worldwide Partners managed by the IOC or the IPC are positioned on the top of the sponsorship structure related to marketing followed by domestic sponsors secured by the Organising Committee of each country/region. Under the Tokyo 2020 Sponsorship Programme,

domestic sponsors were divided into Tokyo 2020 Gold Partners, Tokyo 2020 Official Partners, and Tokyo 2020 Official Supporters.

The Tokyo 2020 Organising Committee solicited domestic sponsors under the Tokyo 2020 Sponsorship Programme.

The decision-making process of sponsorship contracts was as follows; A sponsorship contract is approved by the IOC, approved by the right holder of decision under the bylaws on case decision, and then reported to the Management Board and the Executive Board as a case to be reported.

It should be noted that we could not verify written sponsorship contracts and written marketing agency contracts concluded with individual private businesses, since the Tokyo 2020 Organising Committee did not present them for the reason of confidentiality under non-disclosure agreements.

The income from the domestic sponsors under the Tokyo 2020 Sponsorship Programme (domestic sponsorship) was 376.1 billion yen (350.6 billion yen contributed prior to the decision of the Game's postponement + additional contribution of about 25 billion yen after the decision to postpone the Tokyo 2020 Games), surpassing 350 billion yen estimated in the V5 budget. This is almost three times as much as 130.3 billion yen in the Beijing 2008 Games and 123 billion yen in the London 2012 Games (Note 8) and marked a record high in the Olympic and Paralympic history.

In the past Olympic and Paralympic Games, only one company from one industry was accepted as a sponsor, but several domestic sponsors of the same industry were accepted in the Tokyo 2020 Games. These efforts helped the Tokyo 2020 Organising Committee to secure 68 domestic sponsors, surpassing 51 sponsors in the Beijing 2008 Games and 42 sponsors (Note 8) in the London 2012 Games.

(b) Tokyo 2020 Licensing Programme

The Tokyo 2020 Licensing Programme allows licensees to place the emblems for the Tokyo 2020 Games owned by the Tokyo 2020 Organising Committee, the marks of the JOC and the Japan Olympic team owned by the JOC, and the marks of the JPC and the Japan Paralympic team owned by the JPC on products contracted under this programme for production and sales. Domestic sponsorship was equivalent to a license and sponsors had priority of the category of their products.

The decision-making process of license contracts was as follows; A license contract is examined by the Licensee Examination Meeting in the Tokyo 2020 Organising Committee and approved by the IOC, then approved by the right holder of decision under the bylaws on case decision.

It should be noted that we could not verify license contracts and marketing agency contracts concluded with individual private businesses since the Tokyo 2020 Organising Committee did not present them for the reason of confidentiality under non-disclosure agreements.

As regards the income from the Tokyo 2020 Licensing Programme (licensing), the number of

licensees in the Tokyo 2020 Games marked a record high of 127, surpassing 125 in the Atlanta 1996 Games. As a result, the amount of licensing revenue was 14.4 billion yen and surpassed 14 billion yen presented in the V5 budget. It is as high as the highest record of 17.4 billion yen in the Beijing 2008 Games (Note 8).

The Tokyo 2020 Organising Committee developed a wide range of products in accordance with market needs since the Tokyo 2020 Original Merchandise (Note 9) in 2016 and implemented special programs to sell commemorative coins and stamps, license plates, etc. At the same time, the official online shop and nationwide official shops were launched as sales channels. The sales at competition venues, etc. were far below the original plan, since the scale of sales was reduced due to the COVID-19 pandemic and the decision not to accept spectators at many competition venues. On the other hand, the sales through the official online shop and official shops during the Tokyo 2020 Games increased significantly by strengthening promotional activities.

(c) Ticketing

The ticket sales (ticketing) were affected the most by the COVID-19 pandemic in all types of incomes of the Tokyo 2020 Organising Committee. The final amount of ticket sales was 400 million yen, far below the estimate in the V5 budget (90 billion yen).

CRM (Note 11) measures were taken from 2016 based on TOKYO2020ID (Note 10) that plays a role as a hub for those who desire to purchase tickets. Moreover, the Tokyo 2020 Organising Committee strategically has carried out promotional activities of ticket sales from 2018. As a result of these efforts, about 8.65 million tickets for the Olympic Games Tokyo 2020 and Tokyo 2020 Paralympic Games were sold to general spectators, stakeholders, municipalities, young people participating in the Olympic and Paralympic Viewing Programme for students and so on. Therefore, the ticket sales were expected to exceed 90 billion yen as estimated in the V5 budget.

However, most of sold tickets were refunded, because the Tokyo 2020 Games were postponed due to the global COVID-19 pandemic and most of competitions were held without spectators except some competition venues.

b. Securing of other income sources

Various measures were taken to secure income sources. The Tokyo 2020 Organising Committee solicited donations mainly on its website. As a result, it received about 1.2 billion yen from individuals and organizations. Moreover, the Tokyo 2020 Organising Committee received about 10 billion yen from industry organizations and companies that are members of different business associations. In addition, the Tokyo 2020 official contributor programme was newly established to invite non-profit organizations (including exceptional cases) to provide financial and operational support as a unique initiative of the Tokyo 2020 Games apart from the Tokyo 2020

Sponsorship Programme.

The efforts made by the Tokyo 2020 Organising Committee are in line with a request in the previous report that it needs to secure required income sources by taking all possible measures such as obtaining more sponsors, promoting the sales of official licensed goods, and soliciting contributions.

As described above, the Tokyo 2020 Organising Committee actively took measures for securing income sources through an innovative initiative for concluding sponsorship contracts with several companies of the same industry. As a result, the marketing income marked a record high in the Olympic and Paralympic history.

Although the Tokyo 2020 Organising Committee has strived to secure income sources through various measures, a former executive was arrested on charges of bribery related to sponsorship contracts, etc., and charged subsequently. It is required to secure more transparency at the time of choosing sponsors for similar events in the future.

(Note 7) The marketing programme implemented by the Tokyo 2020 Organising Committee under the IOC to obtain income sources used as costs related to the Games' operations consisted mainly of domestic sponsorship, licensing, and ticketing.

A domestic sponsorship contract allows a sponsor to exercise the rights to use the designations of the Tokyo 2020 Games, the marks such as the emblems, etc. only in Japan.

A licensing contract allows a sponsor to use the marks, etc. of the Tokyo 2020 Games, produce goods of the licensed category, and sell them only in Japan through approved sales channels.

Ticketing refers to the sales and issuance of tickets and provides more people opportunities for enjoying the Tokyo 2020 Games.

(Note 8) The amounts and values of the Olympic and Paralympic Games other than the Tokyo 2020 Games were found by the Secretariat to Audit and Inspection Commissioners.

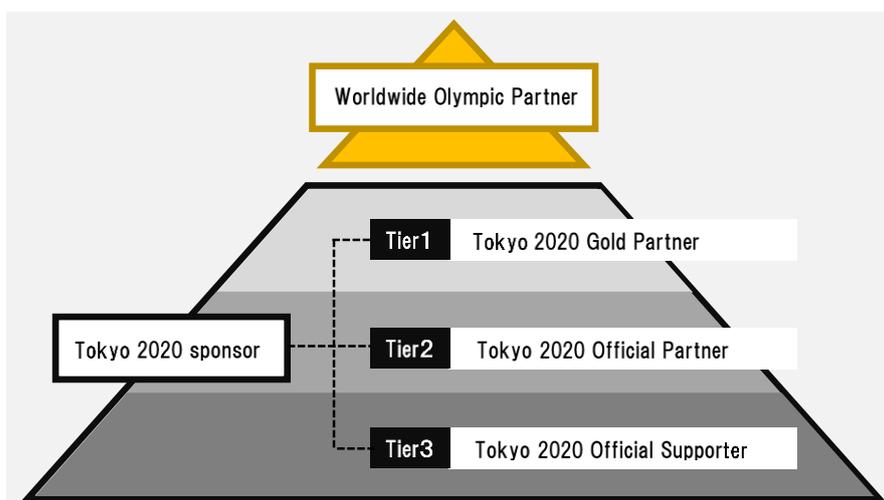
(Note 9) Tokyo 2020 original merchandise: These products were developed by the Tokyo 2020 Organising Committee and put out into the market ahead of other licensed products in order to open a market of Olympic Games Tokyo 2020 and Tokyo 2020 Paralympic Games brand products. They aimed to raise awareness of consumers and promote the Tokyo 2020 Licensing Programme by collecting marketing information such as trends in demand.

Diverse types of products, mainly promotional products to expand the market, were launched in high-mix low-volume as pilot products sold at antenna shops.

(Note 10) TOKYO2020ID: An ID required to purchase a ticket on the official ticket sales website.

(Note 11) CRM (Customer Relationship Management): CRM refers to a management method to provide information on the Tokyo 2020 Games and tickets through establishing a good relationship with buyers and to appropriately engage with buyers through the newsletter and other channels in a flexible manner.

(Figure 1) Structure of Olympic marketing sponsorship



(8) Disclosure of information

a. Disclosure of information

The Tokyo 2020 Organising Committee disclosed the Host City Contract 2020 and related documents for the first time in the history of the Olympic and Paralympic Games and strived to disclose information on the Tokyo 2020 Games and the Tokyo 2020 Organising Committee such as the Tokyo 2020 Games Foundation Plan on the website.

The Tokyo 2020 Organising Committee publicized its business plan and business report every fiscal year as well as policies for operational processes and personnel system in view of the post-Games era and various plans on sustainability including the effective utilisation of resources. Moreover, the progress of projects was publicized on a timely basis. In addition, transparency was ensured by disclosing the process of selecting a new emblem and a mascot that symbolise the Tokyo 2020 Games based on the lesson learned from the opaque selection process of the previous former emblem. A public offering was conducted to select a new emblem. After the Tokyo 2020 Emblems Committee examined candidates, 4 final candidates were selected. The final decision was made after soliciting public opinions and voting with names by the Tokyo 2020 Emblems Committee members. A public offering was conducted to select mascots as well. When a mascot was decided from the 3 final candidates after expert examination, elementary school students of 16,769 schools in Japan and other countries voted to ensure transparency.

As regards financial transparency, the Tokyo 2020 Organising Committee has published the lifetime budget every fiscal year from the beginning of 2016 in addition to the budget statement of changes in net assets and financial statements based on periodic profit or loss. Furthermore, the Tokyo 2020 Organising Committee published the status of execution of the Games expenses as of the end of March 2020 and the monthly status of execution as of the end of each month since June 2020.

As regards procurement, the Tokyo 2020 Organising Committee presented the principles for procurement and the “flow of procurement procedures to participate in bidding” to business operators that desire to deal therewith and publicized competitive biddings on the website in Japanese and English. Moreover, the bidding results including the bid opening time and date, the name of contractor, the amount and period of the contract were disclosed for each procurement contract. Moreover, the number of contracts, the total amount of contracts, and the rate of successful bidding by type of contract (competitive/discretionary) were disclosed each fiscal year in addition to the list of procurement contracts describing the names of contract, type of contract, and names of contractors.

The Joint Implementation Project included in procurement as well as the amount of the Olympic expenses, the Paralympic expenses, and COVID-19 pandemic-related expenses borne by the Tokyo 2020 Organising Committee, the TMG, and the Government of Japan was disclosed in such items as “temporary/overlay” and “security”. In addition, the contractors, procurement method, and the amount of contract were disclosed for each contract.

The Executive Board publicized its minutes and materials distributed (except some materials) on the website and disclosed information through mass media by holding explanatory meetings for reporters after meetings. The partial disposal of medical consumables due to the tight schedule of handing over the venues after the Tokyo 2020 Games ended and the restraint of storage spaces was disclosed through press release. This press release mentions specific measures for improvement such as the securing of temporal storage spaces and the donation of medical consumables to each municipality and medical institutions.

Information on the Game’s vision, the emblems, schedules and competition results, competition details, competition venues, medals, the opening and closing ceremonies, tickets was made available. The COVID-19 test results of parties concerned of the Tokyo 2020 Games and spectators were publicized on an every-day basis during the Tokyo 2020 Games.

The “Made from Urban Mines! Tokyo 2020 Medal Project” is an initiative carried out in a people’s participation format to produce medals awarded at the Tokyo 2020 Games from metals collected from used cell phones donated by citizens. The quantity of metals required (including the quantity of metals such as component loss) was disclosed to promote the collection of cell phones, etc. to add momentum of the Tokyo 2020 Games and recycling. As a result, metals

sufficient for all medals were collected. This initiative is expected to spur momentum for recycling of resources as the legacy of the Tokyo 2020 Games by sharing information with the citizens of Tokyo and the rest of Japan.

The efforts made by the Tokyo 2020 Organising Committee are in line with a request in the previous report that it is necessary to disclose information on finance and overall administrative operations as early as possible in addition to the financial statements, business reports, and minutes of the Executive Board.

Information of the Tokyo 2020 Organising Committee was disclosed in several ways such as administrative operations, finance, and procurement except confidentiality information, but the minutes of the Executive Board only describe the results of deliberations. It is required to ensure transparency by describing the process of deliberations, etc. as much as possible from the perspective of information disclosure.

b. Non-disclosure information

As described above, information was disclosed in different ways. For example, the minutes and materials of the Executive Board were uploaded to the website. The Tokyo 2020 Organising Committee took a wide range of initiatives for disclosing information taking into account the convenience of users. However, the details of sponsorship contracts, marketing agent contracts, and licensing contracts were not disclosed for the reason of confidentiality under non-disclosure agreements. The names of companies, the fact that contracts were concluded, and the date of conclusion of contracts are included in reporting materials of the Executive Board, but the amount of contracts was not included.

It is required to disclose the details of sponsorship contracts and other contracts as much as possible from the perspective of information disclosure, since a former executive of the Tokyo 2020 Organising Committee was arrested and charged with bribery concerning sponsorship contracts, etc.

(9) Preservation and effective utilization of records

Tokyo 2020 Archives Assets (hereinafter referred to as “Archives Assets”, Note 12) and statutory preservation documents are principal records to be preserved, succeeded, and effectively utilized (See page 90 onward).

Based on the Tokyo 2020 Archive Assets Agreement (Note 13), archives assets were transferred to the JOC (Designated Entity, Note 14) in July 2022. In addition, knowledge and information about the Games’ operations were shared in close collaboration with the IOC and the IPC from the time of preparations for the Tokyo 2020 Games and passed on to the Organising Committees of future Olympic and Paralympic Games such as the Beijing 2020 Games and the Paris 2024 Games by

accepting inspection tours and providing lectures on competition venues and operations.

A liquidator must preserve statutory preservation documents for 10 years after the liquidation completes pursuant to Article 241 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No.48 of 2006, hereinafter referred to as the “Act on General Incorporated Associations”).

On the other hand, the Olympic and Paralympic Games Tokyo 2020 Documentation Storage and Succession Ordinance (Ordinance of the TMG No.51 of 2020, hereinafter referred to as the “Ordinance”) was enacted for the purpose of conveying the historical significance of the Tokyo 2020 Games, verifying the Games expenses, etc., and improving the trust of citizens of Tokyo in the Tokyo 2020 Games by taking necessary measures for appropriately storing and succeeding all documents, etc. owned by the Tokyo 2020 Organising Committee.

The Ordinance stipulates that documents, etc. refer to documents, figures, photos, films, and electromagnetic records created or acquired by staff of the Tokyo 2020 Organising Committee and owned thereby for organizational use.

The Tokyo 2020 Organising Committee shall strive to take necessary measures for appropriately storing and conveying documents, etc. in accordance with the Ordinance.

Based on the Ordinance, the Tokyo 2020 Organising Committee has managed documents based on the bylaws on document processing of the Tokyo Organising Committee of the Olympic and Paralympic Games.

The bylaws on document processing stipulate that the corporation’s administrative affairs shall process all documents, in principle, and manage them with unified and ordered document symbols and numbers and a list of documents entered and removed by assigning a chief of documents to each bureau and a file manager to each division (office) for the purpose of properly processing documents. Moreover, the bylaws on document processing set out that necessary documents be appropriately succeeded to related organizations. It should be noted that electromagnetic records are stored in hard drives.

It is provided that documents should be preserved until the Tokyo 2020 Organising Committee is dissolved. The Tokyo 2020 Organising Committee collected and organized processed documents, stored them by fiscal year, and consolidated to the General Affairs Department gradually from FY2019 before the Tokyo 2020 Games started in view of its dissolution to prevent them from being dispersed and lost.

The liquidator preserves statutory preserved documents once the Tokyo 2020 Organising Committee is liquidated. Financial statements, etc. are kept disclosed for reading, while other documents can be viewed upon permission from the court.

The Tokyo 2020 Organising Committee made an arrangement that the Tokyo 2020 Games’ records be created and preserved appropriately and information be utilized effectively in line with a request in

the previous report.

The Tokyo 2020 Organising Committee stored all documents, and appropriately succeeded them after its dissolution for the purpose of preservation and effective utilization in line with the Act on General Incorporated Associations, the Ordinance, and the bylaws on document processing.

(Note 12) Archives Assets: Among assets produced or received to hold and operate the Tokyo 2020 Games and related events, those that convey the historical and social value of the Tokyo 2020 Games to the future, and they are classified into physical assets such as the torch used for the Torch Relay, etc., and document assets such as records and operational know-how of the Tokyo 2020 Games.

All assets and rights including intellectual property rights of the Games of the XXXII Olympiad in the year 2020 - TOKYO belong to the IOC, while all assets and rights including intellectual property rights of the Tokyo 2020 Paralympic Games belong to the IPC.

(Note 13) Tokyo 2020 Archives Assets Agreement: This agreement was concluded in August 2021 between the IOC, the IPC, the JOC, the Japanese Paralympic Committee (hereinafter referred to as the “JPC”), the TMG, and the Government of Japan to preserve, manage, and utilize the archives assets for a long term based on the Host City Contract – Operational Requirements.

(Note 14) Designated Entity: An organization appointed as an administrator of the archives assets to be responsible for preserving, managing, and utilizing the Tokyo 2020 archives assets in place of the IOC and the IPC. The JOC became the Designated Entity based on the Tokyo 2020 Archives Assets Agreement.

(10) Involvement of the Tokyo Metropolitan Government

The TMG has played a role as the host city in terms of transportation and security measures of the areas around the competition venues in Tokyo in order to minimise the impact on urban activities and the life of citizens of Tokyo during the Tokyo 2020 Games and made various efforts for preparing and holding the Tokyo 2020 Games by establishing a close cooperative relationship with the Tokyo 2020 Organising Committee.

a. Involvement in project cooperative organization

The Tokyo 2020 Organising Committee was regarded as a project cooperative organization based on the Guidelines for Guidance and Supervision of Tokyo Policy Collaboration Organizations (decision of the Governor No.91, 30 Sogyokakukan of March 19, 2019). The TMG made necessary involvement to strengthen its cooperation with the Tokyo 2020 Organising Committee and grasped the operations thereof by receiving reports after the end of each fiscal

year.

b. Involvement in terms of finance and human resources

The Joint Implementation Project accounted for the important and largest part of many types of burden expenses borne by the TMG. The working groups (TMG Working Group, Paralympic Working Group, and COVID-19 Infections Countermeasures Working Group) under the Joint Implementation Project Management Committee checked the necessity and efficiency of each case before the Tokyo 2020 Organising Committee solicits a bid. Moreover, the TMG checked project contracts whose amount is lower than a certain level from the similar perspective. The Working Groups, the Joint Implementation Project Management Committee, and the TMG checked the performance of projects after they were executed by the Tokyo 2020 Organising Committee. The TMG also examined the performance reports submitted by the Tokyo 2020 Organising Committee after projects covered by other burden expenses were executed.

Also, the TMG formulated the “Policy for Management of Assets Owned by the TMG in the Olympic and Paralympic Games Tokyo 2020” in March 2016 and did not charge any rental fees, usage fees, and occupancy fees when the Tokyo 2020 Organising Committee used TMG’s assets (competition venues, training venues, land and buildings which are assets of the TMG used as facilities necessary for the operation of the Tokyo 2020 Games, etc.)

As regards human resources, up to 1,113 TMG staff were dispatched to the Tokyo 2020 Organising Committee (their salary was borne by the TMG and it is out of the lifetime budget). They supported the administrative operations of the Tokyo 2020 Organising Committee by engaging in its duties.

c. Involvement in terms of the Archives Assets management

The Host City Contract - Operational Requirements stipulated that the stakeholders shall conclude an agreement on archives assets so that they are preserved, managed, and utilized for a long time after the Tokyo 2020 Organising Committee was to be dissolved. In response, the IOC, the IPC, the JOC, the JPC, the TMG, and the Tokyo 2020 Organising Committee concluded the Tokyo 2020 Archives Assets Agreement in August 2021 so that Asset Management Trustee (note 15) are able to preserve, manage, and utilize archives assets entrusted from the JOC (Designated Entity) based on the Assets Management and Utilisation Agreement.

The Ordinance stipulates that the TMG shall request the JOC and other related organizations to provide cooperation necessary for establishing an arrangement to appropriately store and succeed documents, etc.

Moreover, the Ordinance stipulates that the TMG gives the Tokyo 2020 Organising Committee necessary guidance and coordinates therewith to store and succeed documents, etc. owned by the

Tokyo 2020 Organising Committee. The TMG identified the status of efforts made by the Tokyo 2020 Organising Committee for storing and succeeding documents, etc., while the Tokyo 2020 Organising Committee verified the status of storage and management of documents, etc.

Furthermore, the Ordinance stipulates that the TMG shall request related organizations to allow the use of documents, etc. succeeded to the JOC and those related organizations from the Tokyo 2020 Organising Committee. The TMG engaged with the Tokyo 2020 Organising Committee so that archives assets can be utilized as document assets as much as possible. As a result, organizers, etc. of international sporting events are now able to utilize documents, etc. on the preparation and operation of the Tokyo 2020 Games. In addition, documents that convey the historical and social significance of the Tokyo 2020 Games were made available to the wide public.

