

Points of the FY2019 analysis

1. Policy cost total

In FY2019, 27 FILP agencies conducted policy cost analysis (hereinafter referred to as PCA) , computing their total policy cost at negative 978.1 billion yen.

The total policy cost is broken down as follows into category (1) to category (3) mentioned above on page 1.

(Unit: billion yen)

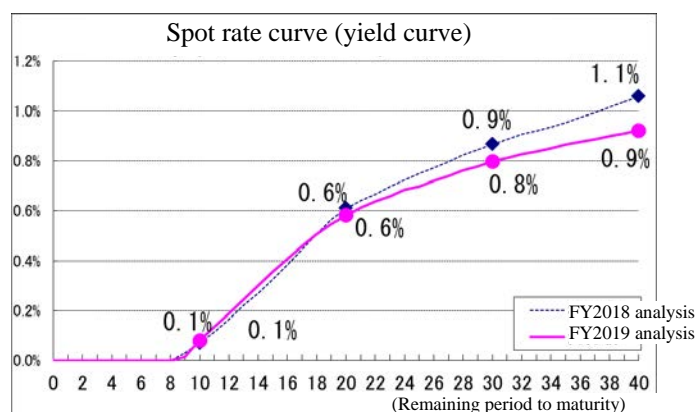
	Policy cost	(3) Opportunity cost of government capital investments, etc.				
		(1) Government expenditure (Subsidies, etc.)	(2) Government revenue (payments to the government, etc.)	Opportunity cost of investments, etc. provided before the beginning of the analysis period	Opportunity cost of surplus, etc. expected to be generated during the analysis period	
FY2019	- 978.1	1,612.9	- 5,625.6	3,034.5	6,696.8	- 3,662.3
(Reference) FY2018	- 769.3	1,721.3	- 6,653.0	4,162.4	7,222.7	- 3,060.3

(See p. 13 for effective changes excluding effects of an assumed interest rate)

<<Assumed interest rate>>

In PCA, the future interest rate and discount factor are computed based on spot market yields on Japanese Government Bonds ^(Note) on the day when the annual budget proposal is decided (December 21, 2018, for the FY2019 analysis) and set as common assumptions.

(Note) Negative spot rates are regarded as 0% and the discount factor as 1.



Spot rates used for the FY2019 analysis were lower in the long-term zone than for the FY2018 analysis.

Interest rate fluctuations influence the opportunity cost mainly of investments, etc.

(Reference) As documents for FY2019 cover policy cost for special accounts as well, FY2018 policy cost values differ from those published in the previous year.

2. Breakdown of policy cost by the time of provision of funds

Policy cost is broken down by the time of provision of funds into two portions – (1) opportunity cost of investments, etc. provided before the beginning of the analysis period and (2) policy cost expected to be newly accrued during the analysis period.

(Unit: billion yen)

Category	FY2019 (A)	FY2018 (B)	Fluctuation (A)-(B)
Policy cost (total)	- 978.1	- 769.3	- 208.8
(1) Opportunity cost of capital investments, etc. provided before the beginning of the analysis period	6,696.8	7,222.7	- 525.9
(2) Policy cost expected to be newly accrued during the analysis period	- 7,674.9	- 7,992.0	+ 317.1
(a) Government expenditure (Subsidies, etc.)	1,612.9	1,721.3	- 108.3
(b) Government revenue (payments to the government, etc.)	- 5,625.6	- 6,653.0	+ 1,027.4
(c) Opportunity cost of surplus, etc.	- 3,777.4	- 3,190.3	- 587.2
(d) Opportunity cost of capital investments, etc.	115.2	129.9	- 14.8

<Reference> Relationship between assumed interest rate change and policy cost

Component	Fall in assumed interest rate (∨)	Rise in assumed interest rate (∧)
(1) Subsidies, etc. <cost rise (+)>	<ul style="list-style-type: none"> • Rise in discounted present value of subsidies, etc. ⇒ Rise in policy cost (+) 	<ul style="list-style-type: none"> • Fall in discounted present value of subsidies, etc. ⇒ Fall in policy cost (-)
	<ul style="list-style-type: none"> • Fall in coupon fee ⇒ Fall in subsidies, etc. ⇒ Fall in policy cost (-) 	<ul style="list-style-type: none"> • Rise in coupon fee ⇒ Rise in subsidies, etc. ⇒ Rise in policy cost (+)
(2) Payments to the government, etc. <cost fall: (-)>	<ul style="list-style-type: none"> • Rise in discounted present value of payments to the government, etc. ⇒ Fall in policy cost (-) 	<ul style="list-style-type: none"> • Fall in discounted present of payments to the government, etc. ⇒ Rise in policy cost (+)
	<ul style="list-style-type: none"> • Fall in coupon fee ⇒ Rise in payments to the government, etc. ⇒ Fall in policy cost (-) 	<ul style="list-style-type: none"> • Rise in coupon fee ⇒ Fall in payments to the government, etc. ⇒ Rise in policy cost (+)
(3) Opportunity cost <cost rise: (+)>	<ul style="list-style-type: none"> • Fall in opportunity cost (equivalent to interest) ⇒ Fall in policy cost (-) 	<ul style="list-style-type: none"> • Rise in opportunity cost (equivalent to interest) ⇒ Rise in policy cost (+)

*Factors in brackets meet some FILP agencies.

