

(Provisional Translation)

July 30, 2004

Financial Bureau, Ministry of Finance

Summary of the Fiscal Loan Fund Management Report for FY 2003

1. Allocation of the Fiscal Loan Fund in FY 2003

(1) Plan and Results of Long-Term Fund Allocation

Allocation of the investment in JGB(Japanese Government Bonds)

Fiscal Loan Fund underwrote refunding bonds [400.0 billion yen] for the Government Debt Consolidation Fund (GDCF) to buy back to prepare for the redemption rush in FY 2008.

Allocation of the FILP(Fiscal Investment and Loan Program) Plan

While the total planned amount for long-term fund allocation was 21,156.3 billion yen (budgetary allocation [16,841.2 billion yen], carry-over from FY 2002 [4,315.1 billion yen]), 14,011.2 billion yen was actually allocated, 3,533.6 billion yen was carried over (4,315.1 billion yen for FY 2002), and 3,611.6 billion yen was unused (6,268.8 billion yen for FY 2002).

(Table 1) Total Planned Amount for Long-Term Fund Allocation in the FILP Plan

(in billions of yen)

Budgetary Amount for Long-Term Fund Allocation (A)	Amount Carried over from FY 2002 (B)	Follow-Up Funding by the Flexible Management Clause (C)	Total Planned Amount for Long-Term Fund Allocation (A+B+C)
16,841.2	4,315.1	-	21,156.3

(in billions of yen)

Total Planned Amount for Long-Term Fund Allocation	Actual Allocation	Amount Carried Over	Unused Amount
21,156.3	14,011.2	3,533.6	3,611.6

(Table 2) Institutions with Large Amounts of Unused Funds
(100 billion yen or more)

(in billions of yen)

Institution	Amounts of Unused Funds	(Reference) Unused Amount in 2002
The Government Housing Loan Corporation	1,994.7	4,616.9
Local Governments	482.9	174.0
Japan Bank for International Cooperation	339.4	389.2
National Life Finance Corporation	295.0	675.0
Japan Finance Corporation for Small and Medium Enterprise	178.5	159.0
Others	321.1	254.7
Total	3,611.6	6,268.8

(2) Results of Short-Term Fund Allocation

The outstanding amount of short-term assets was 68,158.1 billion yen as of the end of FY 2003(67,124.7 billion yen for FY 2002): bonds were 36,650.3 billion yen(35,417.5 billion yen for FY 2002), and loans were 31,507.8 billion yen(31,707.1 billion yen for FY 2002).

(Notes)

1. The bonds mentioned above (36,650.3 billion yen) are all government bonds.
2. The two major borrowers of loans (31,507.8 billion yen) are as below:

(in billions of yen)

Special Account	Outstanding Amount of Loans at the End of FY 2003	Outstanding Amount of Loans at the End of FY 2002
Special Account for the Allotment of Local Allocation Tax and Local Transfer Tax	30,027.7	29,656.0
Special Account for Employees' Insurance	1,479.2	1,479.2

2. Change in Fiscal Loan Fund Assets in FY 2003

The outstanding amount of bonds and loans which excludes portfolio investments was 328,030.0 billion yen as of the end of FY 2003 (a decrease of

17,000.0 billion yen from the end of FY 2002 [345,030.0 billion yen]): bonds were 81,261.9 billion yen (a decrease of 4,760.4 billion yen from the end of FY 2002 [86,022.3 billion yen]), and loans were 246,768.1 billion yen (a decrease of 12,239.5 billion yen from the end of FY 2002 [259,007.6 billion yen]).

(Notes)

1. Bonds mentioned above (81,261.9 billion yen) consist of government bonds (72,122.8 billion yen) and special corporation bonds (8,255.8 billion yen).
2. The five major borrowers of loans (246,768.1 billion yen) are as below:

(in billions of yen)

Institution	Outstanding Amount of Loans at the End of FY 2003	Outstanding Amount of Loans at the End of FY 2002
Local Governments	72,514.0	72,190.2
The Government Housing Loan Corporation	57,450.8	64,728.6
Urban Development Corporation	11,602.1	11,276.8
Government Pension Investment Fund	11,258.8	12,804.0
Development Bank of Japan	10,755.9	11,881.7

3. The outstanding amount of loans excludes portfolio investment.

3. Fiscal Loan Fund Special Account Bonds (FILP Bonds) in FY 2003

The outstanding amount of FILP bonds was 91,849.0 billion yen as of the end of FY 2003 (75,564.4 billion yen as of the end of FY 2002): bonds issued in open market were 9,958.8 billion yen.

FILP bonds issued in FY 2003 were 28,488.8 billion yen (budgetary amount for allocation of FY 2003 were 30,010.0 billion yen), as a result of that FILP bonds were issued depending on allocation of Fiscal Loan Fund: bonds underwritten by the Postal Savings were 9,950.4 billion yen, bonds underwritten by the Pension Reserves were 5,643.2 billion yen, and bonds underwritten by the Postal Life Insurance were 2,936.4 billion yen.