It is required for the TMG to preserve, manage, and utilize (*) assets whose management has been entrusted to the TMG out of the archives assets succeeded to the JOC from the Tokyo 2020 Organising Committee based on the Assets Management and Utilisation Agreement.

d. Investigation on bid rigging news and formulation of Guidelines for Involvement of the TMG in International Sporting Events

On November 20, 2022, it was reported that a contract ordered by the Tokyo 2020 Organising Committee on entrustment of service for test events planning, etc. was suspected to be rigged. In response, the TMG formed an investigation team led by the Vice-Governor on November 24, 2022 to verify if the contracting procedures, etc. of the Tokyo 2020 Organising Committee were appropriate. On December 26, 2022, the investigation team announced “investigation on bid-rigging report related to the test events of the Tokyo 2020 Games: Actual progress of investigation” (hereinafter referred to as the “actual progress of investigation”). Moreover, the investigation team checked the contracting procedures of the test events and operational services of the Tokyo 2020 Games continued its investigation through exchanging opinions with accounting auditors and interviewing stakeholders, etc. with the aim of verifying the governance and internal control of the Tokyo 2020 Organising Committee such as an inspection system. The team has also conducted investigations with the guidance and advice from external experts taking into account advice from “Expert Meeting for Reinforcement of Governance in International Sporting Events held in Tokyo” (hereinafter referred to as the “Expert Meeting”).

In addition, the Expert Meeting was established with the aim of discussing improvements for future international sporting events and formulating guidelines based on experiences of the Tokyo 2020 Games concerning governance and information disclosure of international sporting events, the best way of involvement of the TMG, etc. The first Expert Meeting was held on December 9, 2022. The actual progress of investigation was reported by the above investigation team at the 2nd Expert Meeting held on December 26, 2022. Moreover, “Guidelines for Involvement of the Tokyo

Metropolitan Government in International Sporting Events” (hereinafter referred to as “these Guidelines”) set forth of specific efforts for governance, etc. made by operating organizations of an international sporting event and the involvement of the TMG to realise them together with an interim report of the Expert Meeting.

These Guidelines will apply to the 2025 World Athletics Championships and the 25th Deaflympics to be held in 2025 to establish a structure for each competition’s preparation and operation taking into account its characteristics, etc.

These were the involvement of the TMG in the Tokyo 2020 Games.

(Note 15) Asset Management Trustee: An organization capable of exercising the archives license granted from the IOC and the IPC based on the Tokyo 2020 Archives Assets Agreement in place of the Designated Entity (JOC) in accordance with the conditions set forth in the Asset Management and Utilisation Agreement approved by the IOC and the IPC in writing.

(*) The TMG made available documents, etc. that are now managed thereby for public inspection at the Tokyo Metropolitan Central Library on October 25, 2022.

(11) Contracts on entrustment of service for test events planning, etc.

We confirmed that the corporate administrative structures (See page 22) and the budget execution managements (See page 30) of the Tokyo 2020 Organising Committee exceeded the normally required standards for operation as described above.

However, a case of bribery by a former executive and a bid-rigging case by a former manager occurred. Since the investigation of these cases and responses to illegal activities are left to judicial authorities, this audit does not aim to investigate or take measures against these cases. However, this audit verified the facts and present issues, etc. for the future.

Moreover, the bid-rigging case in which a former manager is allegedly involved in is supposed to have a significant impact on operations of similar events in the future. This item describes the details of our verifications and future issues, etc.

a. Verification results

(a) Education and training on compliance

The Compliance Committee Secretariat provided education and training on compliance under the Compliance Committee that deliberates planning and implementation of plans therefor.

According to Article 2, paragraph (1), items (i) and (ii) of the Compliance Regulations (Decision of the Executive Board of January 23, 2015), compliance refers to obeying legal or

administrative notices and guidelines as well as regulations, etc. of the Tokyo 2020 Organising Committee at the time of engaging in business operations and performing acts to be in compliance with the demand from society. Therefore, “Compliance Guide” (Compliance Committee Secretariat, March 2020) created by the Compliance Committee Secretariat describes that the regulations and rules have been uploaded to the portal site for staff and provides the following information with a focus on the characteristics of the Tokyo 2020 Organising Committee for the purpose of communicating the regulations and rules based on which daily operations are performed.

- Public interest incorporated foundation
- Management of confidential information
- Handling of IT equipment, IT security
- Overwork
- Prohibition of harassment
- Code of conduct, compliance structure
- De facto public servants
- Management of personal information
- Copyright protection
- Elimination of antisocial groups
- Consultation desk, whistle-blowing system

Since the Tokyo 2020 Organising Committee was operated by many staff dispatched from private companies and related organizations other than the public sector such as the Government of Japan and the TMG, “Q&A about De facto public Servants” was created which includes details about de facto public servants. This guide indicates that executives and staff of the Tokyo 2020 Organising Committee may be charged with crimes such as bribery pursuant to the Act on Special Measures for the 2020 Tokyo Olympics and Paralympics (Act No.33 of 2015), although bribery charges are supposed to be substantiated only against public servants pursuant to the penal code, etc.

The Tokyo 2020 Organising Committee informed its staff of compliance by regularly issuing compliance newsletter on specific themes such as contracts from the perspective of appropriate procedures, fair information, and management of confidential information.

According to Article 14, paragraph 4 of the Compliance Regulations, the executives and staff shall receive training on compliance on a regular basis.

We verified that the staff including managers under the Director General/CEO received training on compliance on de facto public servants and that they participated in training regularly. Moreover, training on compliance for managers included bribery, conflict of interest, breach of trust, and bid rigging as well as laws and regulations such as the Act on General Incorporated Associations including liabilities of the counsellors, board members, and auditors.

The Director General/CEO and the Vice Director General/COO (Senior Executive Board Member) received training on compliance as the Tokyo 2020 Organising Committee’s

managerial staff as described earlier, but other 43 board members (*) and 2 auditors did not receive it. The Tokyo 2020 Organising Committee explained that training on compliance was not provided, since the officers other than the Director General/CEO and the Vice Director General/COO were not executive board members but part-time executive board members.

(*) As of November 30, 2021

(b) Conflict of interest

The TMG, the Government of Japan, municipalities, and private companies (sponsors) dispatched or temporarily transferred staff to the Tokyo 2020 Organising Committee under an all-Japan framework for cooperation. Therefore, the Tokyo 2020 Organising Committee consisted of diverse human resources with diverse backgrounds. The maximum number of staff was 6,954 during the Tokyo 2020 Games including contract employees and temporary employees out of which 998 were temporarily transferred from private companies such as sponsors and assigned to fields in which they are able to utilize their expertise and knowledge they have acquired.

This temporary transfer system in which entities which staff were dispatched to cover personnel expenses and they are able to take advantage of their expertise has some advantages taking into account a limited budget of the Tokyo 2020 Organising Committee and its characteristic that it is a temporal organization for the preparation and operation of the Tokyo 2020 Games.

However, if a staff is transferred temporarily from a private company and the Tokyo 2020 Organising Committee concludes a contract with that company, a conflict of interest is likely to occur.

In addition, we found that some staff who were transferred temporarily from bid-winning companies were assigned to departments that created contracts after verifying contracts on entrustment of service for test events planning, etc. from the perspective of conflict of interest.

(c) Contracts on entrustment of service for test events planning, etc.

a. Budget management procedures

We checked the budget management procedures such as the expected amount of procurement and procurement methods regarding all 26 contracts on entrustment of service for test events planning, etc. were appropriate. These service entrustment contracts were examined by the budget manager, deliberated and approved by the Management Board, and deliberated by the Procurement Management Committee.

Some requests for approval were approved by person's superior to the category of

approval. However, this was not a big issue. Other request for approval followed the category of approval.

It should be noted that we could not confirm the existence of materials related to preliminary quotes which are referred to at the time of creating planned prices. Therefore, we could not confirm that preliminary quotes for each contract were collected from various companies.

b. Contract method, etc.

Business operators were selected by comprehensively evaluating not only bidding prices but also records of relevant sports in international competitions or other competitions from the technical point of view through general competitive bidding under the evaluation method (Note 16). Moreover, an outline for the selection of business operators including qualifications for bidding was uploaded to the Tokyo 2020 Organising Committee's website and Business Chance Navi 2020, so that bid participants can apply for.

An examination meeting for the selection of business operators consisting of one chairperson and six members (all of them belonged to the Tokyo 2020 Organising Committee and there were no external members) was established to select business operators. This examination meeting examined (scored) technical proposals, quotes, and presentations by bidders on the day of examination. Moreover, the criteria for determination of business operators were established. The score was from 0 to 100 and the distribution of score was 70 points for technical aspect and 30 points for bidding price. A bidder who marked the highest total score of technical and price points became a winning bidder. Technical points were an average of scorings by the chairperson and the members.

The chairperson represents and takes control of affairs of the examination meeting for selection of business operators pursuant to the outline of the establishment of examination meeting for the selection of business operators. The meeting was not held when more than half of the members could not attend (it was allowed for the chairperson to ask a representative to attend the examination meeting when someone had to be absent for any compelling reason).

(Note 16) General competitive bidding under the comprehensive evaluation method: General competitive bidding under the comprehensive evaluation method is a system of comprehensively evaluating bidding prices and other elements (evaluation items) to determine a bidder who scored the highest evaluation point as a candidate winning bidder.

c. Bidding results

We checked the examination meetings for selection of business operators and contract documents, etc. of all of 26 contracts on entrustment of service for test events planning, etc. 17 cases had only one bidder. 8 cases out of the remaining 9 cases had several bidders (2 cases with 3 bidders and 6 cases with 2 bidders), while one case did not have any bidder (special contract (extraordinary discretionary contract)).

d. Publication of examination results

The outline of the establishment of examination meeting for selection of business operators stipulates that the process of examining contracts on entrustment of service for test events planning, etc. concluded by general competitive bidding under the comprehensive evaluation method “shall not be disclosed”. Therefore, the scoring of examination results was not disclosed after a bidding completed. We could verify that the names of bidding cases, contract methods, and bid-winning company names were posted on the Tokyo 2020 Organising Committee’s website.

Since the TMG announces bidding process records through the bidding information service on its website, the scoring of bidders (price point + technical point = total) can be viewable after general competitive biddings under the comprehensive evaluation method are conducted.

e. Deliverables

The specifications stipulate four types of deliverables (documents) of service entrustment agreement on planning of test events (report on detailed check of plan for target venue, report on detailed check of operational plan for target venue (including report on detailed check of operational plan for target competition), plan for budget of implementation of target test event, plan for implementation of test event of target competition).

We confirmed that the above deliverables were submitted and their content was in line with the specifications based on the specifications for contract and memorandums.

(d) Contracts on entrustment of operational services for the Tokyo 2020 Games

a. Reason for choosing extraordinary entrustment contracts

We found the following reasons for choosing extraordinary entrust contracts for the implementation services of test events and operational services of the Tokyo 2020 Games.

- Entrustment of test event implementation service

A good relationship is established with Japanese and overseas stakeholders in a contract on entrustment of service for test events planning, etc. Moreover, a “plan for implementation of test event” and other deliverables were highly accurate based on thorough knowledge about the competition requirements by incorporating various items necessary for operating test events.

Moreover, the winning bidder had a huge advantage in terms of costs compared to other bidders. Therefore, it was expected to save unnecessary costs to avoid the lack of operational knowledge and to establish a relationship, since the winning bidder had knowledge and a relationship with stakeholders which are the basis for services. Since it was necessary to start coordination with different stakeholders as fast as possible, it was reasonable to let the business operator with knowledge and experience to continue to engage in the service implemented.

- Entrustment of preparation and operational services for the Tokyo 2020 Games

The winning bidder led a test event to success by formulating a very clear and detailed plan for the test events implementation services. Moreover, the winning bidder had an accurate understanding of the characteristics of the venue and competition, the situation surrounding the Tokyo 2020 Organising Committee, and issues, etc. arising from its unique structure in which it is divided into FAs. Therefore, it was possible to reduce the time required for planning and deliberation and achieve cost efficiency compared to new entrants.

b. Future issues drawn from verification results

(a) Thorough compliance, etc.

First of all, training on compliance on laws and regulations such as the Anti-Monopoly Act that prohibits bid rigging was provided to the managerial staff in addition to training on compliance for the general employees on de facto public servants. Although we verified that the executives participated in training on compliance, it is required to check if this training was effective, because the bid rigging case in which a former manager was allegedly involved occurred.

Then, it is required to continuously provide training on compliance to the executives (including part-time executives) as stipulated in the Compliance Regulations. Training on compliance was not provided to the executives, although the Act on General Incorporated Associations includes not only provisions concerning de facto public servants for the managerial staff and the general employees but also themes peculiar to the executives such as the responsibility and obligation of the Executive Board members and auditors. This may be

an indirect cause of illegal acts by the former executive, since a sufficient base was not formed at the time of supervising the Executive Board and auditing the auditors.

When dispatched staff are assigned, it is required to exercise mutual control by preventing staff from the same organization from becoming a person in charge and a decision-maker, distributing the authority to each dispatched staff, and clearly stipulating each one's responsibility and the sharing of roles. Moreover, in cases where the Tokyo 2020 Organising Committee may have a conflict of interest with a company which staff is transferred temporarily from that has a close relationship with a department where they are assigned, it is required to take thorough preventive measures for conflict of interest by paying attention to building organization and imposing a restriction on involvement of such staff in contracts, etc.

(b) Points to remember in terms of financial accounting such as contracts

We verified that the Tokyo 2020 Organising Committee selected business operators for contracts on entrustment of service for test events planning, etc. in accordance with the rules, etc. stipulated thereby. However, the following issues were found, and presented for projects carried out by TMG and others in the future.

- a. 17 contracts (about 70% of all contracts) had only one bidder out of a total of 26 contracts on entrustment of service for test events planning, etc. As it is difficult to say that substantial competitiveness was exercised in these contracts, it is required to pay attention to how to set forth bidding conditions, etc. in order to ensure substantial competitiveness in the future.
- b. According to an answer from the Tokyo 2020 Organising Committee, no members of the examination meeting on selection of business operators were transferred temporarily from business operators that participated in bids. However, the members consisted only of the Tokyo 2020 Organising Committee's staff. It is required to ensure more transparency of the examination meeting by inviting external members taking into account the fact that the Olympic and Paralympic Games attract the attention of citizens and a large amount of public funds was put into. Therefore, the process of selecting members should be improved for similar examination meetings in the future. Likewise, the Tokyo 2020 Organising Committee should be held accountable by disclosing information on bidding as much as possible from the perspective of ensuring transparency.
- c. Business operators that are entrusted service contracts on planning of test events also concluded special (extraordinary) contracts of implementation services of test events and operational services of the Tokyo 2020 Games. One of the reasons for selecting this type of contract (extraordinary contract) was that "an entrusted formulated a very accurate and

precise test event plan and led the test event implementation service to success”. However, it is required to objectively evaluate the entrusted and clarify the ground for selecting an extraordinary contract.

6. Response to the results of the 2017 Audit of Financially-Supported Organizations

We made various requests for improvement concerning the administrative operations of the Tokyo 2020 Organising Committee in the previous audit. We can observe improvements from the perspective of budget execution management and proper procurement as described in the section, “Evaluation of Administrative Operations” in this report.

As regards 2 matters pointed out and 2 opinions/requests, we observed improvements in terms of ensuring appropriate procedures for concluding agreements when projects are jointly carried out with the TMG and clarifying a budget plan and principles for estimation related to a lifetime budget to be formulated subsequently. Table 12 shows the status of those improvements.

(Table 12) Status of improvements related to matters pointed out and opinions/requests in the 2017 audit of financially-supported organizations

Category	Title (Timing of report of measures for improvement)	Summary of audit results	Outline of measures taken
Matters pointed out	The ground for the procedures to check enforcement, etc. should be more clarified by revising rules and issuing notices (1 st report of measures for improvement in 2018)	<p>We checked the procedures for procurement, etc. of the Tokyo 2020 Organising Committee and found out that the receiving inspection procedures completed with verification (stamp) by only one person in charge of each department by FY2016 and decisions were not checked by two or more persons.</p> <p>The Tokyo 2020 Organising Committee explained that “timely improvements are made and shared internally”, but only an explanatory meeting was held for each department.</p> <p>We request the Tokyo 2020 Organising Committee to clarify the ground for the procedures for verification of enforcement, etc. in the procedures for procurement, etc. by revising rules and issuing notices.</p>	<p>The management-level staff and persons in charge of the supervising departments verified the status of enforcement from FY2017. As a proof of verification, they had to stamp a completion notice. This system was operated appropriately.</p> <p>Moreover, a notice was issued to the head of each bureau (office) in charge of general affairs from the Senior Director of the Planning and Finance Bureau as of February 23, 2018 for the purpose of clarifying the ground for that operation.</p> <p>The enforcement check system by two or more persons was publicized at the meeting with directors in charge of general affairs and uploaded to the portal site for staff.</p>
	An agreement should be concluded properly (1 st report of measures for improvement in 2018)	<p>The TMG and the Tokyo 2020 Organising Committee conclude an agreement for each project to clarify the sharing of roles and costs.</p> <p>According to a request for approval of holding a “presentation for the IPC Governing Board members and an opinion exchange meeting with the IPC Governing Board members” by the Tokyo 2020 Organising Committee, we can recognize that an agreement was concluded on June 2, 2015, as of October 23, 2015.</p> <p>However, when a joint project is carried out, it is required to create a written agreement on joint hosting and how to share costs in advance.</p> <p>We request the Bureau and the Tokyo 2020 Organising Committee to properly enforce the procedures when projects are carried out jointly.</p>	<p>The Bureau shared this matter pointed out at the meeting with deputy directors in the department and called attention again to properly enforce the procedures when a project is carried out jointly. In cases where there is a similar case, the person in charge of accounting of the Department should strive to coordinate at an early stage and strictly manage the progress.</p> <p>The Tokyo 2020 Organising Committee shared this matter pointed out at the meeting with directors in charge of general affairs held on February 23, 2018 and called attention to having sufficient prior consultation between the parties when a project is carried out jointly and making sure to reach agreement in writing.</p>

Category	Title (Timing of report of measures for improvement)	Summary of audit results	Outline of measures taken
Opinions/requests	<p>Appropriate budget management by grasping the amount of executed budget by FA (1st report of measures for improvement in 2020)</p>	<p>As the Tokyo 2020 Organising Committee is a body for the preparation and operation of the Tokyo 2020 Games, the Lifetime Budget V1 (Version 1) was formulated as of the date of audit (October 30, 2017) in addition to the annual budget and settlement as a public interest corporation. A total planned cash flow is 500 billion yen.</p> <p>It should be noted that the Tokyo 2020 Organising Committee divided its organizational operations into 52 FAs and managed the progress of preparations in line with the roadmap for each FA for the purpose of managing the progress of preparations for the Tokyo 2020 Games.</p> <p>On the other hand, the Tokyo 2020 Organising Committee could not present the amount of budget executed by FA prior to FY2016 as of the date of audit (October 30, 2017).</p> <p>The Tokyo 2020 Organising Committee explained that it was appropriate to manage the budget not by FA but by project department/expense item, because there was much time toward the Tokyo 2020 Games and the budget was not executed fully prior to FY2016.</p> <p>From FY2017 and later, the Tokyo 2020 Organising Committee could grasp and manage the status of budget execution by FA, because the financial accounting system came into operation in April 2017. The Tokyo 2020 Organising Committee was in the process of classifying all transactions by FA. The Tokyo 2020 Organising Committee agreed to confirm the amount of budget executed by FA prior to FY2016 until the next Lifetime Budget “V2” is formulated.</p>	<p>The amount of budgets executed by FA was confirmed in December 2017. Then, the financial accounting system came into operation and the amount of executed budgets was reflected in the system, enabling to see and manage the status of budget compilation and budget execution by FA. The Tokyo 2020 Organising Committee utilizes this data to compile subsequent budgets and strengthen strict cost management and execution controls.</p> <p>The Games Expenses V4 (version 4) were formulated and announced in December 2019. The lifetime budget by FA corresponding thereto was reflected in the financial accounting system. The Tokyo 2020 Organising Committee carried out budget management such as the amount of budgets executed and the estimated expenditure for subsequent fiscal years.</p> <p>The Tokyo 2020 Organising Committee was committed to appropriately compiling budgets and managing budget execution based on the status of budget execution by FA including the amount of budgets executed in the past.</p>

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Category	Title (Timing of report of measures for improvement)	Summary of audit results	Outline of measures taken
Opinions/requests	Appropriate budget management by grasping the amount of executed budget by FA (1 st report of measures for improvement in 2020)	<p>The budget of some FAs started to be executed on a full-fledged scale in FY2017 and later, but the budget of other FAs was executed to a certain extent prior to FY2016 concerning public relations and the development of venues.</p> <p>It is expected of the Tokyo 2020 Organising Committee to grasp the amount of budgets executed by FA as soon as possible and appropriately manage a series of budgets through the accurate estimation of budgets for subsequent fiscal years taking into account budget compilation, budget execution, and expected future budget execution, thereby contributing to the smooth preparation and operation of the Tokyo 2020 Games.</p>	

Category	Title (Timing of report of measures for improvement)	Summary of audit results	Outline of measures taken
Opinions/requests	Lifetime budget of the Tokyo 2020 Organising Committee (2 nd report of measures for improvement in 2020)	<p>All income and expenditure related to the operation of the Tokyo 2020 Games by the Tokyo 2020 Organising Committee (hereinafter referred to as “lifetime budget”) achieved a balance of 500 billion yen in the lifetime budget announced in December 2016 and an overall picture of the budget describing other expenses (Version 1, hereinafter referred to as the “V1 budget”). Then, the Tokyo 2020 Organising Committee, the TMG, the Government of Japan, and municipalities where competition venues are located agreed on a basic direction of the sharing of expenses in May 2017 (hereinafter referred to as the “general agreement”). According to this agreement, the share of expenses of the Tokyo 2020 Organising Committee is 600 billion yen.</p> <p>The Tokyo 2020 Organising Committee comments that the V1 budget and the burden of expenses are provisional prior to a final lifetime budget. Therefore, it is committed to securing necessary financial sources and concretizing the sharing of roles and expenses based on the general agreement, while further reducing and streamlining expenses until future lifetime budgets are formulated and the Tokyo 2020 Games implemented.</p> <p>It should be noted that the V1 budget and the general agreement do not include budget plans by FY or performance of income and expenditure to date. Therefore, it is impossible to know future annual budgets in relation to the lifetime budget and the performance of income and expenditure in relation to the lifetime budget.</p>	<p>The Games expenses V4 (Version 4) announced in December 2019 present the policy for estimation of budgets. Moreover, the “settlement outline cash flow base” has been publicized from the FY2018 settlement in accordance with the items in the lifetime budget. The Tokyo 2020 Organising Committee publicized the “settlement outline cash flow base” also for the FY2019 settlement and the “status of execution of the Games expenses”, cumulative performance of income and expenditures in relation to the lifetime budget (this is a new initiative for information disclosure).</p> <p>The Tokyo 2020 Organising Committee is planning to publicize the “settlement outline cash flow base” for the FY2020 settlement and the “status of execution of the Games expenses”. Moreover, the Tokyo 2020 Organising Committee is considering a possibility of presenting its settlement corresponding to the lifetime budget in a way that the citizens of Tokyo and the rest of Japan can easily understand after the Tokyo 2020 Games end.</p>

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Category	Title (Timing of report of measures for improvement)	Summary of audit results	Outline of measures taken
Opinions/requests	Lifetime budget of the Tokyo 2020 Organising Committee (2 nd report of measures for improvement in 2020)	<p>Moreover, although the V1 budget publicizes 10 expenditure items, it includes many quotes under coordination and assumptions. Therefore, we could not sufficiently audit how sure and comprehensive the budget is.</p> <p>It is expected of the Tokyo 2020 Organising Committee to clarify budget plans and policy for quotes of future lifetime budgets in accordance with the details of duties and the stage of concretizing plans.</p>	

7. Conclusion

As the Audit and Inspection Commissioners, we conducted comprehensive audits as a continuation of the 2017 Report on Audit of Financially-Supported Organizations in line with the purpose of the audit of financially-supported organizations based on a situation where the TMG and the JOC granted the contribution as the founder to establish the Tokyo 2020 Organising Committee toward the Tokyo 2020 Games and made a large amount of burden expenses to its activities since then. These audits evaluated the status of improvements in response to the previous audit's results, efforts for holding the Tokyo 2020 Games, the status of the preparation and operations of the Tokyo 2020 Games such as the response to the postponement of the Tokyo 2020 Games and measures against COVID-19, a series of activities of the Tokyo 2020 Organising Committee such as the installation and removal of related facilities, and the involvement of the TMG in the Tokyo 2020 Organising Committee. We compiled a report on the results of these audits.