3. Policy cost of the major FILP agencies

(Unit: billion yen)

Institutions		Policy Cost (FY2019)	(1) Opportunity cost of capital investments, etc. provided before the beginning of the analysis period	(2) Policy cost expected to be newly incurred during the analysis period
Financing Institutions	Japan Finance Corporation	451.2	730.0	-278.8
	Account for Micro Business and Individual Operations	30.8	252.1	-221.3
	Account for SME Loan Programs and Securitization Support Programs [Guarantee-type Operations]	5.4	184.5	-179.1
	Account for Agriculture, Forestry, Fisheries and Food Business Operations	97.4	195.1	-97.7
	Account for Operations to Facilitate Crisis Responses	316.7	98.3	218.4
	Account for Operations to Facilitate Specific Businesses Promotion, etc.	0.8	0.0	0.8
	Japan Bank for International Cooperation	53.4	266.0	-212.7
	Japan International Cooperation Agency (JICA) (Incorporated Administrative Agency)	454.8	3,154.4	-2,699.6
	Japan Student Services Organization (Incorporated Administrative Agency)	112.9	0.0	112.9
	Welfare and Medical Service Agency (Incorporated Administrative Agency)	-35.2	5.9	-41.1
	Japan Finance Organization for Municipalities	-472.7	-	-472.7
	Development Bank of Japan Inc.	-539.4	452.4	-991.8
	7 other agencies	22.0	58.0	-36.0
	Project Institutions	National Hospital Organization (Incorporated Administrative Agency)	92.3	51.6
National Cerebral and Cardiovascular Center (National Research and Development Agency)		14.2	4.4	9.8
Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency) (Construction Account)		913.2	-	913.2
Urban Renaissance Agency (Incorporated Administrative Agency)		-3,795.8	427.8	-4,223.7
Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)		1,042.5	996.3	46.2
Japan Water Agency (Incorporated Administrative Agency)		78.5	1.1	77.3
Forest Research and Management Organization (National Research and Development Agency)		735.4	499.4	236.1
New Kansai International Airport Co., Ltd.		-96.8	27.8	-124.6
Central Japan International Airport Co., Ltd.		-50.2	3.2	-53.4
5 other agencies		41.7	18.5	23.2
Total		-978.1	6,696.8	-7,674.9

(Note 1) It should be noted that the policy cost was estimated based on assumptions including analysis periods and business projections differing from agency to agency and changes considerably

depending on assumptions.

(Note 2) The policy cost does not indicate any fiscal burden accompanied by future fund transfers accruing from the implementation of projects.

(Note 3) It is not appropriate to evaluate the policy cost simply based on the overall amount. Comprehensive evaluation should be made with consideration given to the social and economic benefit brought about by each policy as well as the policy cost.

4. Past year comparison analysis (real fluctuation analysis)

The FY2019 policy cost (-978.1 billion yen) is 208.8 billion yen lower than the FY2018 policy cost (-769.3 billion yen). If the effects of (1) fluctuations in the agencies subject to analysis, (2) any change in the assumed interest rate, and (3) any change in the analysis commencement period are eliminated, however, the real fluctuation turns out to be an increase of 287.9 billion yen.

(1) Effect of fluctuations in the agencies subject to analysis

➤ FY2019 policy cost of one agency newly covered in the FY2019 analysis

National Center for Geriatrics and Gerontology (NCGG): 5.3 billion yen---①

(2) Effect of a change in the assumed interest rate (A change from the re-estimation of the FY2019 analysis results using the assumed interest rate for FY2018):

459.0 billion yen---②

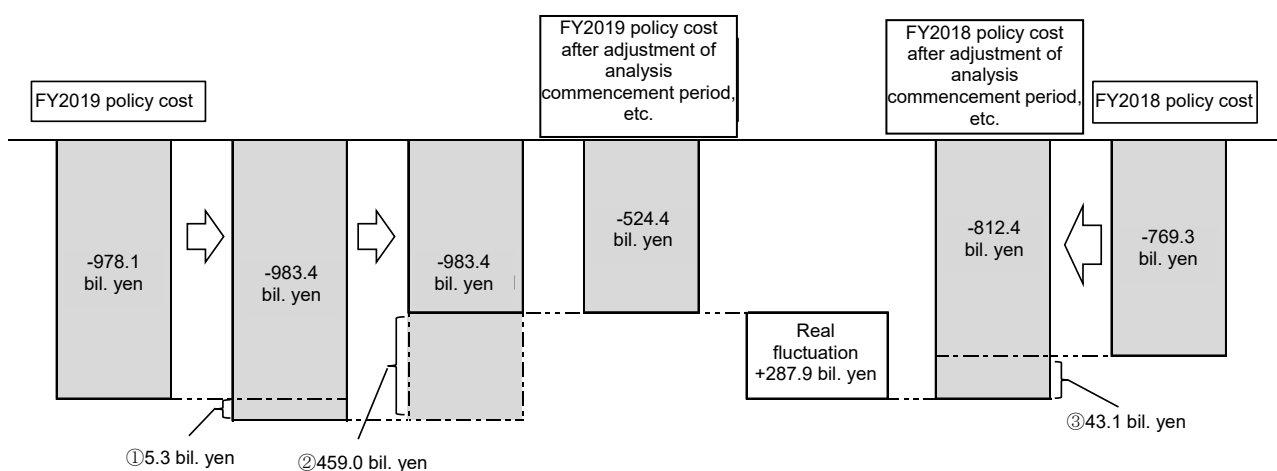
(3) Effect of the analysis commencement period's change from FY2018 to FY2019 (the FY2018 policy cost's portion accrued within FY2018): 43.1 billion yen---③