(Table) Classification by Issuance Maturity

(in billions of yen)

Bond Type	Issuance in FY 2003	(Reference) Issuance in FY 2002
2-year Bonds	8,417.8	10,381.6
5-year Bonds	9,172.5	8,809.3
10-year Bonds	8,802.2	10,670.9
10-year Bonds(Inflation-Indexed)	99.8	-
20-year Bonds	1,591.7	1,640.9
30-year Bonds	404.8	301.3
Total	28,488.8	31,803.9

4. Deposits to the Fiscal Loan Fund in FY 2003

The outstanding amount of deposits to the Fiscal Loan Fund was 276,438.6 billion yen as of the end of FY 2003 (a decrease of 44,083.1 billion yen from the end of FY 2002 [320,521.7 billion yen]): the Postal Savings and Postal Book-Transfer Savings amounted to 156,095.4 billion yen (a decrease of 21,467.9 billion yen from the end of FY 2002 [177,563.3 billion yen]), the Special Account for Employees' Insurance amounted to 81,979.1 billion yen (a decrease of 19,318.3 billion yen from the end of FY 2002 [101,297.4 billion yen]).

(Table) Trends of the Outstanding Amount of Deposits at the End of the Fiscal Year

(in billions of yen)

FY	Amount	Increase/Decrease from the Previous Fiscal Year
1999	438,025.0	4,751.1
2000	427,850.6	-10,174.4
2001	371,030.4	-56,820.2
2002	320,521.7	-50,508.7
2003	276,438.6	-44,083.1

5. Profit and Loss Statement and Balance Sheet of the Fiscal Loan Fund Special Account for FY 2003

The surplus was 3,686.0 billion yen for FY 2003 (3,609.1 billion yen for FY 2002). It is reserved according to Clause 1 in Article 8 of the Fiscal Loan Fund Special Account Law.

6. Allocation of FILP Funds in FY 2003

While the total amount of FILP funds was 29,940.9 billion yen (initial budgetary allocation [23,411.5 billion yen], carry-over from FY 2002 [6,529.4 billion yen]), 20,043.8 billion yen was actually allocated, 5,451.3 billion yen was carried over (6,529.4 billion yen for FY 2002), and 4,445.8 billion yen was unused (7,257.2 billion yen for FY 2002).

(Table) Classification of funding status

(in billions of yen)

	Total Amount of Funds	Actual Allocation	Amount Carried Over	Unused Amount
FILP Plan	29,940.9	20,043.8	5,451.3	4,445.8
Fiscal Loan	25,989.6	16,681.9	5,450.4	3,857.3
Fiscal Loan Fund	21,156.3	14,011.2	3,533.6	3,611.6
Industrial Investment	45.7	41.4	0.9	3.4
Government Guarantee	3,905.6	3,320.5	-	585.1

As a result of that, the total amount of FILP plan outstanding balances became 353,992.8 billion yen as of the end of FY 2003 (a decrease of 36,595.9 billion yen from the end of FY 2002 [390,588.7 billion yen]).

(Table) Classification of FILP plan outstanding balance

(in billions of yen)

FY	FILP Plan	Fiscal Loan		Industrial Investment	Government Guarantee
			Fiscal Loan Fund		
2003	353,992.8	320,587.1	282,226.3	3,293.2	30,112.5
2002	390,588.7	357,324.1	302,057.1	3,585.8	29,678.7

7 . Utilization Categories of the Projects Funded by the FILP for FY 2003

A total of 20,043.8 billion yen was actually allocated from the budgetary allocation of 23,411.5 billion yen, with 12,451.2 billion yen mainly allocated to the areas which contribute to improve the public life.

(Reference 1)

Institutions with Large Amounts of Unused Funds in the FILP Plan for FY 2003

(in billions of yen)

Institution	Budgetary Amount	Unused Amount	(Reference) Unused Amount in FY 2002
The Government Housing Loan Corporation	2,094.7	2,094.7	4,866.9
Local Governments	7,690.0	728.6	250.2
Japan Bank for International Cooperation	1,190.8	470.5	572.2
National Life Finance Corporation	3,050.0	315.4	695.0
Japan Finance Corporation for Small and Medium Enterprise	1,301.0	296.4	242.6
Development Bank of Japan	905.0	250.7	1.7
The Okinawa Development Finance Corporation	160.0	75.5	89.0
Agriculture, Forestry and Fisheries Finance Corporation	198.0	60.1	70.0
Japan Highway Public Corporation	2,213.0	35.0	10.8
Welfare and Medical Service Agency (Independent Administrative Institution)	383.3	29.0	29.3
Others	4,225.7	89.9	429.5
Total	23,411.5	4,445.8	7,257.2

(Notes)