We set up 10 focuses concerning projects carried out by the Tokyo 2020 Organising Committee for these audits. We extracted procurement contracts of construction works and entrustment and verified their details in addition to project plans, project reports, and materials submitted by the Executive Board. Although we could not view some materials for confidentiality reasons between the Tokyo 2020 Organising Committee and the other parties, we received written contracts, specifications, performance reports, photos of construction sites, and other necessary materials and verified the status of administrative aspects of projects. In addition, we verified competition venues, etc. and conducted fieldwork to made on-site inspections of the bureaus with jurisdiction in line with the purpose of these audits. We presented points to remember verified through these audits in “5. Evaluation of administrative operations” in “Chapter 3 Audit Results”.

The Tokyo 2020 Organising Committee has strived to improve its corporate administrative structures to strengthen governance of the entire organization by specifying the authorities of the President, Board Members, and Auditors, the operations of the Council, the Executive Board, and the Management Board, persons who are authorized to make decisions through Articles of Incorporation, the Regulations on the Operation of the Executive Board based thereon, the Regulations on the Secretariat, the bylaws on case decisions based thereon, etc. On the other hand, a former executive of the Tokyo 2020 Organising Committee was arrested and charged on suspicion of sponsor contracts, etc., leaving a big challenge. It is required to examine how to ensure effective governance when similar projects are carried out in the future.

We did not find issues in most of procurement contracts, but issues were found in some procurement contracts. We presented those cases above. Moreover, we conducted an additional fieldwork regarding the contracts on entrustment of service for test events planning, etc. based on which the former manager was charged with bid rigging with the aim of verifying written contracts, requests for approval, documents on selection of business operators, etc. Future issues in terms of

organizational operations and financial accounting are presented in a separate section.

It is commendable that the Tokyo 2020 Organising Committee made efforts for securing incomes repeatedly and received the highest income from marketing. However, it is required to disclose necessary information on sponsorship contracts, etc. in terms of securing income from sponsors, etc.

As a result of verifying overall activities of Tokyo 2020 Organising Committee through these audits, we found both commendable points and inappropriate points. We conclude these audits by hoping that the opinions expressed in this report be used not only for projects carried out by the TMG but also for other international events and the Olympic and Paralympic Games held in other cities in the future and be translated to better projects.

Chapter 4 Principal activities of the Tokyo Metropolitan Assembly

The Tokyo Metropolitan Assembly established a Special Commission for the Promotion of the Olympic and Paralympic Bidding (current Special Commission for the Olympic and Paralympic Games) in October 2013 immediately after the decision to host the Olympic and Paralympic Games in September 2013 to conduct investigations and examinations and necessary activities to hold the Games of the XXXII Olympiad and the 16th Paralympic Games in 2020. Since then, the Tokyo Metropolitan Assembly has made an effort to fulfil the supervisory role as a decision-making body of the TMG concerning the establishment and operation of the Tokyo 2020 Organising Committee, disclosure of information, and lifetime budgets until now (as of May 2023).

The Special Commission for Olympic and Paralympic Promotion Measures, etc. (Special Commission for the Olympic and Paralympic Bidding by December 14, 2015) held a total of 52 meetings between October 2013 and June 1, 2017 to discuss the establishment of the Tokyo 2020 Organising Committee in January 2014, the decision of additional sports and venues, the formulation of the V1 budget in December 2016, the general agreement on the Games expenses between the Tokyo 2020 Organising Committee, the TMG, and the Government of Japan in May 2017.

From August 8, 2017 to June 1, 2021, the Special Commission for Olympic and Paralympic Promotion Measures (the Special Commission for Olympic/Paralympic and Rugby World Cup Promotion Measures by March 27, 2020) held a total of 43 meetings to have deep discussions on the budgets formulated in December each year (the V2~V4 budgets), the one-year postponement of the Tokyo 2020 Games due to the COVID-19 pandemic, infection control measures, the Agreement on the Sharing of Additional Expenses of the Tokyo 2020 Games concluded between the Tokyo 2020 Organising Committee, the TMG, and the Government of Japan in response to the postponement, and the formulation of the V5 budget formulated in December 2021 which reflects those additional expenses.

From August 20, 2021, the Special Commission for the Olympic and Paralympic Games held a total of 10 meetings (as of March 2023) to continue discussions on the results of holding the Tokyo 2020 Games and a final report on the Games expenses, etc.

It was pointed out in discussions at the Tokyo Metropolitan Assembly that it is important to help better understanding of the citizens of Tokyo and the rest of Japan by making efforts for providing detailed explanations and disclosing information to lead the Tokyo 2020 Games to success which a huge amount of public funds has been injected and that it is necessary to properly store documents, since conveying what was learned from the Tokyo 2020 Games to the future is a precious legacy.

Based on these discussions, the Olympic and Paralympic Games Tokyo 2020 Documentation Storage and Succession Ordinance (Ordinance of the TMG No.51 of 2020, hereinafter referred to as the “Ordinance”) was enacted in March 2020 to convey the historical significance of the Tokyo 2020 Games and verify the Games expenses under a recognition that it is necessary to prevent important

documents, etc. of the Olympic and Paralympic Games from being scattered and lost and makes sure to convey them to future generations.

Article 2 of the Ordinance stipulate that documents, etc. refer to documents, drawings, photos, films, and electromagnetic records created or obtained by staff of the Tokyo 2020 Organising Committee in the course of their duty and owned by the Tokyo 2020 Organising Committee for the use by its staff. Basically, this Article covers all documents, etc.

Article 3 stipulates that the TMG has the responsibility of providing the Tokyo 2020 Organising Committee with guidance necessary for the storage and succession of documents, etc. and coordinating therewith. Article 4 stipulates that the Tokyo 2020 Organising Committee is responsible for taking measures necessary for appropriately storing and succeeding documents, etc.

Article 5 stipulates that the TMG shall request the JOC and other related organizations for necessary cooperation to establish an arrangement for appropriately storing and succeeding documents, etc. Article 6 stipulates that the TMG shall properly manage documents, etc. succeeded from the Tokyo 2020 Organising Committee based on the Ordinance on the Management of Public Records, etc. (Ordinance of the TMG No.39 of 2017) and utilize them taking into account the purpose of the Ordinance. Moreover, it is stipulated that the TMG shall request the JOC and other related organizations to allow the use of documents, etc. succeeded therefrom based on the purpose of the Ordinance.

These provisions aim to take measures necessary for appropriately storing and succeeding all documents, etc. owned by the Tokyo 2020 Organising Committee and, thereby, improving the trust of the citizens of Tokyo in the Tokyo 2020 Games. The Tokyo 2020 Organising Committee has preserved all documents, etc. used thereby without disposing of them and succeeded to the Designated Entity based on these provisions.

Chapter 5 Outline of status of operations

1. Status of operations

(1) Performance of projects

The Tokyo 2020 Organising Committee carried out projects concerning the preparation and operation of the Tokyo 2020 Games toward its success. The principal records of projects carried out between FY2017 and FY2021 are as follows.

a. Preparations for the smooth, safe, and secure operations of the Tokyo 2020 Games, Games operations, and efforts after the Tokyo 2020 Games

FY2019	FY2020	FY2021
<p>(1) The members of production planning played a leading role in the planning and production of the opening and closing ceremonies.</p> <p>(2) The plan for operation of the Olympic and Paralympic Village was refined. Accessories, etc. were carried in after accommodation buildings were handed over.</p> <p>(3) The orientation meeting for Games volunteers was held at 11 places nationwide in Tokyo, Hokkaido, etc. In addition, common (group) training was conducted.</p>	<p>(1) The “New Beginning: Tokyo 2020 Games Implementation Headquarters” played a central role in examining issues along with the postponement of the Tokyo 2020 Games and promoting coordination and progress management. In addition, the Tokyo 2020 Games positioning, basic principles and roadmap for holding the Tokyo 2020 Games in 2021 were formulated.</p> <p>(2) The Playbook (Version 1) which covers the rules regarding COVID-19 countermeasures was announced. A system to establish the Olympic and Paralympic Village General Clinic and the Infectious Disease Control Centre was built. The Tokyo 2020 Organising Committee promoted coordination to secure medical institutions where athletes can be examined and hospitalized as well as accommodation facilities for recuperation.</p> <p>(3) The Tokyo 2020 Organising Committee examined how to curb the increase in expenses by finding ways to simplify the opening and closing ceremonies by avoiding exaggerated performance taking into account changing social situations amid the COVID-19 pandemic.</p>	<p>(1) When the Tokyo 2020 Games were held, there was no case of cluster declared by the health centres or spread of infection from persons concerned of the Tokyo 2020 Games as a result of taking various measures against COVID-19 such as testing before arrival in Japan, health management, behaviour management, development of medical and recuperation functions.</p> <p>(2) The Infectious Disease Control Centre and the Olympic and Paralympic Village General Clinic were established. In addition, the Tokyo 2020 Organising Committee coordinated with medical institutions where athletes can be hospitalized and provided opportunities for receiving medical services and recuperation by operating accommodations facilities for recuperation.</p> <p>(3) The opening and closing ceremonies were implemented by reducing artistic parts and reviewing performances in accordance with the simplification policy.</p>

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FY2019	FY2020	FY2021
<p>(4) The medical system was established for the Tokyo 2020 Games such as hospitalization at designated hospitals and preparations for opening the medical offices at venues and the Olympic and Paralympic Village General Clinic were made.</p> <p>(5) Points to be improved were clarified by verifying various plans and competition environments through implementing test events.</p> <p>(6) The Tokyo 2020 Organising Committee communicated and coordinated with the IOC and the IPC and examined services for the Olympic and Paralympic families.</p> <p>(7) A security plan was formulated based on the “Security Guidelines”.</p> <p>(8) The establishment of communications infrastructure for various telecommunication services started and a system was in place in line with the concept of operations and maintenance during the Tokyo 2020 Games.</p> <p>(9) Preparations for the Torch Relay were made.</p> <p>(10) Anti-heat measures by venue and by sport were examined based on the “basic concept of anti-heat measures” and verification results of anti-heat measures implemented in test events.</p>	<p>(4) As regards the preparations for operating the Olympic and Paralympic Village, the Tokyo 2020 Organising Committee held consultation with business operators, etc. to change its operations due to measures against COVID-19 and a “heat exercise at the Olympic and Paralympic Village” was conducted to verify waiting lines taking into account infection countermeasures.</p> <p>(5) The Games volunteers received articles and videos introducing their roles on a regular basis to maintain their motivation. Moreover, the intention to participate in the Tokyo 2020 Games in 2021 was confirmed.</p> <p>(6) Medical teams consisting mainly of medical staff were formed at the venues and the Olympic and Paralympic Village and training was provided to staff.</p> <p>(7) The Tokyo 2020 Organising Committee communicated and coordinated with the IOC and the IPC and prepared services for the Olympic and Paralympic families taking into account the simplification and provision of services at an appropriate level.</p> <p>(8) An implementation manual for security guards was formulated.</p> <p>(9) The Tokyo 2020 Organising Committee designed a plan to restart the operations of technology and information systems in the same environment in response to the postponement of the Tokyo 2020 Games and designed and established information systems related to measures against COVID-19.</p> <p>(10) The Tokyo 2020 Organising Committee announced a new schedule of the Torch Relay and simplified its implementation. Also, measures against COVID-19 were examined.</p>	<p>(4) The Tokyo 2020 Organising Committee made preparations for operating the Olympic and Paralympic Village and coordinated with each Olympic Committees, Paralympic Committees, delegations and service providers, etc. and took measures against COVID-19.</p> <p>(5) Training by role and training by venue were provided on-line or by other means for the Games volunteer. During the Tokyo 2020 Games, anti-heat measures and measures against COVID-19 were taken for safe and secure activities.</p> <p>(6) Medical teams consisting mainly of medical staff were formed at the venues and the Olympic and Paralympic Village and training was provided to staff. Testing and medical care were provided at the medical stations at venues and the Olympic and Paralympic Village General Clinic during the Tokyo 2020 Games. In cases where athletes or persons concerned had to be transported to hospitals, the medical team coordinated with designated hospitals, etc. closely for smooth transfer depending on individual situations.</p> <p>(7) The Tokyo 2020 Organising Committee communicated and coordinated with the IOC and the IPC and provided the Olympic and Paralympic families with services related to meetings and events on the IOC and the IPC.</p> <p>(8) A security plan was formulated for each competition venue taking into account its characteristics and measures against COVID-19 based on the “Security Guidelines”, etc. to provide security services.</p> <p>(9) Stable operations of technology were ensured overall during the Tokyo 2020 Games. The TMG established and operated various information systems that were utilized for infection countermeasures such as an information management system to support COVID-19 infection countermeasures services.</p> <p>(10) The Torch Relay was implemented by taking measures against COVID-19 such as avoidance of crowded places.</p>

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FY2019	FY2020	FY2021
(11) The “Transportation Operation Plan (V2)” was formulated.	(11) Anti-heat measures were refined by venue and by sport taking into account the consistency with verification results and measures against COVID-19. In addition, operational measures of the Tokyo 2020 Games were introduced. (12) A new driving plan was formulated based on examinations on efficient and simplified transportation for holding the Tokyo 2020 Games in 2021.	(11) Anti-heat measures such as the supply of water, prevention, and rescue services based on verification results. (12) The Tokyo 2020 Organising Committee has repeatedly examined and coordinated plans for traffic and transportation to promote and implement them.

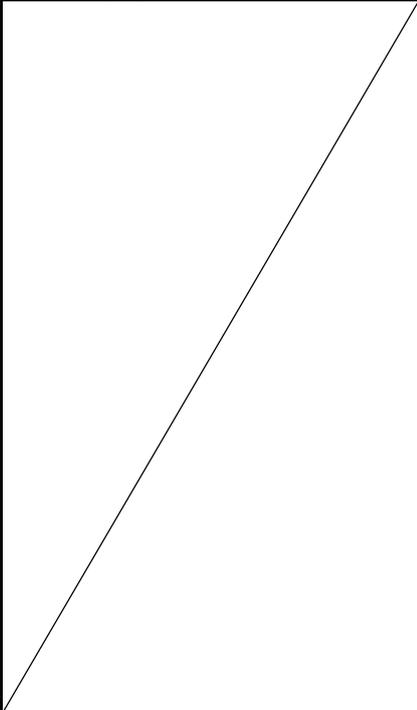
	FY2017	FY2018
/	<p>(1) A “basic concept” of the opening and closing ceremonies was formulated. In addition, a “Comprehensive Planning Team of 4 Ceremonies for the Tokyo 2020 Games Opening and Closing Ceremonies” was established to examine the creation of “basic plan”.</p> <p>(2) The layout of facilities and spaces was examined based on the “Venue Concept Plan for the Olympic and Paralympic Village” and the “Master Plan”.</p> <p>(3) Draft “Application Guidelines for Volunteers for the Olympic and Paralympic Games Tokyo 2020” were formulated.</p> <p>(4) A “Basic Plan for the Olympic and Paralympic Village General Clinic” was compiled.</p> <p>(5) Risks in Games operations were identified toward the implementation of test events. Items and implementation methods were discussed.</p> <p>(6) The Tokyo 2020 Organising Committee communicated and coordinated with the IOC and the IPC and examined services for the Olympic and Paralympic families.</p> <p>(7) “Security Guidelines” were formulated.</p> <p>(8) An “IT Devices Installation Plan (Version 1)” and a “Frequency Basic Plan” were announced.</p>	<p>(1) The “Basic Plan” for the opening and closing ceremonies was formulated. In addition, the “implementation system of planning of production” was announced.</p> <p>(2) The layout of facilities and spaces was examined. In addition, the “plan for operation of the Olympic and Paralympic Village” was formulated.</p> <p>(3) The Application Guidelines for Volunteers for the Olympic and Paralympic Games Tokyo 2020 were published (Explanatory meetings were held more than 100 times nationwide. Number of applications: 204,680 volunteers). The orientation started from Tokyo.</p> <p>(4) The “venue medical officers’ meeting” was launched. Moreover, the “liaison meeting on the operations of the Olympic and Paralympic Village General Clinic” was established.</p> <p>(5) A test event implementation plan for each sport was formulated.</p> <p>(6) The Tokyo 2020 Organising Committee communicated and coordinated with the IOC and the IPC and examined services for the Olympic and Paralympic families.</p> <p>(7) The Security Guidelines were updated.</p> <p>(8) Games data networks for various telecommunication services were fully transferred to the data centre. A package contract of data network devices for the Tokyo 2020 Games was concluded, and the “Frequency Management Plan” was published.</p>

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	FY2017	FY2018
		(9) The Torch Relay plan and the Torch, etc. were announced. (10) The “Basic Concept of Anti-heat measures” was formulated. (11) The “Transportation Operation Plan V2 (draft)” was formulated.

b. Steady implementation of the development of competition venues and facilities and their swift dismantling and removal, etc.