FY2019 - 978.1 bil. yen – 5.3 bil. yen (①) + 459.0 bil. yen (②) = - 524.4 billion yen

FY2018 - 769.3 bil. yen – 43.1 bil. yen (③) = - 812.4 billion yen

As a result, the real fluctuation comes to

+ 287.9 billion yen = - 524.4 billion yen(FY2019) – - 812.4 billion yen(FY2018)



(Note) See p. 5-6 for the explanation of the past year comparison analysis.

【Past year comparison analysis (real fluctuation analysis by agency)】

(Unit: billion yen)

Institutions		Real fluctuation	Main factor
Financing Institutions	Japan Finance Corporation	- 251.3	
	Account for Micro Business and Individual Operations	+ 24.7	Increase in loss due to loan loss growth
	Account for SME Loan Programs and Securitization Support Programs [Guarantee-type Operations]	+ 18.9	Increase in administrative cost, etc. due to new financing
	Account for Agriculture, Forestry, Fisheries and Food Business Operations	+ 26.5	Decrease in surplus, etc. due to loan loss increase
	Account for Operations to Facilitate Crisis Responses	- 321.3	Decrease in loss due to decrease in compensation for damage
	Account for Operations to Facilitate Specific Businesses Promotion, etc.	- 0.0	Decrease in subsidies, etc. due to decrease in administrative cost
	Japan Bank for International Cooperation	- 25.1	Increase in surplus, etc. due to loan loss decrease
	Japan International Cooperation Agency (JICA) (Incorporated Administrative Agency)	+ 278.0	Decrease in surplus, etc. due to loan loss increase
	Japan Student Services Organization (Incorporated Administrative Agency)	- 5.1	Decrease in interest payments due to changes in terms and conditions for fiscal loans
	Welfare and Medical Service Agency (Incorporated Administrative Agency)	+ 3.7	Decrease in surplus, etc. due to gap between interest rates on new loans and fundraising
	Japan Finance Organization for Municipalities	- 31.2	Increase in surplus, etc. due to a gap between projected and actual fundraising interest rates
Development Bank of Japan Inc.	- 35.1	Increase in surplus, etc. due to new financing	
7 other agencies	- 1.5		
Project Institutions	National Hospital Organization (Incorporated Administrative Agency)	+ 5.6	Decrease in surplus, etc. due to analysis period extension
	National Cerebral and Cardiovascular Center (National Research and Development Agency)	- 1.5	Increase in surplus, etc. due to decrease in interest payments
	Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency) (Construction Account)	+ 14.2	Increase in subsidies for the Shinkansen bullet train line development program
	Urban Renaissance Agency (Incorporated Administrative Agency)	+ 251.5	Decrease in payments to the government due to decrease in rental housing business income
	Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)	+ 30.6	Increase in opportunity cost due to analysis period extension accompanying redemption plan revision
	Japan Water Agency (Incorporated Administrative Agency)	+ 19.5	Increase in subsidies due to the implementation of new projects
	Forest Research and Management Organization (National Research and Development Agency)	+ 33.1	Decrease in surplus, etc. due to decrease in operating revenues
	New Kansai International Airport Co., Ltd.	- 1.5	Increase in surplus, etc. due to decrease in future cost
	Central Japan International Airport Co., Ltd.	+ 0.4	Decrease in surplus, etc. due to the implementation of new equipment investment
4 other agencies	+ 3.6		
Total		+ 287.9	

(Reference) Real fluctuation of each year (FY2010~FY2019)

(Unit: trillion yen)

FY	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Policy cost of previous year	2.5	3.4	2.4	2.6	3.1	1.6	-0.6	0.2	-1.4	-0.8
(1) After adjustment of the analysis commencement period, etc.	2.1	3.1	2.3	2.6	3.1	1.5	-0.5	0.3	-1.5	-0.8
Policy cost of current fiscal year	3.4	2.4	2.6	3.1	1.6	-0.6	0.2	-1.4	-0.8	-1.0
(2) After adjustment of assumed interest rates	2.5	3.2	2.9	2.9	3.3	2.7	-0.4	0.5	-1.5	-0.5
Real fluctuation ((2)-(1))	+0.4	+0.1	+0.6	+0.3	+0.2	+1.1	+0.0	+0.3	+0.0	+0.3

[Note] The above table only shows a real fluctuation on each year. As agencies and projects subject to the analysis vary by year, components cannot be compared simply.