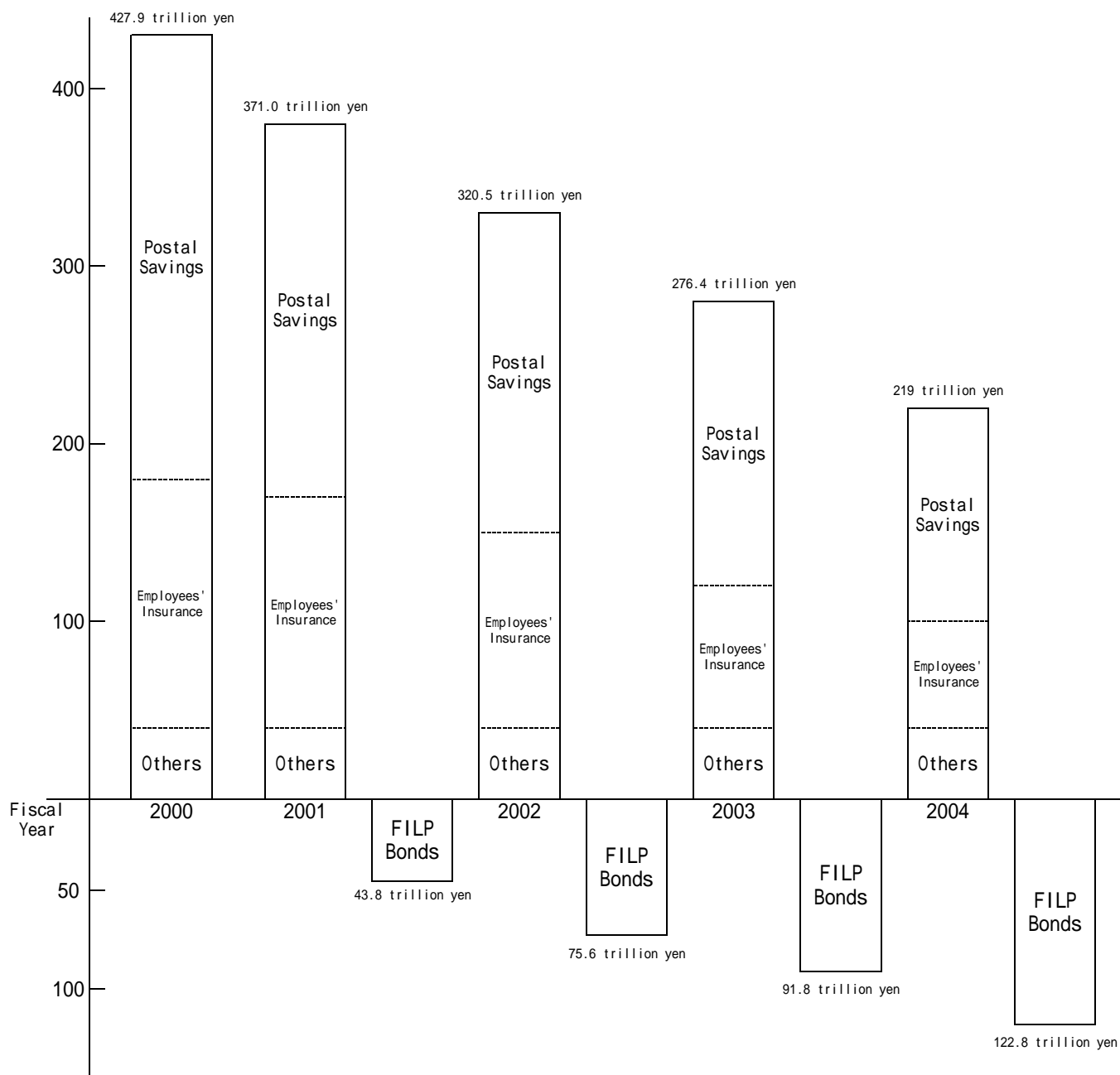
1. Agencies' names are those at the end of FY 2003.

2. The unused amount (4,445.8 billion yen) consists of Fiscal Loan (3,857.3 billion yen), Industrial Investment (3.4 billion yen), and Government Guarantee (585.1 billion yen).

(Reference) The largest unused amount on record is 10,128.9 billion yen in FY 1995.

(Reference 2)

Changes of the Outstanding Amount of Deposits to the Fiscal Loan Fund



(Reference)

(in trillions of yen)

	End of FY2000 Results	End of FY 2001		End of FY 2002		End of FY 2003		End of FY 2004		Total Increase/Decrease (FY 2000-2004)
	Results	Results	Increase/Decrease	Results	Increase/Decrease	Results	Increase/Decrease	Plan	Increase/Decrease	
Deposits	427.9	371.0	56.8	320.5	50.5	276.4	44.1	219.0	57.4	208.9
FILP Bonds	-	43.8	43.8	75.6	31.8	91.8	16.3	122.8	30.9	122.8
Total	427.9	414.8	13.1	396.1	18.7	368.3	27.8	341.8	26.5	86.1

(Reference 3)

Changes of the Outstanding Amount of the FILP Plan Balance