FY2019	FY2020	FY2021
<p>(1) The construction of temporal overlays at competition venues started.</p> <p>(2) As regards the Olympic and Paralympic Village, the construction of accommodation buildings completed. Moreover, the construction of the Main Dining Hall, etc. progressed smoothly.</p> <p>(3) The construction of the Ariake Gymnastics Centre started.</p> <p>(4) Works related to installation of electricity infrastructure at competition venues progressed, while a detailed design of temporal power-supply units was prepared.</p>	<p>(1) In response to the postponement of the Tokyo 2020 Games, the construction of temporal overlays was suspended. It restarted in March 2021.</p> <p>(2) In response to the postponement of the Tokyo 2020 Games, temporal power-supply units were stored in warehouses and checked on a regular basis to prevent the deterioration of performance.</p>	<p>(1) The construction of temporal overlays at facilities such as 43 competition venues and the Olympic and Paralympic Village completed by the deadline. After the Tokyo 2020 Games ended, removal and recovery works of all competition venues, etc. completed in FY2021.</p> <p>(2) Temporal power-supply units and gas-supply equipment were installed at competition venues, etc. by the deadline. After the Tokyo 2020 Games ended, they were removed and works to recover to the original state ended in FY2021.</p>
	FY2017	FY2018
	<p>(1) A basic design related to the construction of temporal overlays at competition venues completed.</p> <p>(2) An implementation design of facilities at the Olympic and Paralympic Village, etc. progressed.</p> <p>(3) An implementation design of the Ariake Gymnastics Centre progressed and the construction started.</p> <p>(4) A “Basic Concept on Setting of Spectator Transportation Routes” was compiled. In addition, the Transport Plan V1 was published.</p> <p>(5) Facilities, equipment, etc. required for vehicle depots were examined at candidate sites owned by the TMG such as the land where the Tsukiji Market used to be.</p>	<p>(1) The implementation design and works related to the development of temporal overlays at competition venues were ordered.</p> <p>(2) The construction of facilities of the Olympic and Paralympic Village started in order.</p> <p>(3) The progress of the construction of the Ariake Gymnastics Centre was 70% as planned. The construction of building completed.</p> <p>(4) The works to install electricity infrastructure at competition venues started, while the detailed design of temporal power-supply units started.</p>

c. Building momentum for holding the Tokyo 2020 Games and succession of records and memories of the Tokyo 2020 Games

FY2019	FY2020	FY2021
<p>(1) The “Tokyo 2020 Action & Legacy Plan 2019” was formulated.</p> <p>(2) Promotion of the Tokyo 2020 Sponsorship Programme and Sponsorship contract - Official Supporter: 6 companies - Tokyo 2020 Olympic Torch Relay Supporting Partner: 5 companies - Tokyo 2020 Paralympic Torch Relay Presenting Partners: 1 company - Tokyo 2020 Paralympic Torch Relay Supporting Partners: 2 companies</p> <p>(3) Promotion of the Tokyo 2020 Licensing Programme - Licensing contract (cumulative): 107 companies - Opening of official shop (total): 89 shops</p> <p>(4) Promotion of ticketing - Start of general lot ticket sales for the Olympic and Paralympic Games -Olympic tickets: About 4.48 million -Paralympic tickets: About 0.97 million</p> <p>(5) Deployment of the Tokyo 2020 Participation Programme - Registered organizations (cumulative): About 2,400 organizations - Number of certifications (cumulative): About 145,000 - Number of participants (cumulative): About 105 million people</p> <p>(6) Schools Implementing the Tokyo 2020 Educational Programme “Yoi, Don! School” (Yoi, Don! means get set, go!) (Number of participating schools (cumulative): 18,604)</p> <p>(7) Pre-events of the official cultural programme, “Tokyo 2020 NIPPON Festival”, were implemented. In addition, cultural programmes for jointly hosted programmes were solicited and selected to prepare for their implementation.</p>	<p>(1) Projects based on the “Tokyo 2020 Action & Legacy Plan” continued such as the production of the Tokyo 2020 Recovery Monuments.</p> <p>(2) Promotion of the Tokyo 2020 Sponsorship Programme and sponsor contract: All sponsors agreed to extend their contract in response to the postponement of the Tokyo 2020 Games. - Official Supporter: 1 company - Tokyo 2020 Olympic Torch Relay Supporting Partners: 2 companies</p> <p>(3) Promotion of the Tokyo 2020 Licensing Programme - The operation of official shops continued by formulating the operation plan of COVID-19 infection countermeasures - Licensing contract (cumulative): 121 companies</p> <p>(4) Promotion of ticketing - Sold tickets were refunded to those who requested in response to the postponement of the Tokyo 2020 Games.</p> <p>(5) Deployment of the Tokyo 2020 Participation Programme - Registered organizations (cumulative): About 2,480 organizations - Number of certifications (cumulative): About 156,000 - Number of participants (cumulative): About 135 million people</p> <p>(6) Schools Implementing the Tokyo 2020 Educational Programme “Yoi, Don! School” (Yoi Don! means get set, go!) (Number of participating schools (cumulative): 18,604)</p> <p>(7) Preparations for holding the Tokyo 2020 NIPPON Festival in 2021 were made.</p>	<p>(1) The Tokyo 2020 Action & Legacy Report was published.</p> <p>(2) Tokyo 2020 Sponsorship Programme - Sponsor (cumulative): 82 companies (TOP sponsor: 14 companies, domestic sponsors: 68 companies)</p> <p>(3) Tokyo 2020 Licensing Programme - Licensing contract (cumulative): 127 companies - Opening of official shops (during the Tokyo 2020 Games): 67 shops</p> <p>(4) Promotion of ticketing - The decision to hold the Tokyo 2020 Games without spectators (except some sports) was made immediately prior to its commencement. - Tickets were refunded.</p> <p>(5) Deployment of the Tokyo 2020 Participation Programme - Registered organizations (cumulative): About 2,500 organizations - Number of certifications (cumulative): About 160,000 - Number of participants (cumulative): About 170 million people</p> <p>(6) Schools Implementing the Tokyo 2020 Educational Programme “Yoi, Don! School” (Yoi Don! means get set, go!) (Number of participating schools (cumulative): 19,005)</p> <p>(7) The Tokyo 2020 NIPPON Festival was held. - Cultural programmes hosted by the Tokyo 2020 Organising Committee: 3 programmes (Number of participants (including online live streaming): more than 3 million) - Jointly hosted cultural programmes: 26 (Number of participants (including online live streaming): About 110,000)</p>

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FY2019	FY2020	FY2021
<p>(8) The Tokyo 2020 Organising Committee examined “Pre-Games Sustainability Report” compiling the progress of the “Tokyo 2020 Olympic and Paralympic Games Sustainability Plan (Version 2)”.</p> <p>(9) In addition to public relations activities such as the issuance of promotional printed materials, newspaper advertisement, upload of promotional videos, production and exhibition of art posters, flow lines on digital media were designed by providing contents with the intention of leading viewers to the purchase of ticket or watching of the Tokyo 2020 Games.</p> <p>(10) The Archives Management Preparation Meeting was founded to collect, organize, and manage archives assets as well as preserve, manage, and utilize them after the Tokyo 2020 Games toward their succession.</p>	<p>(8) The “Pre-Games Sustainability Report” compiling the progress of the “Tokyo 2020 Olympic and Paralympic Games Sustainability Plan (Version 2)” was published.</p> <p>(9) In addition to public relations activities such as the issuance of promotional printed materials, newspaper advertisement, upload of promotional videos, production and exhibition of art posters, about 8 million users watched live streaming of the 1 Year to Go! countdown events utilizing digital media.</p> <p>(10) Preparations were made to collect, organize, and manage archives assets and to succeed them to the Designated Entity.</p>	<p>(8) The Post-Games Sustainability Report was published.</p> <p>(9) Detailed information was distributed on a continuous basis by holding regular press conferences every week, and a total of 10,000 news reports were broadcasted. Moreover, public relations activities were conducted through issuing promotional printed materials, newspaper advertisement, etc. Content was provided by taking advantage of the characteristic of digital media that it can be tailored to each one’s preference taking a situation surrounding the COVID-19 pandemic into consideration. (Number of viewers of the official site (cumulative): About 197.3 million, number of app downloads: About 5.5 million)</p> <p>(10) After the Tokyo 2020 Archives Assets Agreement was concluded, the Archives Management Committee was founded. In addition, the Tokyo 2020 Organising Committee made preparations for succeeding archives assets to the Designated Entity (JOC) and the Asset Management Trustee. The Tokyo 2020 Organising Committee made preparations for storing documents which are stored without being succeeded to the Designated Entity, etc. based on laws and regulations.</p>

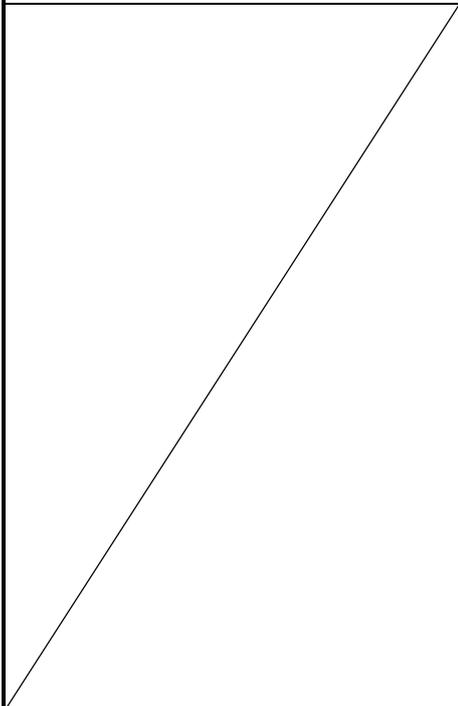
	FY2017	FY2018
	<p>(1) The “Tokyo 2020 Action & Legacy Plan 2017” was formulated.</p> <p>(2) The Tokyo 2020 Games mascot was selected.</p> <p>(3) Promotion of the “Tokyo 2020 Sponsorship Programme and sponsorship contracts</p> <ul style="list-style-type: none"> - Official Partner: 3 companies - Official Supporters: 3 companies <p>(4) Promotion of the Tokyo 2020 Licensing Programme</p> <ul style="list-style-type: none"> - Licensing contract: 20 companies - Opening of official shop: 2 in Tokyo <p>(5) Establishment and promotion of the ticketing programme</p> <ul style="list-style-type: none"> - A ticketing plan for the Olympic and Paralympic Games was formulated. <p>(6) Deployment of the Tokyo 2020 Participation Programme</p> <ul style="list-style-type: none"> - Registered organizations (cumulative): About 1,400 organizations - Number of certifications (cumulative): About 40,000 - Number of participants (cumulative): About 30 million people) <p>(7) Schools Implementing the Tokyo 2020 Educational Programme “Yoi, Don! School” (Yoi Don! means get set, go!) (Number of certified schools: 5,331)</p> <p>(8) The “Made from Urban Mines! Tokyo 2020 Medal Project” was implemented.</p> <p>(9) The examination started at the Tokyo 2020 NIPPON Festival Working Group.</p>	<p>(1) The “Tokyo 2020 Action & Legacy Plan 2018” was formulated.</p> <p>(2) The Tokyo 2020 mascot was announced.</p> <p>(3) Promotion of the “Tokyo 2020 Sponsorship Programme and sponsorship contracts</p> <ul style="list-style-type: none"> - Official Partner: 2 companies - Official Supporters: 11 companies - Tokyo 2020 Olympic Torch Relay Presenting Partners: 4 companies <p>(4) Promotion of the Tokyo 2020 Licensing Programme</p> <ul style="list-style-type: none"> - Licensing contract (cumulative): 77 companies - Opening of official shop (cumulative): 14 shops <p>(5) Establishment and promotion of the ticketing programme</p> <ul style="list-style-type: none"> - Establishment of an official ticket sales web site in collaboration with the ticket sales operators. - Number of subscribers of Tokyo2020ID (cumulative): Over 2 million ID. <p>(6) Deployment of the Tokyo 2020 Participation Programme</p> <ul style="list-style-type: none"> - Registered organizations (cumulative): About 1,900 organizations - Number of certifications (cumulative): About 97,000 - Number of participants (cumulative): About 70 million people <p>(7) Schools Implementing the Tokyo 2020 Educational Programme “Yoi, Don! School” (Yoi Don! means get set, go!) (Number of participating schools (cumulative): 17,391)</p> <p>(8) The “Made from Urban Mines! Tokyo 2020 Medal Project” completed, because the quantity of metals necessary for producing medals could be secured.</p> <p>(9) The outline of concept, logo, and programme was published at the Tokyo 2020 NIPPON Festival.</p>

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	FY2017	FY2018
	<p>(10) The 3 Years to Go! countdown event, the 1000 Days to Go! countdown event, and the Tokyo 2020 flag tour were implemented.</p> <p>(11) Public relations activities were implemented taking into account the characteristics of users through digital media such as social medias, etc.</p>	<p>(10) After the “Tokyo 2020 Olympic and Paralympic Games Sustainability Plan (Version 2)” and the “Procurement Code in Consideration of Sustainability (Version 2)” were formulated, a “Sustainability Progress Report” was published. In addition, the “core graphics” which are the base of design used for decorations at the host cities was published.</p> <p>(11) In addition to the issuance of promotional printed materials, newspaper advertisement, and upload of promotional videos, public relations activities were implemented through the official web site and social medias, etc.</p> <p>(12) The Tokyo 2020 Organising Committee collected and organised documents and physical assets of the Tokyo 2020 Games with a view to their succession after the Tokyo 2020 Games and advanced coordination to conclude an Tokyo 2020 Archives Assets Agreement.</p>

d. Establishment of all-Japan cooperation framework

FY2019	FY2020	FY2021
<p>(1) The Tokyo 2020 Organising Committee strengthened its framework for cooperating and collaborating with the TMG, the Government of Japan, and related municipal entities to prepare for the operations the Tokyo 2020 Games and building of momentum.</p> <p>(2) Food prepared using ingredients from the disaster-affected areas was offered at the reception of the 2nd World Press Briefing.</p> <p>(3) As the Olympic flame handed over to Japan arrived at Miyagi Prefecture, the Olympic Flame Arrival Ceremony was held. In addition, the Flame of Recovery was exhibited.</p> <p>(4) The “Universities Collaboration ’19 Event Tokyo 2020 University Festival next” was held.</p>	<p>(1) The Tokyo 2020 Organising Committee strengthened its framework for cooperating and collaborating with the TMG, the Government of Japan, and related municipal entities to prepare and operate the Tokyo 2020 Games taking into account measures against COVID-19.</p> <p>(2) Publication of “Media Guide on Efforts for Recovery from the Great East Japan Earthquake” (Japanese/English)</p> <p>(3) The Olympic Torch Relay started in Fukushima Prefecture.</p> <p>(4) The on-site course programme was held on an on-line basis 41 times for the purpose of promoting Tokyo 2020 Olympic and Paralympic education. About 2,800 students participated. Moreover, the “Tokyo 2020 University Festival online” organized by students was distributed.</p>	<p>(1) The Tokyo 2020 Organising Committee collaborated with the TMG, the Government of Japan, and related municipal entities concerning measures against COVID-19 to realise the Tokyo 2020 Games safely and securely and held the Liaison Council among of Related Municipalities, etc.</p> <p>(2) The “Media Guide on Efforts for Recovery from the Great East Japan Earthquake” was updated and distributed on-line on a timely basis during the Tokyo 2020 Games.</p> <p>(3) Tokyo 2020 Recovery booth (a total of 1,150 media workers, etc. visited) was set up at the Main Press Centre where Japanese and overseas press get together during the Tokyo 2020 Games and the “Tokyo 2020 NIPPON Festival (Theme: Reconstruction of the Tohoku Region),etc. were hold.</p> <p>(4) The “Information Guarantee Programme” by students was implemented during the Tokyo 2020 Games.</p>
	FY2017	FY2018
	<p>(1) The Liaison Council among Related Municipalities, etc. was held toward the Tokyo 2020 Games.</p> <p>(2) Efforts for supporting the recovery of the disaster-affected areas toward the Tokyo 2020 Games were discussed with each organization of the Disaster Recovery Support Liaison Council of related municipal entities, etc.</p> <p>(3) A booth of the three disaster-affected prefectures was set up for the dinner party at the 5th IOC Coordination Commission Meeting to promote the affected areas by presenting foodstuffs and special products.</p> <p>(4) The “Tokyo 2020 University Festival” was held in collaboration with universities.</p>	<p>(1) The Tokyo 2020 Organising Committee strengthened its cooperation and collaboration systems with the TMG, the Government of Japan, and related municipal entities to prepare for the Games’ operations and build momentum.</p> <p>(2) The 2nd Disaster Recovery Support Liaison Council was held.</p> <p>(3) Foodstuffs of the disaster-affected areas were presented at the reception of the 1st World Press Briefing and media tours were implemented.</p> <p>(4) Traditional crafts of the three disaster-affected prefectures were put on sale the “Traditional Craft Collection” of Tokyo 2020 licensed products.</p>

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	FY2017	FY2018
/		(5) The Universities Collaboration '18 Programme Tokyo 2020 University Festival the2nd" was held together with the "Universities Collaboration '18 Programme Tokyo 2020 Olympic and Paralympic volunteers recruitment briefings" were held.

(2) Administrative structures

Under the Tokyo 2020 Organising Committee which is a public interest incorporated foundation, the Council and the Executive Board were established. These Boards deliberated, approved, and decided important matters. Moreover, the Secretariat (8 offices and 11 bureaus (maximum)) was established under the Executive Board to execute projects. The administrative structures when the Tokyo 2020 Games were held were turned into another system for each of 43 competition venues, etc. (venue system) to execute duties.

The Executive Board made decisions on important matters such as determination of project execution and approval of project reports and financial statements. The Executive Board meeting was held about 6 times a year. After the Tokyo 2020 Organising Committee was established, a total of 50 meetings were held (as of the end of June 2022) in about 8.5 years. The maximum number of board members was 35 at the time when the Tokyo 2020 Organising Committee was established. However, since women's empowerment became an important issue, the maximum number was changed to 45 in February 2021 and 12 female board members were appointed. The board members consisted of staff of the TMG, the Government of Japan, the JOC, and the JPC as well as experts in different fields, public figures who represent politics, economics, sports, culture, art, and media, and academic experts to form an all-Japan framework.

The Secretariat established the Management Board from November 2015 as part of governance reforms for the purpose of strengthening the organization and operation structures of the Tokyo 2020 Organising Committee. The Management Board was held 1~4 times a month depending on cases to be handled (The meeting was held 190 times in total as of the end of June 2022). Any matter to be submitted to the Executive Board for consideration had go through Management Board to clarify the decision-making process. The outline of each meeting is shown in Table 13.

Moreover, 8 offices had the audit office and entrusted internal audits on the system, organization, operations, and activities of the Tokyo 2020 Organising Committee to an audit firm. To be more specific, the audit firm conducted audits based on the annual internal audit implementation plan

approved by the Director General/CEO and audit reports were submitted to the Management Board.

In addition, the Chief Compliance Officer (CCO) was appointed to improve compliance of the whole organization and the Compliance Committee was established and held to examine and deliberate cases of establishing and promoting compliance systems.

(Table 13) Outline of each meeting

Name	Principal authorities	Frequency	Members
Council	<ul style="list-style-type: none"> ● Supreme decision-making body (1) Appointment and dismissal of board members and auditors (2) Amount of compensations, etc. of board members and auditors (3) Criteria for payment of remuneration to Councillors (4) Approval of balance sheets and Statement of income statements (statement of changes in net assets) (5) Amendments to the Articles of Incorporation (6) Disposal of residual assets (7) Approval of disposal or exclusion of basic assets (8) Disposal or transfer of important assets (9) Matters that the Executive Board has put on the agenda of Council as important matters (10) Other matters stipulated by law or Articles of Incorporation as matters to be resolved by the Council 	Regular meeting: June each year Ad-hoc meeting: Where necessary	6
Executive	<ul style="list-style-type: none"> ● Decision on execution of operations, supervision of duties of representative Board member, etc. (1) Decide on the execution of the business of the Organization (2) Supervise execution of the duties of board members (3) Select and dismiss of the President, Vice President, Director General/CEO, and Senior Executive Board members (4) Other matters stipulated by law or the Articles of Incorporation to be resolved by the Executive Board 	Around 6 times a year	45 members and 2 auditors
Management Board	<ul style="list-style-type: none"> ● Deliberation, examination, report concerning important matters for the execution of operations, etc. (1) Basic policy and plans of project operations (2) Basic policy, plans, and performance of budget and personnel (3) Fundamental policy and plan of each project (4) Important matters handled by two or more Bureaus (5) Matters to be sent to the Executive Board 	Around 1~4 times per month depending on case	- Director General/CEO - Vice Director General/COO - All Director Generals and Deputy Director Generals of Bureaus

(3) Financial control related to lifetime budgets

As described above, the Tokyo 2020 Organising Committee formulated an overall picture combining its lifetime budget and the expenses covered by the TMG and the Government of Japan (V1 budget) and announced it in December 2016. The lifetime budget of the Tokyo 2020 Organising Committee then was 500 billion yen (the income and expenditure were balanced). The Tokyo 2020 Organising Committee refined the budget four times after the V1 budget was announced and has formulated and published the V2 to V5 budgets as a new overall picture of the total Games expenses at the end of December each year.

The sharing of expenses by the Tokyo 2020 Organising Committee, etc. was presented in the general agreement. According to the general agreement, the expenses to be borne by the Tokyo 2020 Organising Committee are 600 billion yen by intending to further increase its income. Table 14 shows the share of roles (expenses) under the general agreement.

Table 15 shows the changes from the V1 budget to the V5 budget. The total Games expenses shown in the V2 budget were reduced by 150 billion yen compared to the V1 budget as a result of reducing the temporal installation costs of competition venues and reviewing underground broadcasting image cables. As the Tokyo 2020 Games got closer, items which funds should be spent for have become clearer. Therefore, the Tokyo 2020 Organising Committee made an effort to optimise the expenses, resulting in the same amount as in the V2 budget. As regards the V4 budget, following the change of competition venue for the marathon and race walk from Tokyo to Sapporo, the expenses of temporal installations, etc. were reallocated from the TMG. The Tokyo 2020 Organising Committee's budget therefore was 603 billion yen in expenditure. On the other hand, the difference between income and expenditure of 27 billion yen was set aside as a reserve fund, because the Tokyo 2020 Organising Committee's income increased to 630 billion yen due to increases in domestic sponsorship income, etc.

After the V4 budget was announced by the Tokyo 2020 Organising Committee, the Tokyo 2020 Games were postponed due to the impact of the COVID-19 pandemic. While increases in costs were expected due to the postponement, the Tokyo 2020 Organising Committee reviewed 52 items to save additional costs and serve as a role model of future global events, achieving the reduction in expenses as a result of the simplification of the Tokyo 2020 Games (about 30 billion yen). Moreover, the Tokyo 2020 Organising Committee, the TMG, and the Government of Japan agreed that the additional expenses of the Tokyo 2020 Games such as measures against COVID-19 be borne between the TMG and the Government of Japan.

The final budget V5 reflects the above adjustment. The income of the Tokyo 2020 Organising Committee was estimated to increase by 76 billion yen and the revenue and expenditure adjustment amount of 15 billion yen to be borne by the TMG based on the three-party agreement was reflected. The Tokyo 2020 Organising Committee budget was 721 billion yen, an increase of 91 billion yen

compared to the V4 budget. As a result of the increase in expenses due to the postponement of the Tokyo 2020 Games, the expenditure was the same amount as income. Furthermore, the total Games expenses was 1,644 billion yen, since the TMG and the Government of Japan allocated 40 billion yen and 56 billion yen, respectively, for expenses related to measures against COVID-19.

As shown in Table 16, the Tokyo 2020 Organising Committee divided the details of organizational operations into 52 FAs by type of duty for the purpose of managing the progress of the Tokyo 2020 Games and managed the status of progress in line with each FA's roadmap. The introduction of the financial accounting system helped the Tokyo 2020 Organising Committee to grasp the status of budget execution, etc. on a timely basis and implement detailed budget management by FA. Every time a lifetime budget was formulated, its details were reflected in the financial accounting system.