5. Sensitivity analysis

Following are the estimated effects of changes in assumptions on the policy cost:

【Sensitivity analysis (1) (In case the assumed interest rate rises by 1 %)】

(Unit: billion yen)

Institutions		Fluctuation
Financing Institutions	Japan Finance Corporation	+437.2
	Account for Micro Business and Individual Operations	+18.0
	Account for SME Loan Programs and Securitization Support Programs [Guarantee-type Operations]	+229.7
	Account for Agriculture, Forestry, Fisheries and Food Business Operations	+142.5
	Account for Operations to Facilitate Crisis Responses	+47.1
	Account for Operations to Facilitate Specific Businesses Promotion, etc.	-0.1
	Japan Bank for International Cooperation	+114.2
	Japan International Cooperation Agency (JICA) (Incorporated Administrative Agency)	+1,006.5
	Japan Student Services Organization (Incorporated Administrative Agency)	+16.7
	Welfare and Medical Service Agency (Incorporated Administrative Agency)	+27.0
	Japan Finance Organization for Municipalities	+165.0
	Development Bank of Japan Inc.	+949.6
	7 other agencies	+33.4
Project Institutions	National Hospital Organization (Incorporated Administrative Agency)	+120.6
	National Cerebral and Cardiovascular Center (National Research and Development Agency)	+5.8
	Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency) (Construction Account)	-52.2
	Urban Renaissance Agency (Incorporated Administrative Agency)	+1,776.8
	Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)	+1,051.7
	Japan Water Agency (Incorporated Administrative Agency)	+12.8
	Forest Research and Management Organization (National Research and Development Agency)	+10.2
	New Kansai International Airport Co., Ltd.	+104.3
	Central Japan International Airport Co., Ltd.	+20.8
	5 other agencies	+26.4
Total		+5,826.6

(Note) Numbers in the total columns represent the simple totals of fluctuations estimated based on assumptions including analysis periods and business projections differing from agency to agency.

【Sensitivity analysis (2) (In case bad debt write-off increases by 10%)】

(Unit: billion yen)

Institutions	Fluctuation
Japan International Cooperation Agency (JICA) (Incorporated Administrative Agency)	+71.7
Japan Bank for International Cooperation	+63.0
Japan Finance Corporation	+40.6
Japan Student Services Organization (Incorporated Administrative Agency)	+4.7
Japan Housing Finance Agency (Incorporated Administrative Agency)	+3.1
The Okinawa Development Finance Corporation	+1.8
Welfare and Medical Service Agency (Incorporated Administrative Agency)	+1.4
Development Bank of Japan Inc.	+0.2
Organization for Promoting Urban Development (General Incorporated Foundation)	+0.1
The Promotion and Mutual Aid Corporation for Private Schools of Japan	+0.1
Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency) (Maritime Affairs Account)	+0.1

【Sensitivity analysis (3) (In case operating revenue decreases by 10%)】

(Unit: billion yen)

Institutions	Fluctuation
Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)	+425.1
National Hospital Organization (Incorporated Administrative Agency)	+87.4
Urban Renaissance Agency (Incorporated Administrative Agency)	+48.5
New Kansai International Airport Co., Ltd.	+12.9
Forest Research and Management Organization (National Research and Development Agency)	+11.4

6. Breakdown of policy cost by causative factor

Following is a breakdown of policy cost by causative factor for financial institutions:

(Unit: billion yen)

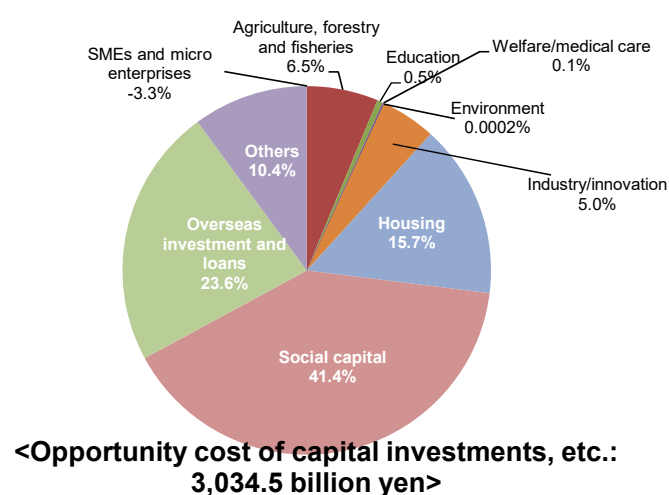
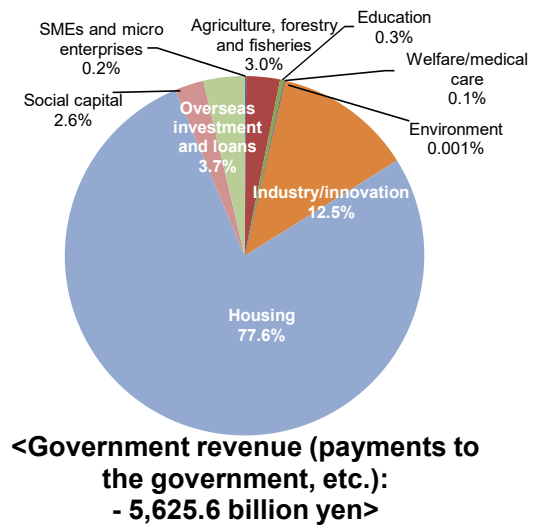
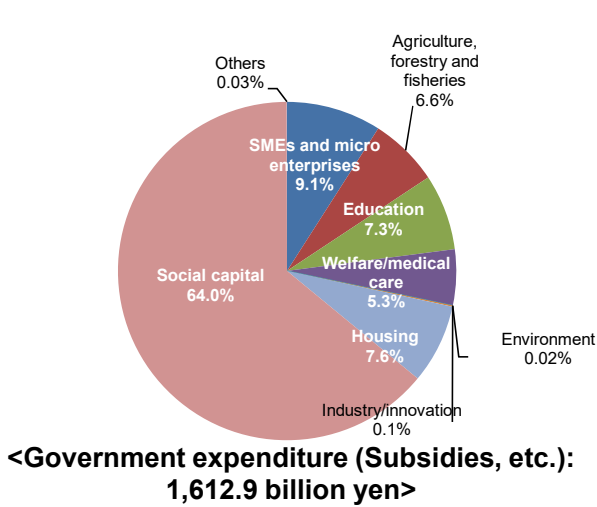
Institutions	Policy Cost	Effect of		
		prepayments	loan losses	the others (profit margin, etc.)
Japan Finance Corporation	451.2	66.9	433.1	-48.8
Account for Micro Business and Individual Operations	30.8	29.0	246.0	-244.2
Account for SME Loan Programs and Securitization Support Programs [Guarantee-type Operations]	5.4	32.0	168.7	-195.4
Account for Agriculture, Forestry, Fisheries and Food Business Operations	97.4	5.8	18.3	73.2
Account for Operations to Facilitate Crisis Responses	316.7	-	-	316.7
Account for Operations to Facilitate Specific Businesses Promotion, etc.	0.8	-	-	0.8
Japan Bank for International Cooperation	53.4	31.3	609.7	-587.6
Japan International Cooperation Agency (JICA) (Incorporated Administrative Agency)	454.8	-	449.7	5.1
Japan Student Services Organization (Incorporated Administrative Agency)	112.9	-14.0	48.3	78.6
Welfare and Medical Service Agency (Incorporated Administrative Agency)	-35.2	1.9	3.1	-40.2
Japan Finance Organization for Municipalities	-472.7	19.5	-	-492.2
Development Bank of Japan Inc.	-539.4	3.2	33.2	-575.9
7 other agencies	22.0	-4.4	47.7	-21.4

(Note) A breakdown of each agency's policy cost by causative factor is estimated based on assumptions including analysis periods and business projections differing from agency to agency. Their simple totals are as follows:

	FY2019 (14 agencies)	FY2018 (14 agencies)
Effect of prepayments	104.5 billion yen	89.9 billion yen
Effect of loan losses	1,624.9 billion yen	1,524.8 billion yen
Effect of the others (profit margin, etc.)	-1,682.4 billion yen	-1,405.8 billion yen

(Reference 1) Breakdown of FY2019 policy cost by investment field (by component)

Broken down the FY2019 policy cost in line with the FY2019 FILP Classification Table by Purpose
 [Note] For agencies falling under multiple classification categories, their policy cost for FY2019 is prorated in accordance with the ratios appropriated at the time of preparing the abovementioned classification table.