Moreover, the Tokyo 2020 Organising Committee assigned budget managers (14 (maximum), one budget manager takes charge of two or more FAs) in charge of each FA to the Planning and Finance Bureau in order to promote governance of financial management and financial risks. The Tokyo 2020 Organising Committee has strived to strictly manage budget execution by primarily examining each FA's budget execution.

(Table 14) Division of roles (costs) under the general agreement

TMG	Tokyo 2020 Organising Committee	Government of Japan
<ul style="list-style-type: none"> ● Fulfil the responsibilities as the host city of the Tokyo 2020 Games 	<ul style="list-style-type: none"> ● Perform the role of the main organizing body of the Tokyo 2020 Games 	<ul style="list-style-type: none"> ● Realise smooth preparation and operations of the Tokyo 2020 Games, implement relevant measures based on the Basic Policy (approved by the Cabinet in November 2015) and other policies.
<p>For venue-related expenses, the TMG bears the expenses related to temporal installations, etc., energy and technology infrastructure, and rent for facilities owned by the TMG and other municipalities outside Tokyo.</p>	<p>For venue-related expenses, the Tokyo 2020 Organising Committee bears the expenses related to overlays and temporal installations, etc., energy and technology infrastructure, and rent for facilities owned by the private sector and the Government of Japan (including the JSC), Regardless of the sharing of expenses, the Tokyo 2020 Organising Committee bears the role of developing overlays, temporal installations, etc., energy and technology infrastructure.</p>	<p>For the Paralympic expenses, the Government of Japan bears a quarter thereof. In addition, the Government of Japan develops the New National Stadium based on the existing policy.</p>
<p>For Games-related expenses, the TMG bears the expenses of transport and security measures of the areas around the venues in Tokyo, so as to minimise the impact of the Tokyo 2020 Games on urban activities and the life of citizens in Tokyo during the Tokyo 2020 Games.</p>	<p>For Games-related expenses, the Tokyo 2020 Organising Committee is responsible for the necessary expenses related to transport, security and operations, and bears an overall operational role.</p>	<p>The Government of Japan steadily implements security measures, anti-doping measures, etc., which it should be responsible for in addition to the Games expenses.</p>
<p>For the Paralympic expenses, the TMG bears an amount equivalent to a quarter of the expenses. The TMG develops necessary newly built permanent facilities and renovate existing facilities owned by the TMG.</p>	<p>The Tokyo 2020 Organising Committee aims to secure required income by making every possible effort to increase income and works on scrutinizing and monitoring overall expenses while reducing and streamlining expenses.</p>	<p>The Government of Japan implements other cooperation and support measures necessary to promote an all-Japan framework.</p>

* In addition to the above, the division of roles (costs) of related municipal entities is as follows:

- Cooperate in the smooth preparation and operations of the Tokyo 2020 Games
 - Implement the tasks required for the municipality that holds the Tokyo 2020 Games, such as transport and security measures, so as to minimise the impact on urban activities and civic life during the Tokyo 2020 Games.
 - Promote the necessary permanent refurbishment of venues and facilities owned by related municipal entities, while equipment and other facilities used by communities and residents after the Tokyo 2020 Games will be maintained as part of the facility refurbishment process.

(Table 15) Changes from the V1 budget to the V5 budget

(Unit: 100 million yen)

Category/budget		V1	V2	V3	V4	V5
Expenditures	Tokyo 2020 Organising Committee	5,000	6,000	6,000	6,030	7,210
	TMG	10,000	6,000	6,000	5,970	7,020
	Government of Japan		1,500	1,500	1,500	2,210
	Reserve funds	1,000~3,000	—	—	—	—
	Total Games expenses	16,000~18,000 (Note)	13,500	13,500	13,500	16,440
Reserve funds		(Repeated) 1,000~3,000	1,000~3,000	1,000~3,000	270	—
Revenues (Income)	Tokyo 2020 Organising Committee	5,000	6,000	6,000	6,300	7,210

(Note) The total Games expenses in the V1 budget include reserve funds. The total Games expenses of the V2~V4 budgets do not include reserve funds. The V5 budget incorporates reserve funds into expenditure.

(Table 16) List of names and functions of FAs

Category	Names and functions of FAs	
Games products and experience	SPT (competition) CER (ceremony) LIV (urban activities/live site)	CUL (culture) EDU (education) OTR (Olympic Torch Relay)
Client services	BRS (broadcasting service) INS (IF service) (included in competition) MPS (marketing partner service) NCS (NOC, National Paralympic Committee services)	OFS, PFS, DIP, PRT (Olympic and Paralympic family service) (including programmes and protocols for VIP) PEM (personnel management) PRS (press operation) SPX (customer experience)
Venues and infrastructure	NRG (energy) VEM (management of venues) VIL (management of the Olympic and Paralympic Village)	VNI, VED, INF (venue/infrastructure), (installation of venues, including general infrastructure)
Games-related services	ACM (accommodation) ACR (accreditation) AND (border control) CNW (cleaning and wastes) DOP (doping control) EVS (event service) FNB (food and beverage)	LAN (language service) LOG (logistics) MED (medical service) SEC (security) SIG (marks and signs) TEC (technology) TRA (transportation)
Governance	CTY (city operation and coordination) CCC (communication coordination command/control) FIN (finance) GOV (coordination between the Government of Japan and municipalities) IKM (information and knowledge management) LGY (legacy) LGL (legal affairs)	OPR (operation practice, preparation, and management) PGI (Paralympic integration) PNC (planning and coordination) PRC, RTC (procurement) (including rate card) RSK (risk management) SUS (sustainability) TEM (test event management)
Commerce and engagement	BIL (Games brand, identity, look) BRP (brand protection) BUS (business development)	COM, DIG, PUB (communication) (including digital media, publication) LIC (licensing) TKT (ticketing)

(4) Procurement systems

Procurement encompasses the purchase of equipment, accessories, and services necessary for operating the Tokyo 2020 Games as well as works of facilities, temporal installations, etc., and equipment. The number of contracts subject to these audits between FY2017 and FY2021 was 6,419 and their amount totals to approx. 631 billion yen (without tax) (Note 17).

It should be noted that procurement contracts do not include personnel expenses, renting and leasing expenses on real property, compensation for loss, payment fees, burden expense for construction, burden expense for payment, water, heating, and lighting expenses (excluding electricity and gas for temporal parts), communication expenses, travel expenses, etc.

Since the Tokyo 2020 Organising Committee aims to maintain a financial balance between income and expenditure, it is required to procure what is needed at the lowest price when needed, so as to maximise cost effectiveness within its budget whose income is limited.

Moreover, it is required to ensure equality, fairness, and transparency to hold the Tokyo 2020 Games, since public funds have been injected into the Joint Implementation Project, etc.

The Tokyo 2020 Organising Committee has dealt with about 1,600 Japanese and overseas business operators, etc. as described below by setting up procurement systems in order to ensure equality, fairness, and transparency, while realising economical, efficient, and effective procurement.

Firstly, the Tokyo 2020 Organising Committee presented the procurement policy for business operators that intend to deal therewith and the “flow of procurement procedures to participate in bidding” and posted competitive bids on its website in Japanese and English and also on Business Chance Navi 2020, a matching site of orders placed and accepted to consolidate information on bidding and procurement of the public and private sectors, so as to provide domestic and international business operators with opportunities for participating in bidding regardless of their nationality or size.

Then, as shown in Table 17, the Procurement Management Committee (original planned price: over 30 million yen, over 200 million yen for outsourcing/entrustment contracts and over 60 million yen for purchase of properties, etc. after the modification of the criteria for approval by the Director General/CEO from June 2019) and the Procurement Meeting (planned price: over 0.5 million yen) established thereunder have deliberated potential procurement sources and prices.

Moreover, the Tokyo 2020 Organising Committee has disclosed the number of contracts by procurement method and the amount thereof as well as procurement methods and contracted business operator by bidding.

In addition, as shown in Table 18, the Tokyo 2020 Organising Committee adopted methods of the private sector for procurement based on the TMG’s contracting system, since it is required to meet a deadline of many goods and services to be procured before the Tokyo 2020 Games were held and, at the same time, to look for curbing procurement prices.

Since the Tokyo 2020 Organising Committee is an organization which is going to be dissolved once the Tokyo 2020 Games ends, it is necessary to consider how to dispose of articles procured. Therefore, procurement schemes such as lease, rental, and purchase with recourse provision were utilized from the perspective of both economic rationality and sustainability. The Tokyo 2020 Organising Committee has examined how to handle articles purchased from the procurement stage so that they can be disposed of smoothly once the Tokyo 2020 Games ends, and selected organizations that use them after the Tokyo 2020 Games within 2 months, in principle, from the decision of their suppliers. When organizations that use articles used in the Tokyo 2020 Games are selected, the Tokyo 2020 Organising Committee transfers them for fee, in principle, taking into account sustainability and financial management. In cases where there is no appropriate organization, etc. which articles are

transferred to, it is allowed to transfer them without fee. Moreover, it is allowed to recycle or dispose of them only if there is no possible organization that is willing to accept them.

(Note 17) The number and amount of contracts in FY2021 are from April to December, 2021.

(Table 17) Outline of the Procurement Management Committee and the Procurement Meeting

Principal topics examined	Frequency	Members
Procurement Management Committee		
Establishment and changes of procurement-related regulations, etc.	In principle, every two weeks	<ul style="list-style-type: none"> ● Members - 1 Vice Director General/COO (chairperson) - 4 Director Generals of Bureau - 2 external members (lawyer and accountant) ● Observers - Member of the Procurement Meeting
Procurement policy (annual policy/policy by item)		
Procurement procedures for procurement whose planned price is 200 million yen (for outsourcing/entrustment) or over 60 million yen (for purchase of property, etc., originally 30 million yen) (procurement methods, determination of planned prices, selection of participants in designated competitive bidding, correctness of special contract) and conclusion of contracts		
Response to cases where the procurement policy or procurement code is infringed and cases where fair procurement is obstructed by bid-rigging information, etc.		
Procurement Meeting		
Procurement procedures for procurement whose planned price is from 0.5 million yen to 200 million yen (for outsourcing / entrustment), or less than 60 million yen (for purchase of property, etc.) (procurement methods, determination of planned prices, selection of participants in designated competitive bidding, correctness of special contract) and conclusion of contracts	Every week	<ul style="list-style-type: none"> ● Members Senior directors of departments of finance, general affairs (compliance), legal affairs, risk management, sustainability, and marketing

(Table 18) Procurement method for the purpose of reducing procurement prices

Reduced procurement prices at the budgeting stage	
Strive to reduce procurement prices in advance by rechecking a necessity and the appropriateness of calculation in specifications from the stage when they are created and by proposing their review where necessary.	
Reduced procurement prices at the execution stage	
Competitive contract	
Once a bid is confirmed, the details of estimation are checked to negotiate the reduction in bidding price with a candidate bidder by reducing excessive specs, etc. and modifying over-evaluated items.	
Secure enforcement is ensured by confirming that a candidate bidder has an enforcement system in place through interview, etc. and that it has not adopted the minimum price system in order to achieve lower procurement prices.	
A method of the private sector (value engineering (VE) proposal) is adopted by soliciting proposals on cost reduction from bidders and reflecting them in bidding prices after evaluating the details of proposals.	
The rise in contract amount due to repeated bidding is prevented by negotiating the reduction in bidding price with the lowest bidder in cases where the bidding price exceeds a planned price instead of cancelling it or repeating bidding.	
In a case where detailed specifications are not confirmed in advance (events, etc.), the highest price is set to negotiate a price based on performance once they are confirmed.	
Discretionary contract	
A sponsor with priority supplier right should be obliged to supply products at the lowest price and an appropriate price ensured by identifying a market value of commercial products, etc. through market price surveys. In addition, a negotiation to further reduce the lowest price is implemented.	

(5) Joint Implementation Project

The Tokyo 2020 Organising Committee assumed the sole responsibility of developing temporal installations, etc., overlays, energy and technology infrastructure and executing expenses for the Tokyo 2020 Paralympic Games under the general agreement apart from the Games expenses. As shown in Table 19, the Joint Implementation Project Management Committee was established as a place for holding consultation between the three parties from the perspective of cost management and execution controls of the Joint Implementation Project. Moreover, as shown in Table 20, two Working Groups (TMG Working Group, Paralympic Working Group) were established as lower-level organizations to discuss the Joint Implementation Project. In February 2021, the COVID-19 Infections Countermeasures Working Group was added.

The TMG and the Tokyo 2020 Organising Committee concluded an implementation agreement and an annual agreement related to the Joint Implementation Project. The burden expenses borne by the TMG, etc. are granted to the Tokyo 2020 Organising Committee based on both agreements after the Joint Implementation Project Management Committee hold consultation on expenses, etc.

The Working Groups (lower-level organizations) play a principal role in checking detailed expenses related to the Joint Implementation Project. After the persons in charge of the TMG check materials submitted from the Tokyo 2020 Organising Committee by FA (venue/infrastructure, security, etc.), a check sheet of individual project (indicating evaluations of efficiency and necessity) is submitted to the Working Groups for confirmation on a regular basis. The Joint Implementation Project Management Committee receives reports on the status of execution and efforts for cost reduction and checks their details.

Table 21 shows the status of the Joint Implementation Project Management Committee and each of the Working Groups. Moreover, Table 11 shows the flow of check at the execution stage.

(Table 19) Outline of the Joint Implementation Project Management Committee

Matters discussed and consulted	Members (as of the end of March 2022)
(1) Basic direction of the implementation of the Joint Implementation Project (2) Expenses related to the implementation of the Joint Implementation Project (3) Strengthening cost management and execution controls related to the Joint Implementation Projects (4) Other matters necessary for the Joint Implementation Project	Chairperson: - Vice Governor of Tokyo Vice Chairperson: - Vice Director General/COO of the Tokyo 2020 Organising Committee Other members: 11 - 4 members from the TMG - 3 members from the Government of Japan - 4 members from the Tokyo 2020 Organising Committee

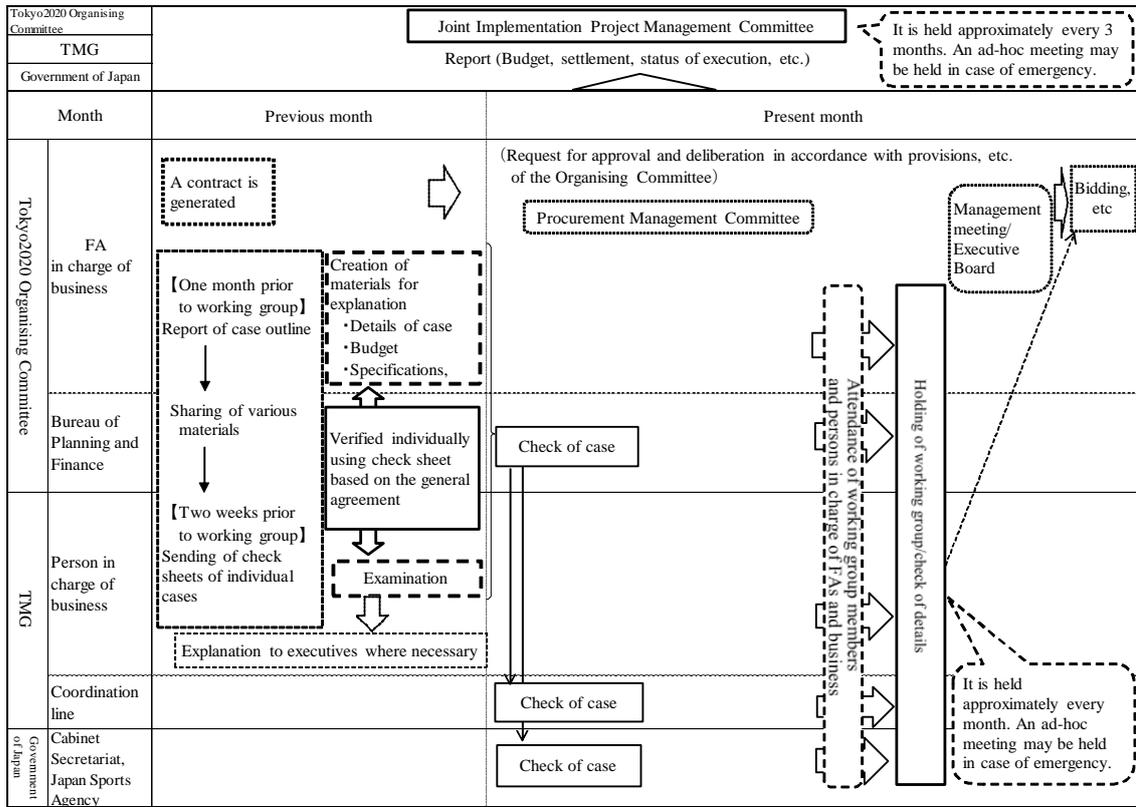
(Table 20) Outline of the Working Groups

Matters discussed and consulted	Members (as of the end of March 2022)
<ul style="list-style-type: none"> ● Confirmation at the planning and budgeting stages <ul style="list-style-type: none"> - At the planning stage, a general overview of the Games expenses plan is confirmed. - At the budgeting stage, the budget request for the following year is checked. ● Confirmation at the execution stage <ul style="list-style-type: none"> - The department in charge of confirmation in the TMG Bureau of Olympic and Paralympic Games Tokyo 2020 Preparation, which has been briefed by the Tokyo 2020 Organising Committee, checks the planned contract projects. - As a result of the checks, the Tokyo 2020 Organising Committee and the TMG report to the TMG Working Group for confirmation for Director General decision level cases. Projects at Senior Director decision level are confirmed by the department in charge in the TMG Bureau of Olympic and Paralympic Games Tokyo 2020 Preparation. 	TMG Working Group
	9 members from the TMG 4 members from the Government of Japan 5 members from the Tokyo 2020 Organising Committee
	Paralympic Working Group
	4 members from the TMG 4 members from the Government of Japan 4 members from the Tokyo 2020 Organising Committee
	COVID-19 Infections Countermeasures Working Group
	10 members from the TMG 4 members from the Government of Japan, 5 members from the Tokyo 2020 Organising Committee

(Table 21) Status of the Joint Implementation Project Management Committee and each of the Working Groups

Name of Committee, etc.	Number of meetings held
Joint Implementation Project Management Committee	26
TMG Working Group	101
Paralympic Working Group	27
COVID-19 Infections Countermeasures Working Group	18

(Table 11) Joint Implementation Project: Flow of check at the execution stage (repeated)



(6) Income from marketing of the Tokyo 2020 Organising Committee

The costs of operating the Tokyo 2020 Games borne by the Tokyo 2020 Organising Committee are financed by its marketing programmes such as domestic sponsorship, licensing, and ticket sales.

In cases where the costs borne by the Tokyo 2020 Organising Committee cannot be financed by revenues from its marketing programmes, the burden of the host city (the TMG) and the government of Japan increases. Therefore, it is important for the Tokyo 2020 Organising Committee to conduct the marketing programmes.

As shown in Table 22, the total amount (390.9 billion yen) of domestic sponsorship, licensing, and ticket sales under the marketing programmes of the Tokyo 2020 Organising Committee account for 61.0% of the total income (revenue: 640.4 billion yen).

(Table 22) V5 budget and final report related to the income of the Tokyo 2020 Organising Committee

(Unit: 100 million yen, %)

Item	V5 budget	Ratio	Final report	Amount of increase or decrease compared to V5	Ratio	
Financial contribution granted by the IOC to the Tokyo 2020 Organising Committee						
Burden expenses of the IOC	850	11.8	868	18	13.6	
TOP sponsorship	560	7.8	569	9	8.9	
Activities of the Tokyo 2020 Organising Committee						
Marketing programmes (Major items)	4,540	63.0	3,909	△ 631	61.0	
	Domestic sponsorship	3,500	48.5	3,761	261	58.7
	Licensing	140	1.9	144	4	2.2
	Ticket sales	900	12.5	4	△ 896	0.1
Others	350	4.9	559	209	8.7	
Insurance due to the postponement	—	—	500	500	7.8	
Expected increase in income	760	10.5	—	△ 760	—	
Sub-total	7,060	97.9	6,404	△ 656	100	
Amount of revenue and expenditure adjustment	150	2.1	—	△ 150	—	
Total	7,210	100	6,404	△ 806	100	

(Note 1) Some income from the Tokyo 2020 Organising Committee's marketing programmes are included in "Others".

(Note 2) Revenue and expenditure adjustment: The expense borne by the TMG that cannot be covered by the Tokyo 2020 Organising Committee's cost reduction and income-increasing efforts.

(Table 23) Performance of major incomes from marketing programmes of the Tokyo 2020 Organising Committee of the Tokyo 2020 Games and other Games

(Unit: 100 million yen, companies, 10,000 tickets)

Name of Games	Domestic sponsorship		Licensing		Ticket sales			
	Amount of income	Number of Partners	Amount of income	Number of licensees	Amount of income	Number of tickets sold	Number of tickets sold before the postponement	Refund
Tokyo 2020 Games	3,761	68	144	127	4	4	545	△ 541

(Reference)

Name of Games	Domestic sponsorship		Licensing		Ticket sales	
	Amount of income	Number of Partners	Amount of income	Number of licensees	Amount of income	Number of ticket sold
Rio 2016	907	53	33	59	343	620
London 2012	1,230	42	127	65	1,057	820
Beijing 2008	1,303	51	174	68	197	650
Athens 2004	323	38	66	23	243	380
Sydney 2000	526	93	55	100	589	670
Atlanta 1996	455	111	97	125	454	830

(Note 1) The number of tickets sold, tickets sold before the postponement, and tickets refunded for the Tokyo 2020 Games are for general sales and approximate figures.