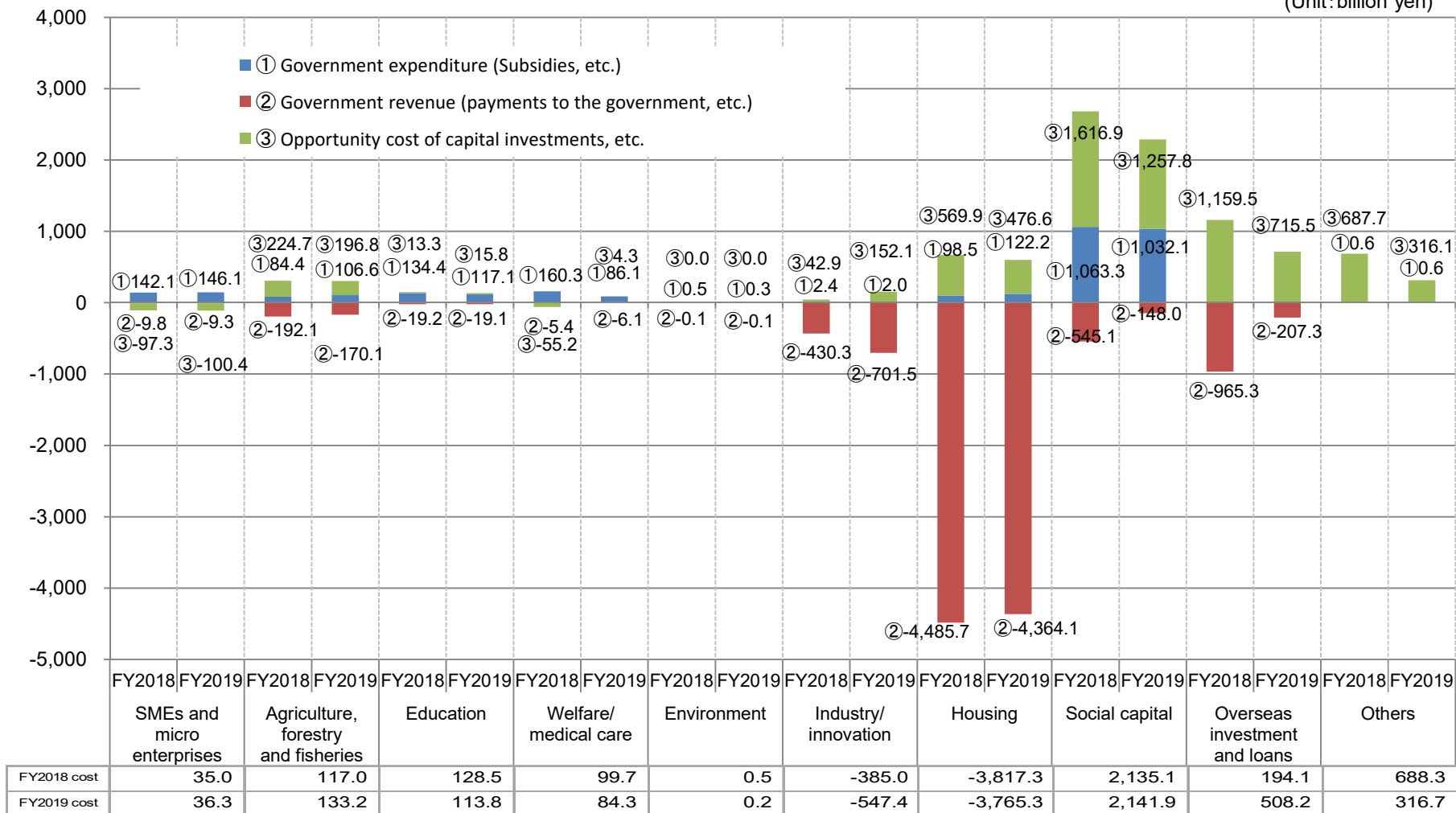


○The main classification of 27 agencies that analyze FY2019 policy cost

Classification	Institutions
SMEs and micro enterprises	Japan Finance Corporation (Account for Micro Business and Individual Operations, and for SME Loan Programs and Securitization Support Programs), The Okinawa Development Finance Corporation
Agriculture, forestry and fisheries	Special Account for Stable Supply of Food, Japan Finance Corporation (Account for Agriculture, Forestry, Fisheries and Food Business Operations), The Okinawa Development Finance Corporation, Japan Water Agency
Education	Japan Finance Corporation (Account for Micro Business and Individual Operations), The Okinawa Development Finance Corporation, The Promotion and Mutual Aid Corporation for Private Schools of Japan, Japan Student Services Organization, Japan Finance Organization for Municipalities
Welfare/medical care	The Okinawa Development Finance Corporation, The Promotion and Mutual Aid Corporation for Private Schools of Japan, Welfare and Medical Service Agency, National Hospital Organization, National Cancer Center, National Cerebral and Cardiovascular Center, National Center for Child Health and Development, National Center for Geriatrics and Gerontology, National Institution for Academic Degrees and Quality Enhancement of Higher Education, Japan Finance Organization for Municipalities
Environment	Japan Oil, Gas and Metals National Corporation (General Account for Metal Mining)
Industry/innovation	Special Account for Energy Measures, Japan Finance Corporation (Account for Operations to Facilitate Specific Business Promotion, etc.), The Okinawa Development Finance Corporation, Japan Railway Construction, Transport and Technology Agency (Maritime Affairs Account), Japan Oil, Gas and Metals National Corporation (Account for Oil and Natural Gas), Development Bank of Japan Inc.
Housing	Japan Housing Finance Agency, Urban Renaissance Agency, Japan Finance Organization for Municipalities
Social capital	Japan Railway Construction, Transport and Technology Agency (Construction Account), Japan Expressway Holding and Debt Repayment Agency, Japan Water Agency, Japan Finance Organization for Municipalities, Forest Research and Management Organization, New Kansai International Airport Co., Ltd., Organization for Promoting Urban Development, Central Japan International Airport Co., Ltd.
Overseas investment and loans	Japan Bank for International Cooperation (Ordinary Operations, Special Operations), Japan International Cooperation Agency
Others	Japan Finance Corporation (Account for Operations to Facilitate Crisis Responses)

<Reference> Breakdown of policy cost by investment field (FY2018-2019)

(Unit: billion yen)



(Reference 2) Estimation of social and economic benefits

Given that the policy cost represents public financial burdens of FILP projects that are estimated under certain assumptions, it is important to integrally assess the policy cost and these projects' financial benefits for citizens and society. However, it is very difficult to assess benefits of characteristically different projects uniformly and quantitatively. Furthermore, some FILP projects bring about various benefits that cannot be converted into monetary values, including lives saved through the promotion of highly advanced medical treatments and the expansion of educational opportunities through scholarships.

Therefore, PCA tries to explain how projects subject to analysis contribute to national life and society as specifically as possible, using quantitative social and economic benefits that each agency estimates on its own.

As the Cost-Benefit Analysis Manual and other guidelines prepared by the relevant government agencies can be utilized to quantitatively estimate social and economic benefits of public works projects under generally unified standards, PCA assumptions (including the discount factor and analysis period) are applied for their re-estimation and their comparison with the policy cost.

【Estimated social and economic benefits】

(Unit: billion yen, years)

Institutions (Project name)	Social and economic benefits		(Reference) Estimation based on the same discount factor and analysis period as those for PCA
		Analysis period	Analysis period
Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency)			
Construction Account (Shinkansen project)	3,435.5	After commercial operation launching: 50	3,534.3 26
Urban Renaissance Agency (Incorporated Administrative Agency)	1,023.1		2,339.7
Projects to renew urban functions (land readjustment)	196.1	61	476.1 61
Projects to renew urban functions (urban renewal)	548.3	60	1,277.6 60
Residential environment development project	278.7	54	586.0 54
Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)			
The Expressway project	9,818.9	34	16,830.5 34
Japan Water Agency (Incorporated Administrative Agency)			
Construction of canals	17,306.1	50	22,812.8 29
Forest Research and Management Organization (National Research and Development Agency)			
Forestation for water conservation	1,381.7	62	2,150.0 62

Central Japan International Airport Co., Ltd.				
Airport improvement project	2,008.7	36	1,618.5	16

(Note 1) The Cost-Benefit Analysis Manual and other guidelines fix the social discount factor to convert social benefits into present value. Based on the past average yield on long-term Japanese Government Bonds, or the average fundraising cost for social infrastructure development, the factor is set at 4% for the immediate future.

Here, the social discount factor (4%) and the same discount factor as used for PCA are used for estimating social and economic benefits. As the assumed interest rate for the FY2019 analysis is lower than the social discount rate of 4%, social and economic benefits estimated with the discount factor for PCA are larger than those estimated with the social discount rate.

(Note 2) Social and economic benefits are estimated for the analysis period (service period) chosen in consideration of the project implementation period specified in the Cost-Benefit Analysis Manual and other guidelines in light of the project's service life and for the same period as for PCA (the redemption period).

(Note 3) It should be noted that these social and economic benefits were estimated separately by each agency based on different business forecasts and other preconditions for different analysis periods and that calculation results vary considerably depending on the used discount factor.

(Note 4) Financing institutions do not calculate these benefits in the absence of uniform assumptions established for them.

<Reference> Manuals and items for estimation

Institutions	Project name	Manual	Item for estimation
Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency)	Shinkansen project	Railway project assessment manual 2012	User benefits from shortening of travel time, reduction of transportation costs and improvement of transfer convenience through Shinkansen development
Urban Renaissance Agency (Incorporated Administrative Agency)	Projects to renew urban functions (land renewal)	Cost-benefit analysis manual for land readjustment projects	Benefits from land price changes through improvement of profit for owners of redeveloped office buildings, and convenience and comfort for residents under land readjustment, urban redevelopment or resident land development projects in major urban regions
	Projects to renew urban functions (urban renewal)	Cost-benefit analysis manual for urban redevelopment projects	
	Residential environment development projects	Cost-benefit analysis manual for residential development projects	
Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)	Expressway projects	Cost-benefit analysis manual	User benefits from shortening of travel time, savings of fuel and other transportation costs and reduction of traffic accidents through use of expressways and other toll roads
Japan Water Agency (Incorporated Administrative Agency)	Construction of canals (for agricultural water)	Basic data required for cost-benefit analysis for land improvement projects, etc.	Farming cost savings, crop production effects, etc. through construction of canals (for agricultural water)
	Construction of canals (for city water)	Cost-benefit analysis for water supply projects	Reduction of water supply decline/disruption damage from drought and other disasters through construction of canals (for city water)
	Construction of canals (for industrial water)	Guidelines for policy assessment involving industrial water supply projects	Reduction of industrial water procurement costs through construction of canals (for industrial water) and avoidance of facility destruction risks through enhancement of earthquake resistance

Forest Research and Management Organization (National Research and Development Agency)	Forestation for water conservation	Project assessment manual for forestry public works projects	Reservoir recharging benefits, mountain conservation benefits, environmental conservation benefits and timber production benefits through forestation at water source forests
Central Japan International Airport Co., Ltd.	Airport improvement project	Cost-benefit analysis manual for airport development projects, Ver. 4	User benefits, supplier benefits, regional business and resident benefits

(Reference 3) FY2019 Policy Cost Analysis Table (breakdown & sensitivity)

(Unit: billion yen)