(Note 2) The number of tickets sold before the postponement for the Tokyo 2020 Games is as of the time prior to the decision to postpone the Tokyo 2020 Games. About 8.65 million tickets were sold (about 5.45 million general tickets and those for the students through the Olympic and Paralympic Viewing Programme).

(Note 3) The amounts and values of the Olympic and Paralympic Games other than the Tokyo 2020 Games were found by the Secretariat to Audit and Inspection Commissioners.

(Note 4) The amount of the Olympic and Paralympic Games other than the Tokyo 2020 Games was calculated by setting 1 US dollar = 107 yen.

(Note 5) The number of tickets of the Olympic and Paralympic Games other than the Tokyo 2020 Games are in million and expressed to the first decimal point. Therefore, the unit digit is expressed in 0 in reference.

a. Domestic sponsorship

Tokyo 2020 Sponsorship Programme was introduced to procure the Tokyo 2020 Games' operational costs with the aim of maximizing the total income from marketing and promoting the Olympic and Paralympic Movement and allows participants to exercise the rights to use the official designation of the Tokyo 2020 Games and the marks including the emblems. The Tokyo 2020 Organising Committee solicited domestic sponsors under the Tokyo 2020 Sponsorship Programme and gained cash and value in kind worth of 376.1 billion yen from 68 domestic sponsors.

This amount is almost three times as much as 130.3 billion yen of the Beijing 2008 Games and 123 billion yen of the London 2012 Games as shown in Table 23 and reference. It is one of the highest record in the Olympic and Paralympic history and exceeded the V5 budget (350 billion yen).

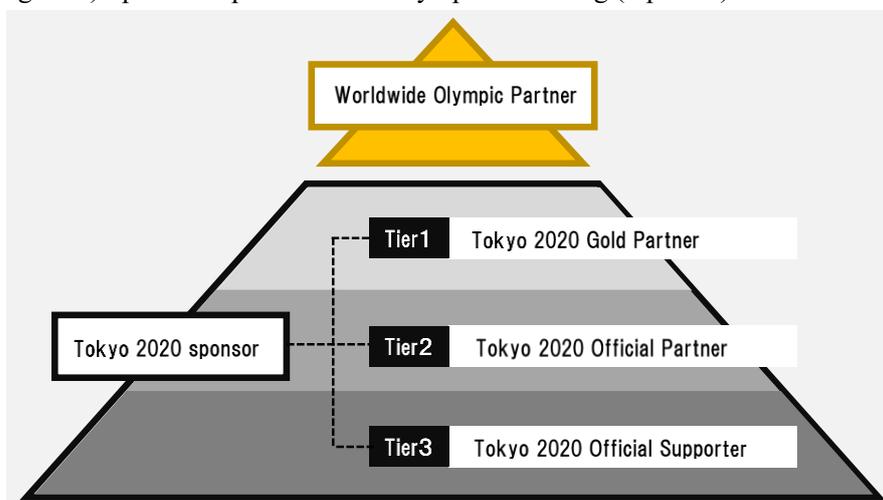
The ratio of income from domestic sponsors to the total amount of income (640.4 billion yen) is 58.7% in the final income and expenditure (the highest in the total amount of income). This indicates that the income from domestic sponsors under the Tokyo 2020 Sponsorship Programme is the core and base of the marketing programmes of the Tokyo 2020 Organising Committee.

Figure 1 shows the sponsorship structure related to marketing of the Olympic and Paralympic Games. We can observe that Worldwide Partners managed by the IOC or IPC occupy the top, while domestic sponsors sought by the Organising Committee of each country/region are positioned thereunder. Under the Tokyo 2020 Sponsorship Programme, domestic sponsors are divided into Tokyo 2020 Gold Partners, Tokyo 2020 Official Partners, and Tokyo 2020 Official Supporters.

A domestic sponsor is allowed to use intellectual properties shown in Table 24. The right allowed and the period during which the right can be exercised differ depending on tier. The area in which the right can be exercised is limited to Japan.

It should be noted that the Tokyo 2020 Sponsorship Programme includes the Olympic and Paralympic rights.

(Figure 1) Sponsorship structure of Olympic marketing (repeated)



(Table 24) Principal rights granted to domestic sponsors

Olympic Games Tokyo 2020	Tokyo 2020 Paralympic Games
Right to use the designation	Right to use the designation
Olympic Games Tokyo 2020	Tokyo 2020 Paralympic Games
Japan Olympic Team	Japan Paralympic Team
Right to use the marks, etc.	Right to use the marks, etc.
Olympic Games Tokyo 2020 emblem	Tokyo 2020 Paralympic Games emblem
Olympic Games Tokyo 2020 mascots	Tokyo 2020 Paralympic Games mascots
JOC emblem	—
JOC's slogan "Ganbare NIPPON!"	—
Right to supply goods/services	Right to supply goods/services
Premium right to use Games-related goods, etc.	Premium right to use Games-related goods, etc.
Promotion at Games venues	Promotion at Games venues
Right to use related materials	Right to use related materials
Olympic-related videos and photos	Paralympic-related videos and photos
Videos and photos of the Japan Olympic Team	Videos and photos of the Japan Paralympic Team

b. Licensing

The Tokyo 2020 Licensing Programme allows licensees to use the marks of the Tokyo 2020 Games owned by the Tokyo 2020 Organising Committee, the marks of the JOC and the Japan Olympic Team owned by the JOC, and the marks of the JPC and the Japan Paralympic Teams owned by the JPC for products licensed under this programme, and produce and sell them.

The number of licensees of the Tokyo 2020 Games exceeded 125 licensees in the Atlanta 1996 Games and reached a record high of 127 licensees. The amount of income was 14.4 billion yen, exceeding the V5 budget. This was higher than 12.7 billion yen of the London 2012 Games ranked high in the history, followed by the highest record of 17.4 billion yen of the Beijing 2008 Games.

The Tokyo 2020 Licensing Programme aims to promote the Olympic and Paralympic Movement by widely offering products that reflect the image and identity of the Tokyo 2020 Games. The income from this programme is utilized for preparing and operating the Tokyo 2020 Games as in the case of other income from marketing.

Once a licensing contract is concluded, the licensee owns the right to produce products of the agreed category using the marks, etc. shown in Table 25 and to sell them only in Japan through approved sales channels.

Product categories vary from daily goods such as pins and tableware to jewelry. The number of

official licensed products totalled to 7,994SKU (Note 18). However, categories of licensed products are non-exclusive. Moreover, products of TOP sponsors are not licensed, while products of domestic sponsors have priority.

(Note 18) SKU refers to stock-keeping unit including different colours and sizes.

(Table 25) Details of rights related to the Tokyo 2020 Licensing Programme

Marks, etc. related to the Tokyo 2020 Games			
	Tokyo 2020 emblems		
	<table border="1"> <tr> <td>Olympic Games Tokyo 2020 emblem</td> </tr> <tr> <td>Tokyo 2020 Paralympic Games emblem</td> </tr> </table>	Olympic Games Tokyo 2020 emblem	Tokyo 2020 Paralympic Games emblem
Olympic Games Tokyo 2020 emblem			
Tokyo 2020 Paralympic Games emblem			
	Tokyo 2020 mascots		
	<table border="1"> <tr> <td>Olympic Games Tokyo 2020 mascots</td> </tr> <tr> <td>Tokyo 2020 Paralympic Games mascots</td> </tr> </table>	Olympic Games Tokyo 2020 mascots	Tokyo 2020 Paralympic Games mascots
Olympic Games Tokyo 2020 mascots			
Tokyo 2020 Paralympic Games mascots			
	Tokyo 2020 pictograms		
	<table border="1"> <tr> <td>Olympic Games Tokyo 2020 pictograms</td> </tr> <tr> <td>Tokyo 2020 Paralympic Games pictograms</td> </tr> </table>	Olympic Games Tokyo 2020 pictograms	Tokyo 2020 Paralympic Games pictograms
Olympic Games Tokyo 2020 pictograms			
Tokyo 2020 Paralympic Games pictograms			
	the Look of the Tokyo 2020 Games		
Marks, etc. related to the JOC and the JPC			
	JOC emblem		
	JOC slogan, “Ganbare! NIPPON!”		
	JPC emblem		
Official designation			
	Tokyo 2020 Official Licensed Product		
	JOC Official Licensed Product		
	JPC Official Licensed Product		

c. Ticket sales

The ticket sales fell far below 90 billion yen estimated in the V5 budget and resulted in 400 million yen. This is because sold tickets were refunded principally due to the expansion of the COVID-19 pandemic worldwide.

By March 2020 when the decision to postpone the Tokyo 2020 Games had not been made, about 8.65 million tickets were sold (5.45 million general sales tickets and other tickets for stakeholders,

municipalities, and the students through the Olympic and Paralympic Viewing Programme). The ticket sales were expected to exceed 90 billion yen according to the V5 budget.

Sales promotion campaigns were implemented by using various media such as press conferences of Olympians, Paralympians, and celebrities, a social network project, advertisement on national newspapers, etc. As a result of repeating these efforts, the number of registered TOKYO 2020 IDs, which serves as a hub of those who desire to buy tickets in CRM measures, reached 8 million IDs. The ticket sales were expected to exceed 90 billion yen by maximizing the purchase of tickets by implementing ticket sales promotion campaigns and CRM measures.

However, most of sold tickets had to be refunded, because the Tokyo 2020 Games were postponed and held without spectators in many of the competition venues due to the COVID-19 pandemic worldwide. On March 20, 2021, a decision of not allowing overseas spectators to enter Japan for the Tokyo 2020 Games was made. Then, on June 21, 2021, the policy for the maximum number of spectators was decided. On July 8, 2021, it was decided that the Olympic Games Tokyo 2020 be held without spectators in the Tokyo metropolitan area and the three prefectures (Chiba, Kanagawa, Saitama). As a result, about 5.41 million sold tickets were refunded except general tickets for Miyagi and Shizuoka prefectures and tickets for the students through the Olympic and Paralympic Viewing Programme for Ibaraki prefecture in the case of the Olympic Games Tokyo 2020 and tickets for the students through the Olympic and Paralympic Viewing Programme for Tokyo, Saitama, and Chiba prefectures in the case of the Tokyo 2020 Paralympic Games.

(7) Preservation and succession of archives assets and statutory preservation documents

a. Archives assets and the Tokyo 2020 Archives Assets Agreement

The Tokyo 2020 Organising Committee has procured and utilized a number of different assets such as equipment for competitions to organize and operate the Tokyo 2020 Games and related events. The IOC and the IPC have the exclusive rights of assets generated through the Tokyo 2020 Games and related events under the Host City Contract 2020. Therefore, it is required to preserve, manage, and utilize such assets as archives assets that convey the historical and social significance of the Tokyo 2020 Games to the future by receiving the licenses from the IOC and the IPC for the purpose of preserving assets of the Tokyo 2020 Games for a long term and effectively utilizing them in Japan.

The Host City Contract - Operational Requirements stipulate that relevant parties shall conclude an agreement on archives assets to preserve, manage, and utilize archives assets even after the Tokyo 2020 Organising Committee is dissolved. In response, the IOC, the IPC, the JOC, the JPC, the TMG, and the Tokyo 2020 Organising Committee concluded an Tokyo 2020 Archives Assets Agreement in August 2021. The Tokyo 2020 Archives Assets Agreement stipulate that archives assets be preserved, managed, and utilized appropriately in Japan for the purpose of promoting the Olympic and Paralympic Movement.

Moreover, the Tokyo 2020 Organising Committee should identify what has the value as an archive asset with the assistance of the JOC, the JPC, and the TMG and ask the IOC and the IPC for approval of the final list of archives assets. Each archive asset is then handed over from the Tokyo 2020 Organising Committee to the Designated Entity to preserve, manage, and utilize thereby and the Assets Management Trustee that supports part of its roles.

The Tokyo 2020 Archives Assets Agreement assigned the JOC as the Designated Entity (administrator of archives assets). As shown in Table 26, the transfer of archives assets to the JOC, Designated Entity, has completed in July 2022.

b. Scope of archives assets and statutory preservation documents

(a) Archives assets

a. Physical assets

Physical assets constitute archives assets as shown in Table 26 and are divided into artifact memorabilia (Note 19) and audio-visual materials. Physical assets refer to assets that have the value to be succeeded to future generations of the Olympic and Paralympic Movement such as those that record unforgettable athletes' performance (e.g. Accessories for competition such as official used balls) and that reflect the image of the Tokyo 2020 Games (e.g. licensed products).

b. Document assets

Documents assets constitute archives assets as shown in Table 26 and include records of the Tokyo 2020 Games, documents that need to be succeeded as operational know-how, different types of publications, and reports with cultural, educational, and historical values.

(b) Statutory preservation documents

Statutory preservation documents refer to documents which laws and regulations oblige their preservation such as accounting books and requests for approval as shown in Table 26. The Act on General Incorporated Associations provides that the liquidator shall preserve statutory preservation documents for 10 years from the registration of liquidation of the Tokyo 2020 Organising Committee.

(Note 19) Artifact memorabilia: Artifact that represents the functions of each FA and memorabilia that encompasses the memories and stories of the Tokyo 2020 Games.

(Table 26) Details and succession of the archives assets and statutory preservation documents by classification

Classification		Details	Organization which assets are succeeded to	Time of succession	
Archives assets	Physical assets	Artifact memorabilia (Note 19)	Designated Entity (JOC)	July 2022	
		Articles produced by FAs			Articles produced by FAs refer to tangible assets used for preparing and operating the Tokyo 2020 Games and found to have the following significance: <ul style="list-style-type: none"> • Those that represent the functions of each FA <ul style="list-style-type: none"> - Notice signs for the Tokyo 2020 Games, etc. • Those that encompass the memories and stories of the Tokyo 2020 Games: <ul style="list-style-type: none"> - The torch used for the Torch Relay
		Accessories for competition			<ul style="list-style-type: none"> • Those aimed at recording and commemorating the competitions <ul style="list-style-type: none"> - Official used balls, etc.
	Licensed products	<ul style="list-style-type: none"> • Those that reflect the image of the Tokyo 2020 Games as well as Japanese technology, culture, and traditions <ul style="list-style-type: none"> - Pins, stuffed toys, etc. 			
	Audio-visual	Multimedia			Still images such as photos, voice, videos
		Website			Websites and subsites
Document assets	<ul style="list-style-type: none"> • Records of the Tokyo 2020 Games, operational know-how, etc. <ul style="list-style-type: none"> - Materials used for meetings, manuals, etc. • Documents with cultural, educational, or historical values <ul style="list-style-type: none"> - Press releases, reports, etc. 				
Statutory preservation documents		<ul style="list-style-type: none"> • Documents obliged to be preserved under laws and regulations, etc. <ul style="list-style-type: none"> - Accounting books, written contracts, requests for approval, etc. 	Liquidator	When the liquidation completes	

c. Storage and succession of document assets constituting archives assets and statutory preservation documents

Documents assets constituting the archives assets and statutory preservation documents should be stored and succeeded based on laws and regulations and the Tokyo 2020 Archives Assets Agreement after classifying them in the following way.

Documents assets constituting the archives assets are succeeded to the Designated Entity (JOC) based on the Tokyo 2020 Archives Assets Agreement concluded under the Host City Contract - Operational Requirements.

Some of the examples of assets documents include venue operational plans, block plans by venue,

basic strategies for food and beverage services, the Tokyo 2020 Action & Legacy Plan, materials of the Coordination Council, daily reports of the Headquarters for the Tokyo 2020 Games, sustainable report, etc. Although some of those documents may not be provided to all users, they can be utilized.

On the other hand, statutory preservation documents are preserved by the liquidator based on laws and regulations. Article 241 of the Act on General Incorporated Associations stipulates that a liquidator must preserve books of a corporation in liquidation and important materials on its business and liquidation for 10 years after the liquidation completes. Some of the examples of statutory preservation documents based on the Act on General Incorporated Associations include accounting books, financial statements, all written contracts, and all requests for approval. In addition, important materials set forth in the Act on General Corporations include wage ledgers and attendance records as specified in the Labor Standards Act (Act No.49 of 1947) as well as tax withholding statements as specified in the Act on General Rules for National Taxes (Act No.66 of 1962).

Financial statements, etc. are made available to the public for inspection out of statutory preservation documents, while others can be inspected upon the permission of the court.

(8) Revenues and expenses

a. Changes in major items

(Unit: Million yen, %)

Item	FY2019			FY2020			FY2021		
		Increase (amount)	Increase (%)		Increase (amount)	Increase (%)		Increase (amount)	Increase (%)
Ordinary revenue	138,902	52,161	60.1	151,025	12,122	8.7	458,700	307,675	203.7
Gain on investments in basic asset	0	0	0	0	0	1.9	0	△ 0	△ 1.9
Gain on investments in specific asset	19	4	34.6	15	△ 3	△ 20.5	7	△ 7	△ 49.7
Operating revenue	100,849	27,419	37.3	94,750	△ 6,099	△ 6.0	45,947	△ 48,803	△ 51.5
Subsidies, etc.	420	93	28.7	420	0	0	1,167	746	177.5
Burden expenses received	28,986	22,937	379.2	50,227	21,240	73.3	398,365	348,137	693.1
Donations	8,545	1,671	24.3	5,233	△ 3,312	△ 38.8	3,348	△ 1,885	△ 36.0
Other	80	33	72.4	377	297	370.7	9,864	9,486	—
Ordinary expenses	115,567	68,676	146.5	136,313	20,745	18.0	657,260	520,946	382.2
Operating expenses	108,783	67,426	163.0	128,809	20,026	18.4	652,712	523,902	406.7
Administrative expenses	6,784	1,250	22.6	7,504	719	10.6	4,548	△ 2,956	△ 39.4
Ordinary profit	23,334	△ 16,515	△ 41.4	14,711	△ 8,623	△ 37.0	△ 198,559	△ 213,271	—
Non-ordinary income	38	38	—	50,000	49,961	—	30,296	△ 19,703	△ 39.4
Non-ordinary expenses	147	147	—	109	△ 37	△ 25.6	40,176	40,066	—
Increase in general net assets	23,225	△ 16,623	△ 41.7	64,601	41,375	178.1	△ 208,439	△ 273,040	△ 422.7

(Note 1) For the amount, the units under 1 million yen are rounded down. The rate of increase is rounded down to one decimal place.

(Note 2) The amount of increase and the rate of increase were calculated by the Secretariat to Audit and Inspection Commissioners.

		FY2019			FY2020			FY2021		
			Increase (amount)	Increase (%)		Increase (amount)	Increase (%)		Increase (amount)	Increase (%)
Accounting of business for public interest purposes	Ordinary revenue	132,117	50,911	62.7	143,520	11,403	8.6	454,152	310,631	216.4
	Gain on investments in basic asset	—	—	—	—	—	—	—	—	—
	Gain on investments in specific asset	—	—	—	—	—	—	—	—	—
	Operating revenue	94,122	26,171	38.5	87,299	△ 6,823	△ 7.2	41,483	△ 45,816	△ 52.5
	Subsidies, etc.	382	96	33.7	382	0	0	1,091	708	185.3
	Burden expenses received	28,986	22,937	379.2	50,227	21,240	73.3	398,365	348,137	693.1
	Donations	8,545	1,671	24.3	5,233	△ 3,312	△ 38.8	3,348	△ 1,885	△ 36.0
	Other	80	33	72.4	377	297	370.7	9,864	9,486	—
	Ordinary expenses	108,783	67,426	163.0	128,809	20,026	18.4	652,712	523,902	406.7
	Operating expenses	108,783	67,426	163.0	128,809	20,026	18.4	652,712	523,902	406.7
	Administrative expenses	—	—	—	—	—	—	—	—	—
	Ordinary profit	23,334	△ 16,515	△ 41.4	14,711	△ 8,623	△ 37.0	△ 198,559	△ 213,271	—
	Non-ordinary income	38	38	—	50,000	49,961	—	30,296	△ 19,703	△ 39.4
	Non-ordinary expenses	147	147	—	109	△ 37	△ 25.6	40,176	40,066	—
	Increase in general net assets	23,225	△ 16,623	△ 41.7	64,601	41,375	178.1	△ 208,439	△ 273,040	△ 422.7
Corporate accounting	Ordinary revenue	6,784	1,250	22.6	7,504	719	10.6	4,548	△ 2,956	△ 39.4
	Gain on investments in basic asset	0	0	0	0	0	1.9	0	△ 0	△ 1.9
	Gain on investments in specific asset	19	4	34.6	15	△ 3	△ 20.5	7	△ 7	△ 49.7
	Operating revenue	6,727	1,248	22.8	7,450	723	10.8	4,463	△ 2,986	△ 40.1
	Subsidies, etc.	38	△ 2	△ 6.3	38	0	0	76	38	99.6
	Burden expenses received	—	—	—	—	—	—	—	—	—
	Donations	—	—	—	—	—	—	—	—	—
	Other	—	—	—	—	—	—	—	—	—
	Ordinary expenses	6,784	1,250	22.6	7,504	719	10.6	4,548	△ 2,956	△ 39.4
	Operating expenses	—	—	—	—	—	—	—	—	—
	Administrative expenses	6,784	1,250	22.6	7,504	719	10.6	4,548	△ 2,956	△ 39.4
	Ordinary profit	—	—	—	—	—	—	—	—	—
	Non-ordinary income	—	—	—	—	—	—	—	—	—
	Non-ordinary expenses	—	—	—	—	—	—	—	—	—
	Increase in general net assets	—	—	—	—	—	—	—	—	—

Item	FY2016	FY2017				FY2018		
			Increase (amount)	Increase (%)		Increase (amount)	Increase (%)	
Total	Ordinary revenue	65,124	67,986	2,861	4.4	86,740	18,754	27.6
	Gain on investments in basic asset	0	0	△ 0	△ 93.6	0	0	0
	Gain on investments in specific asset	—	—	—	—	14	14	—
	Operating revenue	58,752	66,163	7,411	12.6	73,429	7,266	11.0
	Subsidies, etc.	671	400	△ 271	△ 40.4	326	△ 73	△ 18.3
	Burden expenses received	—	884	884	—	6,049	5,164	583.7
	Donations	5,700	475	△ 5,224	△ 91.7	6,873	6,398	—
	Other	1	62	61	—	46	△ 16	△ 26.1
	Ordinary expenses	27,530	39,591	12,061	43.8	46,890	7,299	18.4
	Operating expenses	17,948	35,505	17,557	97.8	41,356	5,850	16.5
	Administrative expenses	9,582	4,085	△ 5,496	△ 57.4	5,534	1,448	35.4
	Ordinary profit	37,594	28,394	△ 9,200	△ 24.5	39,849	11,455	40.3
	Non-ordinary income	—	—	—	—	—	—	—
	Non-ordinary expenses	18	—	△ 18	△ 100	0	0	—
	Increase in general net assets	37,575	28,394	△ 9,181	△ 24.4	39,849	11,455	40.3

Item	FY2016	FY2017				FY2018			
				Increase (amount)	Increase (%)		Increase (amount)	Increase (%)	
Accounting of business for public interest purposes	Ordinary revenue	55,540	63,900	8,359	15.1	81,206	17,306	27.1	
	Gain on investments in basic asset	—	—	—	—	—	—	—	
	Gain on investments in specific asset	—	—	—	—	—	—	—	
	Operating revenue	49,221	62,142	12,920	26.3	67,950	5,808	9.3	
	Subsidies, etc.	617	343	△ 274	△ 44.4	286	△ 57	△ 16.6	
	Burden expenses received	—	884	884	—	6,049	5,164	583.7	
	Donations	5,700	475	△ 5,224	△ 91.7	6,873	6,398	—	
	Other	1	54	53	—	46	△ 7	△ 14.4	
	Ordinary expenses	17,948	35,505	17,557	97.8	41,356	5,850	16.5	
	Operating expenses	17,948	35,505	17,557	97.8	41,356	5,850	16.5	
	Administrative expenses	—	—	—	—	—	—	—	
	Ordinary profit	37,592	28,394	△ 9,197	△ 24.5	39,849	11,455	40.3	
	Non-ordinary income	—	—	—	—	—	—	—	
	Non-ordinary expenses	16	—	△ 16	△ 100	0	0	—	
	Increase in general net assets	37,575	28,394	△ 9,181	△ 24.4	39,849	11,455	40.3	
	Corporate accounting	Ordinary revenue	9,584	4,085	△ 5,498	△ 57.4	5,534	1,448	35.4
Gain on investments in basic asset		0	0	△ 0	△ 93.6	0	0	0	
Gain on investments in specific asset		—	—	—	—	14	14	—	
Operating revenue		9,530	4,020	△ 5,509	△ 57.8	5,479	1,458	36.3	
Subsidies, etc.		54	56	2	4.8	40	△ 15	△ 28.0	
Burden expenses received		—	—	—	—	—	—	—	
Donations		—	—	—	—	—	—	—	
Other		—	8	8	—	—	△ 8	△ 100	
Ordinary expenses		9,582	4,085	△ 5,496	△ 57.4	5,534	1,448	35.4	
Operating expenses		—	—	—	—	—	—	—	
Administrative expenses		9,582	4,085	△ 5,496	△ 57.4	5,534	1,448	35.4	
Ordinary profit		2	—	△ 2	△ 100	—	—	—	
Non-ordinary income		—	—	—	—	—	—	—	
Non-ordinary expenses	2	—	△ 2	△ 100	—	—	—		
Increase in general net assets	—	—	—	—	—	—	—		

(9) Financial position

a. Changes in major items

(Unit: million yen, %)

Item	FY2019			FY2020			FY2021		
		Increase (amount)	Increase (%)		Increase (amount)	Increase (%)		Increase (amount)	Increase (%)
Current assets	159,134	115,916	268.2	150,900	△ 8,234	△ 5.2	59,876	△ 91,023	△ 60.3
Cash and deposits	132,415	91,446	223.2	26,365	△106,050	△ 80.1	33,249	6,884	26.1
Operating accounts receivable	16,859	15,761	—	90,110	73,250	434.5	17,337	△ 72,772	△ 80.8
Other	9,859	8,708	756.3	34,425	24,565	249.2	9,289	△ 25,135	△ 73.0
Non - current assets	298,490	129,935	77.1	350,203	51,712	17.3	508	△349,695	△ 99.9
Basic assets	300	0	0	300	0	0	300	0	0
Specific assets	285,562	120,428	72.9	334,250	48,687	17.0	—	△334,250	△ 100
Other non - current assets	12,628	9,507	304.6	15,652	3,024	23.9	208	△ 15,444	△ 98.7
Total assets	457,625	245,852	116.1	501,103	43,477	9.5	60,384	△440,718	△ 87.9
Current liabilities	189,326	136,690	259.7	158,293	△ 31,032	△ 16.4	44,096	△114,197	△ 72.1
Lease liabilities	10	△ 7	△ 39.5	—	△ 10	△ 100	—	—	—
Accounts payable - other	27,291	6,939	34.1	24,176	△ 3,114	△ 11.4	43,164	18,987	78.5
Advances received	150,235	126,347	528.9	118,258	△ 31,977	△ 21.3	4	△118,254	△ 100.0
Provision for bonuses	246	145	143.1	440	193	78.2	6	△ 433	△ 98.5
Asset retirement obligations	1,498	1,385	—	9,874	8,375	558.8	119	△ 9,755	△ 98.8
Other	10,042	1,872	22.9	5,543	△ 4,509	△ 44.9	802	△ 4,741	△ 85.5
Non - current liabilities	20,094	19,758	—	17,894	△ 2,199	△ 10.9	—	△ 17,894	△ 100
Lease liabilities	—	△ 9	△ 100	—	—	—	—	—	—
Asset retirement obligations	20,094	19,767	—	17,894	△ 2,199	△ 10.9	—	△ 17,894	△ 100
Total liabilities	209,421	156,449	295.3	176,188	△ 33,232	△ 15.9	44,096	△132,091	△ 75.0
Designated net assets	88,379	66,177	298.1	100,488	12,108	13.7	300	△100,188	△ 99.7
General net assets	159,825	23,225	17.0	224,426	64,601	40.4	15,987	△208,439	△ 92.9
Total net assets	248,204	89,402	56.3	324,915	76,710	30.9	16,287	△308,627	△ 95.0
Total of liabilities and net assets	457,625	245,852	116.1	501,103	43,477	9.5	60,384	△440,718	△ 87.9

Item	FY2016	FY2017		FY2018			
			Increase (amount)	Increase (%)	Increase (amount)	Increase (%)	
Current assets	5,628	15,127	9,499	168.8	43,218	28,090	185.7
Cash and deposits	4,812	4,818	6	0.1	40,969	36,151	750.3
Operating accounts receivable	671	7,487	6,816	—	1,097	△ 6,390	△ 85.3
Other	144	2,821	2,677	—	1,151	△ 1,670	△ 59.2
Non - current assets	71,226	110,303	39,077	54.9	168,554	58,251	52.8
Basic assets	300	300	0	0	300	0	0
Specific assets	69,111	104,102	34,990	50.6	165,133	61,031	58.6
Other non - current assets	1,814	5,901	4,086	225.2	3,121	△ 2,780	△ 47.1
Total assets	76,854	125,431	48,576	63.2	211,773	86,342	68.8
Current liabilities	8,024	21,978	13,954	173.9	52,635	30,657	139.5
Lease liabilities	9	22	13	134.1	17	△ 4	△ 21.8
Accounts payable - other	1,089	4,053	2,963	271.9	20,352	16,298	402.0
Advances received	1,219	1,631	412	33.8	23,888	22,256	—
Provision for bonuses	28	67	38	134.6	101	34	50.4
Asset retirement obligations	55	55	0	0	113	57	103.1
Other	5,621	16,147	10,525	187.3	8,162	△ 7,989	△ 49.5
Non - current liabilities	174	311	137	78.5	336	24	7.8
Lease liabilities	17	28	10	61.8	9	△ 19	△ 67.5
Asset retirement obligations	156	283	126	80.3	326	43	15.4
Total liabilities	8,199	22,290	14,091	171.9	52,971	30,681	137.6
Designated net assets	300	6,391	6,091	—	22,202	15,810	247.4
General net assets	68,355	96,749	28,394	41.5	136,599	39,849	41.2
Total net assets	68,655	103,141	34,485	50.2	158,801	55,660	54.0
Total of liabilities and net assets	76,854	125,431	48,576	63.2	211,773	86,342	68.8

(10) List of assets and balance sheet at the time of the dissolution of the Tokyo 2020 Organising Committee

When the Tokyo 2020 Organising Committee is dissolved at the expiration of its duration as of June 30, 2022, the list of assets and the balance sheet are to be created as of July 1, 2022, based on Article 225, paragraph (1) of the Act on General Incorporated Associations.

It should be noted that the valuation of the list of assets and the balance sheet shall be made in disposal price according to Articles 69 and 70 of the Regulation for Enforcement of that Act (Ordinance of Ministry No.28 of 2007).

(11) Construction works

The scope of audit regarding construction works, etc. was 6,419 contracts for procurement (approx. 631 billion yen without tax, Note 20) from FY2017 to FY2021.

The contracts extracted in construction works are included in 410 contracts (417.4 billion yen without tax) we audited.

(Note 20) The number and amount of contracts for FY2021 are from April to December 2021.

a. Construction works audited whose amount of contract exceeds 1 million yen

(Unit: Number of contracts, million yen)

	Number of contracts	Amount of contract
Construction works	304	288,383
Entrustment of design	214	47,127
Total	518	335,511
Contract extracted for audit	104	293,457

(Note) The amount of contract excludes taxes.

b. Major construction works, etc.

(Unit: million yen)

Name	Outline	Amount	Period
Development of the Izu Bicycle Competition Venue 2 (Izu MTB Course)	Paving work, construction of neighbouring facilities	698	February 1, 2019 ~ February 28, 2022
Sodding of the Olympic Stadium	Sodding, removal of grass	393	March 29, 2019 ~ December 24, 2021
Development of IBC/MPC	Construction works, installation of electrical equipment and machines	36,246	October 12, 2018 ~ December 27, 2021
Construction of the New Ariake Gymnastics Centre	Construction works, installation of temporal spectator's seats, development of outdoor facilities	20,520	November 21, 2016 ~ October 25, 2019
Order of design and construction works of the main dining hall of the of the Olympic and Paralympic Village	Construction works, installation of electrical equipment and machines	5,624	October 25, 2018 ~ March 31, 2022
Development of temporal overlays for the Tokyo 2020 Games (II), Oi Hockey Stadium, Sea Forest Waterway, Kasai Canoe Slalom Centre	Construction works, installation of electrical equipment and machines	17,024	March 29, 2019 ~ February 28, 2022
Development of temporal overlays for the Tokyo 2020 Games (V), Makuhari Messe (Hall A, B, and C)	Construction works, installation of electrical equipment and machines	7,937	March 30, 2019 ~ November 30, 2021
Temporal power-supply service contract	Detailed design, installation, operation, maintenance, and removal of temporal power-supply equipment	40,539	December 13, 2018 ~ December 25, 2021
Entrustment of data network-related service (Package of design, installation, maintenance, and removal 1)	Installation of communications infrastructure such as design, establishment, removal, etc. of data networks at venues for the Tokyo 2020 Games and other venues in the eastern Japan area.	14,701	July 5, 2019 ~ December 31, 2021
Installation of overlay large audio-visual facilities for Tokyo Aquatics Centre (provisional name)	Construction, installation of large audio-visual facilities and electrical equipment	1,177	March 1, 2018 ~ January 31, 2020

(Note) The amount includes taxes.

Reference: 2017 Report on Audit of Financially-Supported Organizations (excerpt)

The Tokyo Organising Committee of the Olympic and Paralympic Games

Chapter 1 Purpose of audit

Based on Article 199, paragraph (7) of the Local Autonomy Act (Act No.67 of 1947), the organizations granted a contribution, etc. by the Tokyo Metropolitan Government are audited to see whether their projects are operated appropriately in line with the purpose of the contribution, etc.

Chapter 2 Targets of audit

1. Organization and bureau audited

	Name of organization audited	Period of fieldwork	Scope of audit
Organization	Tokyo Organising Committee of the Olympic and Paralympic Games	From October 24 to October 30, 2017	Projects carried out during FY2015 (April 1, 2015 ~ March 31, 2016) and FY2016 (April 1, 2016 ~ March 31, 2017)
Bureau	Bureau of Olympic and Paralympic Games Tokyo 2020 Preparation	October 23 and 31, 2017	

2. Outline of organizations

Purpose of establishment	<p>It was decided that Tokyo was going to host the Games of the XXXII Olympiad and Tokyo 2020 Paralympic Games (hereinafter referred to as the “Tokyo 2020 Games”) at the 125th International Olympic Committee (hereinafter referred to as the “IOC”) Session held in Buenos Aires (Argentina) on September 7, 2013.</p> <p>Based on the Host City Contract for the Games of the XXXII Olympiad in the year 2020 - TOKYO (hereinafter referred to as the “Host City Contract 2020”, Note), the Tokyo Organising Committee of the Olympic and Paralympic Games (hereinafter referred to as the “Tokyo 2020 Organising Committee”) was established on January 24, 2014 by the TMG and the Japanese Olympic Committee (hereinafter referred to as the “JOC”).</p> <p>The Tokyo 2020 Organising Committee aims to carry out projects related to the preparation and operation of the Tokyo 2020 Games, thereby leading the Tokyo 2020 Games to success.</p> <p>(Note) An agreement concluded between the IOC, the TMG, and the JOC, specifying the details to be complied with for the Tokyo 2020 Games. This contract sets forth the establishment of the Tokyo 2020 Organising Committee. It should be noted that the Tokyo 2020 Organising Committee joined the contract after its establishment (Joinder Agreement).</p>
History	<p>September 2013: - Decision to hold the Olympic and Paralympic Games 2020 in Tokyo</p> <p>- Conclusion of the Host City Contract 2020</p> <p>January 2014: - Establishment of the Tokyo 2020 Organising Committee</p> <p>August 2014: - Conclusion of Joinder Agreement of the Host City Contract 2020</p> <p>January 2015: - Transition to a public interest-incorporated foundation</p>

Outline of projects	<ul style="list-style-type: none"> - Projects related to the preparation and operation of the Tokyo 2020 Games. - Projects related to communication and cooperation with related organizations, institutions, etc. in Japan and other countries concerning the preparation and operation of the Tokyo 2020 Games. - Other projects necessary for achieving the purpose of the Tokyo 2020 Organising Committee <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p>【Outline of the Tokyo 2020 Games】</p> <p>3. Games of the XXXII Olympiad in the year 2020 - TOKYO 32nd Olympic Games (2020/Tokyo) (Number of sports: 33) Period: July 24 (Fri) ~ August 9 (Sun), 2020</p> <p>4. Tokyo 2020 Paralympic Games (Number of sports: 22) Period: August 25 (Tue) ~ September 6 (Sun), 2020</p> </div>	
Location	Toranomon Hills: 1-23-1 Toranomom, Minato-ku, Tokyo, Japan	
Organization	4 offices and 12 bureaus	
Personnel	<p>Executive: 37 (President: 1, Vice Presidents: 6, Director General/CEO: 1, Senior Executive Board Members: 3, Board Members: 24, Auditors: 2) (34 are part-time)</p> <p>Staff: 769 (excluding temporal staff, etc.)</p> <p>⇒ Breakdown of staff: 214 from the TMG, 105 from other municipalities, 39 from Metropolitan Police Department and Tokyo Fire Department, 34 from the Government of Japan, 300 from the private sector, and 77 contract employees</p>	
Relationship with the TMG	Contribution as a founder	<p>150 million yen out of basic assets of 300 million yen (50%)</p> <p>※ The TMG covered an additional expense of 5.7 billion yen in June 2014 to compensate for a lack of fund and ensure stable corporate operation, since the financial base of the Tokyo 2020 Organising Committee was insufficient. Then, the financial base was reinforced as indicated in the FY2015 settlement. The Tokyo 2020 Organising Committee returned 5.7 billion yen to the TMG in November 2016, since the original purpose was fulfilled.</p>
	Burden expense (Table 1)	<p>Approx. 46.21 million yen (Amount granted in FY2015)</p> <p>Approx. 107.15 million yen (Amount granted in FY2016)</p> <p>*No burden expense was granted in FY2014.</p>
	Loan of assets owned by the TMG (Table 2)	Buildings (1,694.56m ²) and land (529,985.51m ²) were loaned without charge.
	Dispatch of staff, etc.	<ul style="list-style-type: none"> - 2 Councillors are Vice Governors of the TMG. - 1 Senior Executive Board Member is a former TMG executive (former Vice Governor of the TMG). - 1 part-time Board Member (Vice President) is Deputy Governor of the TMG - 1 part-time Board Member and 1 part-time Auditor are TMG executive (Director General of Bureau-level). - 214 permanent staff were dispatched from the TMG.
	Organization supervised by the TMG	The TMG designated the Tokyo 2020 Organising Committee as a reporting organization and receives a reports on the status of operations wheneach fiscal year ends.

*The above amounts, etc. are as of March 31, 2017.

(Table 1) Status of burden expenses

(Unit: 1000 yen)

Name of burden expenses	Ground	Projects, Ratio of burden expense, etc.	Amount granted	
			FY2015	FY2016
Burden expenses related to implementing the joint project to hold the 5 Years to Go!! countdown event of the Tokyo 2020 Paralympic Games	Agreement	The expenses of this projects are covered by the TMG. Maximum burden expenses: 10 million yen	9,994	—
Burden expenses related to implementing the joint project to hold the 4 Years to Go!! Countdown event of the Tokyo 2020 Games	Agreement	The expenses of this project are covered by the TMG, but those related to the Tokyo 2020 partners are excluded. Maximum burden expenses: approx. 25.33 million yen	—	25,336
Burden expenses related to implementing the project to set up the Japan Pavilion at the Rugby World Cup 2015	Agreement	The expenses of this projects are covered by the TMG, but those related to the Tokyo 2020 Games are excluded. Maximum burden expenses: 19 million yen	18,991	—
Burden expenses for the presentation for the IPC Governing Board members and an opinion exchange meeting with the IPC Governing Board members	Agreement	The expenses of this project are covered between the TMG and the Tokyo 2020 Organising Committee on a 50-50 basis. The expenses incurred in accordance with the number of attendees from the TMG and the Tokyo 2020 Organising Committee are covered separately.	957	—
Burden expenses related to services for the Tokyo 2020 Excellence Programme of Tokyo 2020 Paralympic Games	Agreement	The share of costs is determined in the annual agreement depending on detailed programs to be implemented. - In FY2015, all costs are covered by the TMG Maximum burden expenses: 24.6 million yen - In FY2016, the costs are divided in accordance with the number of attendees from the TMG and the Tokyo 2020 Organising Committee. Maximum burden expenses: approx. 49.93 million yen	15,284	22,497
Burden expenses related to an opinion exchange meeting with the IOC Coordination Commission	Agreement	The expenses of this project are covered by the TMG and the Tokyo 2020 Organising Committee on a 50-50 basis. The expenses incurred in accordance with the number of attendees from the TMG and the Tokyo 2020 Organising Committee are covered separately. Maximum burden expenses FY2015: 1.1 million yen FY2016: Approx. 1.97 million yen	990	209

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Name of burden expenses	Ground	Projects, Ratio of burden expense, etc.	Amount granted	
			FY2015	FY2016
Burden expenses related to the Observer Programme for the Rio 2016 Games	Agreement	The common expenses, etc. related to the local office are covered between the TMG and the Tokyo 2020 Organising Committee on a 50-50 basis. The expenses for dedicated spaces are covered separately. Maximum burden expenses: 59.66 million yen	—	52,844
Burden expenses related to the IOC Debriefing of the Rio 2016 Games	Agreement	The expenses of this project are covered between the TMG and the Tokyo 2020 Organising Committee on a 50-50 basis. The expenses incurred in accordance with the number of attendees from the TMG and the Tokyo 2020 Organising Committee are covered separately. Maximum burden expenses: approx. 17.31 million yen	—	6,261
Total			46,217	107,150

(Note) There was no record in FY2014.

(Table 2) Status of loan of assets owned by the TMG

(Unit: m², 1000 yen)

Classification	FY	Name of facility (period of loan)	Purpose	Type		(Annual) usage fee	
				Land	Building	Land	Building
Administrative assets	2015	The 14th Floor, TMG No.1 Building (April 1, 2015 ~ August 31, 2015)	Office of the Tokyo 2020 Organising Committee	—	1,135.89	—	15,845
		The 34th Floor, TMG No.1 Building (August 15, 2015 ~ March 31, 2016)		—	957.32	—	20,161
	2016	The 34th Floor, TMG No.1 Building (April 1, 2016 ~ March 31, 2017)		—	957.32	—	Without charge (Note)
		The 33rd Floor, TMG No.1 Building (June 6, 2016 ~ March 31, 2017)		—	737.24	—	
General assets	2016	Ariakekita landfill (February 13, 2017 ~ March 31, 2017)	Ground surveys for the development of venue	67,549.51	—	Without charge (Note)	—
		Landfill at the Central Breakwater Inner Area (March 20, 2017 ~ March 31, 2017)	Transplant of trees for the development of venue, etc.	462,436	—		—

(Note) The loan fees, usage fees, and occupancy fees were set to be free for the use of assets owned by the TMG (competition venues, training venues, and land and buildings owned by the TMG and used as facilities required for the operation of the Tokyo 2020 Games) by the Tokyo 2020 Organising Committee for the Tokyo 2020 Games based on the Policy for Management of Assets Owned by the TMG in the Olympic and Paralympic Games Tokyo 2020 (Decision of the Governor No.213 of March 9, 2016).

Chapter 3 Audit results

1. Operation of the Tokyo 2020 Organising Committee

(Unit: million yen, %)

Item	FY2014	FY2015		FY2016			
			Increase (amount)	Increase (%)		Increase (amount)	Increase (%)
Ordinary revenue	3,409	40,700	37,290	—	65,124	24,424	60.0
Ordinary profit	2,545	29,054	26,509	—	37,594	8,540	29.4
Increase in general net assets	2,538	28,960	26,421	—	37,575	8,615	29.7
Total assets	10,877	38,881	28,003	257.4	76,854	37,973	97.7
Total net assets	7,818	36,779	28,960	370.4	68,655	31,875	86.7

(Note) Ordinary revenue, Ordinary profit, and increase in general net assets for FY2014 are the amounts from January 1, 2015 when the Tokyo 2020 Organising Committee was transferred to a Public Interest Incorporated Foundation to March 31, 2015.

(1) Focuses of these audits

When these audits were conducted, we checked project plans, project reports, materials submitted by the Executive Board, etc. from the viewpoint of whether the Tokyo 2020 Organising Committee was operated in a disciplined way to smoothly prepare for the Tokyo 2020 Games, its financial control functions appropriately, its budget is managed, the procurement systems are in place, etc., and verified the details within the scope of documentary proof presented by the Tokyo 2020 Organising Committee. Also, we extracted procurement contracts for verification.

(2) Performance of projects

The Tokyo 2020 Organising Committee carried out projects concerning the preparation and operation of the Tokyo 2020 Games to lead it to success. The principal activities in FY2016 include the decision of the emblems for the Tokyo 2020 Games and its promotional activities. Moreover, the Japan House (Note 1) was set up at the Games of the X X X I Olympiad and Rio 2016 Paralympic Games (hereinafter referred to as the “Rio 2016 Games”) in collaboration with the TMG, etc. Also, the Flag Handover Ceremonies (Note2) were held to give people in the world a strong impression of the Tokyo 2020 Games to be held in 4 years.

Moreover, a decision of additional sports was made, and important plans such as the “Tokyo 2020 Action & Legacy Plan 2016” and the “Tokyo 2020 Olympic and Paralympic Games Sustainability Plan (Version 1)” were formulated steadily before the preparation for the Tokyo 2020 Games go into full swing.

Additionally, the Tokyo 2020 Organising Committee announced Overall Picture Version 1 (hereinafter referred to as the “V1 budget”) indicating all income and expenditures related to the operation of the Tokyo 2020 Games at that point (so-called lifetime budget) and other expenses (those

covered by entities other than the Tokyo 2020 Organising Committee). The Tokyo 2020 Organising Committee clarified an overall picture for the first time by dividing necessary items of expenses for holding the Tokyo 2020 Games by field and calculated them including expenses not included in the Candidature File.

Then, the four parties of the TMG, the Tokyo 2020 Organising Committee, the Government of Japan, and related municipal entities where competition venues are located agreed on the basic direction regarding the sharing of roles and expenses for the Tokyo 2020 Game (hereinafter referred to as the “general agreement”) in May 2017. The sharing of expenses borne by the Tokyo 2020 Organising Committee presented in the general agreement is 600 billion yen under the condition that it strives to further increase income.

The Tokyo 2020 Organising Committee announced the Games expenses as the Lifetime Budget Version 2 (V2budget) in December 2017 after refining the V1 budget. The lifetime budget of the Tokyo 2020 Organising Committee in the V2 budget is 600 billion yen (income and expenditure are balanced).

(Note 1) Japan House: A facility launched in Rio de Janeiro (exhibition spaces). A booth and other spaces were set up to present and feel the unique culture, art, and sceneries of Japan and to introduce the emblems, vision, and outline of competitions of the Tokyo 2020 Games. The Japan House helped visitors to feel attractions of Tokyo and Japan and appealed the Tokyo 2020 Games to the world.

(Note 2) Flag Handover Ceremonies: These ceremonies are held in the Closing Ceremonies to hand over the Olympic flag and the Paralympic flag from the head of the host city to the head of the next host city.

(3) Status of revenues and expenses and financial position

The increase in general net assets were approx. 28.9 billion yen in FY2015 and approx. 37.5 billion yen in FY2016 both of which marked an increase compared to the budget (approx. 4.5 billion yen in FY2015 and approx. 18.4 billion yen in FY2016). This is because the Tokyo 2020 Organising Committee could find sponsors smoothly and revenues from marketing that accounted for a large share of ordinary revenue increased compared to the plan. On the other hand, there are not many changes in ordinary expenses.

As a result, the amount of specific assets (specific reserve fund accumulated for holding the Tokyo 2020 Games) as of the end of FY2016 is approx. 69.1 billion yen, occupying a large share of the total assets of approx. 76.8 billion yen. These specific assets will be used as a fund, when the preparation of the Tokyo 2020 Games goes into full swing.

When we look at the performance of income and expenditure (calculated by the Secretariat to Audit and Inspection Commissioners) in relation to the expense burden of 600 billion yen under the

general agreement, the cumulative revenues (Note 1) by FY2016 is approx. 109.9 billion yen and the cumulative expenses (Note 2) is approx. 41.2 billion yen.

An additional contribution of 5.7 billion yen paid by the TMG as the founder in June 2014 was returned thereto in November 2016.

(Note 1) Cumulative revenues: Total of ordinary revenue and non-ordinary income by FY2016

(Note 2) Cumulative expenses: Total of ordinary expenses and non-ordinary expenses by FY2016

(4) Evaluation of administrative operations

The Tokyo 2020 Organising Committee was required to promote the projects for the preparation and operation of the Tokyo 2020 Games in cooperation with the TMG under the expectations from the citizens of Tokyo, etc., the Government of Japan, and other entities and lead the Tokyo 2020 Games to success. Since the Tokyo 2020 Organising Committee is a timed project organization for that purpose, the income and expenditure of all projects needed to be balanced. Although the Tokyo 2020 Organising Committee, the TMG, the Government of Japan, etc. are responsible for covering the expenses of the Tokyo 2020 Games, the TMG is to compensate the difference, if the Tokyo 2020 Organising Committee suffers from a financial shortage (hereinafter referred to as “financial guarantee”), based on the Candidature File submitted to the IOC and the Host City Contract 2020.

In fact, there is a precedent in the past Olympic and Paralympic Games in which the Organising Committee then suffered from a financial shortage so that public funds were injected to cover the costs for security at competition venues and the opening and closing ceremonies that should have been covered by the Organising Committee.

Therefore, future income and expenditure of the Tokyo 2020 Organising Committee become a direct risk of financial guarantee of the TMG. We evaluated how the Tokyo 2020 Organising Committee has operated its projects taking those points into consideration.

<Development of corporate administrative structures>

The Tokyo 2020 Organising Committee is committed to strengthening the collaboration with the TMG, the Government of Japan, etc. and making thorough preparations for holding the Tokyo 2020 Games with a view to the success of the Tokyo 2020 Games. Since the number of staff increased and the Tokyo 2020 Organising Committee expanded in the course of accelerating the preparation, it is urgent to improve the internal structure.

In order to respond to this need, the Tokyo 2020 Organising Committee has strived to strengthen the organizational and operational structures. The Management Board was established in November 2015 as part of governance reforms to clarify the decision-making process. It is required to continue to utilize the Management Board effectively and expeditiously and promote overall governance

including the Council and the Executive Board.

Moreover, the Audit Office was established within the Tokyo 2020 Organising Committee to audit its systems, organization, and operational activities and has followed up points pointed out in the audits to check if they have been improved. However, since some audits revealed that follow-ups were not implemented expeditiously, it is expected that improvements be made to ensure the effectiveness of audits.

The auditors of the Tokyo 2020 Organising Committee audit whether financial statements are appropriate and an external audit firm has conducted accounting audits. The accounting auditors were assigned in FY2017, since it was obliged by financial standards based on laws and regulations.

In addition, the Tokyo 2020 Organising Committee has managed the progress of projects and sorted out issues through the PMO (Note 1) method of the Corporate+ Planning Office and efforts for visualising (Note 2) the process improvement of the Reform Promotion Office. It is required to promote these efforts in the future.

<Lifetime budget, financial controls>

Since the financial management of the Tokyo 2020 Organising Committee is governed by the principle of balanced income and expenditure throughout the period, it is required to save costs as much as possible. As regards the lifetime budget of the Tokyo 2020 Organising Committee, the balance between income and expenditure of 500 billion yen was achieved in the V1 budget announced in December 2016. Moreover, the expense burden under the general agreement in May 2017 was 600 billion yen, but the V1 budget and the expense burden under the general agreement are, according to the Tokyo 2020 Organising Committee, provisional prior to a final lifetime budget.

Furthermore, the Tokyo 2020 Organising Committee has strived to ensure necessary financial resources, while reducing and streamlining more expenses. It is planning to create and announce subsequent lifetime budgets by concretizing the sharing of roles and expenses. As the Tokyo 2020 Games approach, it is expected that the expenditure for the preparation of the Tokyo 2020 Games increase. Therefore, it is desirable to clarify budget plans and estimation policy of each fiscal year not to cause financial shortfalls until the Tokyo 2020 Games end in accordance with the creation of lifetime budgets.

<Budget execution management>

When the budget is executed, the details of organizational management were divided into 52 functional areas (FA) by their duty so as to clarify the functions and duties necessary for holding the Tokyo 2020 Games. The status of budget execution of each FA is managed by the financial accounting system in operation from April 2017. However, the amount of budget executed by FA was not grasped by FY2016. It is expected, therefore, that the amount of budget executed by FA be grasped for

appropriate budget management.

The Tokyo 2020 Organising Committee aims to carry out projects by assigning explains that the budget managers (Note 3) assigned to the Planning and Finance Bureau scrutinize expenditures and push forward projects, while reducing costs in collaboration with the operational department of each FA. For the purpose of appropriate budget execution, it is required for the budget managers and the operational department to carry out projects in closer coordination in order to prevent the Tokyo 2020 Organising Committee from a budget shortfall immediately prior to the Tokyo 2020 Games. As a part of the status of scrutinizing by the budget managers could not be checked with documents, it is desirable to prepare and preserve documents as records so that the decision-making process is recorded and preserved.

<Appropriate procurement>

The Procurement Management Committee was established inside the Tokyo 2020 Organising Committee in FY2016 to realise optimal procurement and ensure equality, fairness, , and transparency of procurement activities by developing procurement systems. This Committee has deliberated suppliers and prices. Moreover, in September 2017, the Joint Implementation Project Management Committee was established as a place for consultation between the three parties (the TMG, the Government of Japan, and the Tokyo 2020 Organising Committee). A special account was set up at the Tokyo 2020 Organising Committee in order to integrally execute the Joint Implementation Project and perform separate accounting.

As procurement activities go into full swing, it is required for the Tokyo 2020 Organising Committee to further strengthen governance and strive to curb the expense burden for the TMG, etc. through the effective function of the Joint Implementation Project Management Committee.

Although the Tokyo 2020 Organising Committee has committed to procuring goods and services after scrutinizing the necessity and prices or negotiating prices before contracts are concluded, it is desirable to prepare documents that allow us to check the scrutinizing process and ensure further transparency related to procurement.

<Securing of income>

The principal source of income is sponsors, and the number of sponsors has increased satisfactory overall compared to the annual plan. It is required to secure necessary income by taking all possible measures such as finding more sponsors, promoting sales of official licensed products, soliciting contributions, and selling various types of tickets.

<Disclosure of information>

Although the website of the Tokyo 2020 Organising Committee contains financial statements,

business reports, minutes of the Executive Board, etc. it is expected for the Tokyo 2020 Organising Committee to be accountable for the citizens of Tokyo, etc. by actively disclosing more detailed procurement information (the number of bidders, the amount of bids, the annual number and amount of bids by contract type, etc.) and scrutinizing plans for personnel including staff dispatched from the TMG, since more human resources are needed due to the increase in workload. Moreover, the Tokyo 2020 Organising Committee should strive to disclose information on finance and overall administrative operations as early as possible.

<Preservation and effective utilization of records>

The Tokyo 2020 Organising Committee has made preparations such as the formulation of various plans and lifetime budgets and efforts for cost reduction in view of holding the Tokyo 2020 Games in coordination with other organizations. It is of importance to share information on such coordination and internal review with the IOC and convey it to future host cities including Paris as the legacy of the Tokyo 2020 Games. Therefore, it is required for the Tokyo 2020 Organising Committee to appropriately create and preserve information and make an arrangement for its effective utilization.

The Tokyo 2020 Organising Committee has played a role as the main actor of the operation of the Tokyo 2020 Games to lead it to success and started preparations in full swing. As described above, the Tokyo 2020 Organising Committee has made efforts for curbing the overall Games expenses by striving to discover and solve issues at an early stage through methods used in the private sector such as PMO and visualisation, assigning the budget managers to prevent unnecessary expenses from being generated at the budget execution stage, and scrutinizing procurement prices.

As the momentum for holding the Tokyo 2020 Games has been built and the interest of the citizens of Tokyo and the rest of Japan has increased, it is necessary to concretize plans and accelerate preparations. It is our desire that the Tokyo 2020 Organising Committee exercise organizational governance and strive to execute projects more appropriately so as to lead the Tokyo 2020 Games to success.

(Note 1) PMO (Project Management Office): A department that provides support for the management of individual projects on a cross-sectional basis in an organization.

(Note 2) Process improvement “visualisation”: A method of detecting any abnormality at an early stage by examining each duty, clarifying its deadline, tying related duties, and visualizing the progress of project.

(Note 3) Budget managers: Persons who are assigned to the Planning and Finance Bureau and take charge of budget execution and management such as procurement of each bureau of the Tokyo 2020 Organising Committee.

The matters concerning administrative operations are as described above. We present the matters as well as opinions and requests pointed out in these audits.

2. Matters pointed out in audits

(1) Organization

- a. The ground for procedures to check enforcement, etc. should be more clarified by revising rules and issuing notices.

When we investigated the procedures for procurement, etc. of the Tokyo 2020 Organising Committee, the receiving inspection procedures completed with verification (stamp) by one person in charge of each department and decisions were not checked by two or more persons by FY2016.

The Tokyo 2020 Organising Committee explained that “timely improvements will be made and shared internally”, but only an explanatory meeting was held for each department.

We request the Tokyo 2020 Organising Committee to clarify the ground for the procedures for verification of enforcement, etc. in the procedures for procurement, etc. by revising rules and issuing notices.

(The Tokyo Organising Committee of the Olympic and Paralympic Games)

(2) Bureaus and Organization

- a. Agreements should be concluded properly

The TMG and the Tokyo 2020 Organising Committee conclude an agreement for each project and clarify the sharing of roles and costs.

When we checked the “presentation for the IPC (Note) Governing Board members and an opinion exchange meeting with the IPC Governing Board members” held on June 5, 2015, an agreement was concluded back to June 2, 2015 as of October 23, 2015 according to a request for approval by the Tokyo 2020 Organising Committee.

However, when a joint project is carried out, it is required to create a written agreement on, at least, the fact of joint hosting and how to share costs in advance.

We request the Bureau and the Tokyo 2020 Organising Committee to properly go through the procedures when projects are carried out jointly.

(Bureau of Olympic and Paralympic Games Tokyo 2020 Preparation)
(The Tokyo Organising Committee of the Olympic and Paralympic Games)

(Note) IPC: International Paralympic Committee

3. Opinions and requests

(1) Organization

a. Lifetime budget of the Tokyo 2020 Organising Committee

As regards the lifetime budget of the Tokyo 2020 Organising Committee, Table 3 shows that the V1 budget (500 billion yen) announced in December 2016 achieved a balance between incomes and expenditures. Then, the expense burden of the Tokyo 2020 Organising Committee presented in the general agreement as of May 2017 is 600 billion yen as shown in Table 4.

The V1 budget and the expense burden under the general agreement are, according to the Tokyo 2020 Organising Committee, provisional prior to a final lifetime budget. The Tokyo 2020 Organising Committee is committed to ensuring necessary financial resources, while reducing and streamlining more expenses and concretizing the division of roles and expenses based on the general agreement in order to formulate subsequent lifetime budgets and implement the Tokyo 2020 Games.

This V1 budget and the general agreement do not include an annual budget plan and the performance of income and expenditure to date. Therefore, it is impossible to know how a future annual budget will be or the progress of performance of income and expenditure in relation to the lifetime budget.

Moreover, the V1 budget reveals 10 expenditure items, but it includes estimations and assumptions in the process of coordination. That is why we could not verify certainty and comprehensiveness of the budget in these audits.

In cases where the Tokyo 2020 Organising Committee suffers from a lack of fund, the TMG is responsible for covering that insufficiency. It is required to disclose appropriate information to the citizens of Tokyo in order to obtain their understanding and cooperation. It is expected for the Tokyo 2020 Organising Committee to clarify budget plans and estimation policies as the details and plans of operations are concretized.

(The Tokyo Organising Committee of the Olympic and Paralympic Games)

(Table 3) Details of the lifetime budget of the Tokyo 2020 Organising Committee in the V1 budget

[Income]

Item	Amount (100 million yen)
burden expenses from the IOC	850
TOP sponsorship	360
Domestic sponsorship	2,500
Licensing	140
Ticket sales	820
Others	330
Total	5,000

[Expenditure]

Item	Amount (100 million yen)
Temporary/Overlay	800
Energy infrastructure	100
Subtotal (Venues - related)	900
Transportation	100
Security	200
Technology	550
Games operation	500
General affairs/Communication	800
Marketing (royalty)	800
Others	650
Adjustment cost	500
Subtotal (Games – related (Service))	4,100
Total	5,000

(Table 4) Sharing of expenses under the general agreement

Category	Amount (100 million yen)
Venues-related	2,000
Games-related (Service)	4,000
Total	6,000

(Reference) Details of the Tokyo 2020 Organising Committee's Lifetime Budget in the V2 budget
(announced in December 2017)

[Income]

Item	Amount (100 million yen)
Burden expenses from the IOC	850
TOP sponsorship	560
Domestic sponsorship	3,100
Licensing	140
Ticket sales	820
Others	330
Expected increase in income	200
Total	6,000

[Expenditure]

Item	Amount (100 million yen)
Temporary/Overlay	950
Energy infrastructure	150
Subtotal (Venues-related)	1,100
Transportation	250
Security	200
Technology	700
Games operation	1,000
General affairs/ Communication	600
Marketing (royalty)	1,250
Others	400
Adjustment cost	500
Subtotal (Games-related(Service))	4,900
Total	6,000

b. Appropriate budget management by grasping the amount of executed budget by FA

Since the Tokyo 2020 Organising Committee is a body to prepare and operate the Tokyo 2020 Games, the V1 budget was formulated as a lifetime budget as of the date of audit (October 30, 2017) and its planned cash flow is 500 billion yen in total in addition to the annual budget and settlement as a public interest incorporated foundation.

As shown in Table 5, the Tokyo 2020 Organising Committee has adopted a system of dividing the details of organizational operations into 52 functional areas (FAs) by duty and managing the progress of preparations in line with the roadmap of each FA for the purpose of managing Games preparations.

On the other hand, the Tokyo 2020 Organising Committee could not present the amount of executed budget of each FA by FY2016 as of the date of audit (October 30, 2017).

The Tokyo 2020 Organising Committee explained that it was appropriate to manage the budgets not by FA but by project department/expense item, because there is much time toward the Tokyo 2020 Games and budget execution was not performed in full swing prior to FY2016.

From FY2017 and later, the Tokyo 2020 Organising Committee has been able to grasp and manage the status of budget execution by FA, because a financial accounting system came into operation in April 2017. The Tokyo 2020 Organising Committee was in the process of classifying all transactions by FA as of the date of audit (October 30, 2017). It was going to confirm the amount of executed budget by FA prior to FY2016 until the next Lifetime Budget “V2” is formulated.

It is true that most of FAs did not perform full-fledged budget execution prior to FY2017, budget execution of some FAs (public relations (engagement), development of venues, etc.) progressed to a certain extent by FY2016.

It is expected for the Tokyo 2020 Organising Committee to take a series of budget management measures appropriately such as budget compilation, budget execution, and accurate estimations of subsequent fiscal years with a view to future course of budget execution after grasping the amount of executed budget by FA immediately so as to contribute to the smooth preparation and operation of the Tokyo 2020 Games.

(The Tokyo Organising Committee of the Olympic and Paralympic Games)

(Table 5) List of names and functions of FAs

Category	Names and functions of FAs	
Games products and experience	SPT (competition) CER (ceremony) LIV (urban activities/live site)	CUL (culture) EDU (education) OTR (Olympic Torch Relay)
Client services	BRS (broadcasting service) INS (IF service) (included in competition) MPS (marketing partner service) NCS (NOC, National Paralympic Committee services)	OFS, PFS, DIP, PRT (Olympic and Paralympic family service) (including programmes and protocols for VIP) PEM (personnel management) PRS (press operation) SPX (customer experience)
Venues and infrastructure	NRG (energy) VEM (management of venues) VIL (management of the Olympic and Paralympic Village)	VNI, VED, INF (venue/infrastructure), (installation of venues, including general infrastructure)
Games-related services	ACM (accommodation) ACR (accreditation) AND (border control) CNW (cleaning and wastes) DOP (doping control) EVS (event service) FNB (food and beverage)	LAN (language service) LOG (logistics) MED (medical service) SEC (security) SIG (marks and signs) TEC (technology) TRA (transportation)
Governance	CTY (city operation and coordination) CCC (communication coordination command/control) FIN (finance) GOV (coordination between the Government of Japan and municipalities) IKM (information and knowledge management) LGY (legacy) LGL (legal affairs)	OPR (operation practice, preparation, and management) PGI (Paralympic integration) PNC (planning and coordination) PRC, RTC (procurement) (including rate card) RSK (risk management) SUS (sustainability) TEM (test event management)
Commerce and engagement	BIL (Games brand, identity, look) BRP (brand protection) BUS (business development)	COM, DIG, PUB (communication) (including digital media, publication) LIC (licensing) TKT (ticketing)