Institutions	Policy cost	Government expenditure (Subsidies, etc.)	Government revenue (payments to the government, etc.)	Opportunity cost of government capital investments, etc. =a+b+c	Funds provided before the beginning of the analysis period a	Policy costs expected to be newly incurred during the analysis period		(Sensitivity analysis) Policy cost for case of 1% rise in assumed interest rate	
						Change in surplus, etc. b	Increase in investment c		
Total	FY2019	-978.1	1,612.9	-5,625.6	3,034.5	6,696.8	-3,777.4	115.2	4,848.5
	FY2018	-769.3	1,721.3	-6,653.0	4,162.4	7,222.7	-3,190.3	129.9	4,600.1
	Fluctuation	-208.8	-108.3	+1,027.4	-1,127.9	-525.9	-587.2	-14.8	
<Special Account>									
Special Account for Energy Measures	FY2019	-	-	-	-	-	-	-	-
	FY2018	-	-	-	-	-	-	-	-
	Fluctuation	-	-	-	-	-	-	-	-
Special Account for Stable Supply of Food	FY2019	25.8	25.8	-	-	-	-	-	25.4
	FY2018	34.7	34.7	-	-	-	-	-	
	Fluctuation	-8.9	-8.9	-	-	-	-	-	
<Government Financial Institutions>									
Japan Finance Corporation	FY2019	451.2	221.6	-169.4	399.0	730.0	-338.2	7.2	888.4
	FY2018	822.5	212.6	-191.3	801.1	777.0	16.5	7.6	1,183.8
	Fluctuation	-371.3	+9.0	+21.9	-402.1	-47.0	-354.7	-0.4	
Account for Micro Business and Individual Operations	FY2019	30.8	78.8	-	-48.0	252.1	-302.7	2.7	48.8
	FY2018	27.3	74.0	-	-46.8	264.7	-314.0	2.5	47.5
	Fluctuation	+3.5	+4.8	-	-1.2	-12.6	+11.3	+0.1	
Account for Agriculture, Forestry, Fisheries and Food Business Operations	FY2019	97.4	70.4	-169.4	196.5	195.1	1.3	0.0	240.0
	FY2018	99.2	65.5	-191.3	225.0	223.5	1.5	0.0	239.1
	Fluctuation	-1.8	+4.9	+21.9	-28.6	-28.4	-0.2	-0.0	
Account for SME Loan Programs and Securitization Support Programs [Guarantee-type Operations]	FY2019	5.4	71.1	-	-65.7	184.5	-254.7	4.5	235.2
	FY2018	6.6	71.6	-	-65.0	187.7	-257.7	5.1	225.9
	Fluctuation	-1.2	-0.5	-	-0.7	-3.2	+3.0	-0.5	
Account for Operations to Facilitate Crisis Responses	FY2019	316.7	0.6	-	316.1	98.3	217.8	0.0	363.7
	FY2018	688.3	0.6	-	687.7	101.1	586.6	0.0	670.4
	Fluctuation	-371.7	-0.0	-	-371.6	-2.8	-368.8	-0.0	
Account for Operations to Facilitate Specific Businesses Promotion, etc.	FY2019	0.8	0.7	-	0.1	0.0	0.1	-	0.8
	FY2018	1.0	0.9	-	0.1	0.0	0.0	-	0.9
	Fluctuation	-0.1	-0.2	-	+0.0	-0.0	+0.0	-	
The Okinawa Development Finance Corporation	FY2019	4.6	2.7	-20.5	22.4	21.8	-0.0	0.6	13.5
	FY2018	6.4	3.2	-21.2	24.3	23.8	-0.0	0.5	15.0
	Fluctuation	-1.8	-0.5	+0.7	-1.9	-2.1	+0.0	+0.1	
Japan Bank for International Cooperation	FY2019	53.4	-	-207.3	260.7	266.0	-12.9	7.6	167.5
	FY2018	56.8	-	-225.8	282.6	289.5	-14.8	7.9	146.7
	Fluctuation	-3.4	-	+18.5	-21.9	-23.4	+1.9	-0.3	
Account for Ordinary Operations	FY2019	47.8	-	-187.7	235.5	236.3	-4.1	3.3	156.9
	FY2018	52.9	-	-204.9	257.8	263.3	-9.0	3.5	136.2
	Fluctuation	-5.1	-	+17.2	-22.3	-27.0	+4.9	-0.2	
Account for Special Operations	FY2019	5.5	-	-19.7	25.2	29.7	-8.8	4.3	10.6
	FY2018	3.8	-	-20.9	24.8	26.2	-5.8	4.4	10.6
	Fluctuation	+1.7	-	+1.2	+0.5	+3.6	-3.0	-0.1	
Japan International Cooperation Agency (JICA) (Incorporated Administrative Agency)	FY2019	454.8	-	-	454.8	3,154.4	-2,717.9	18.3	1,461.3
	FY2018	137.4	-	-739.5	876.9	3,661.6	-2,805.6	21.0	1,128.0
	Fluctuation	+317.4	-	+739.5	-422.1	-507.2	+87.8	-2.7	

Note: Figures may not add up to the total because of rounding.

Institutions	Policy cost	Government expenditure (Subsidies, etc.)	Government revenue (payments to the government, etc.)	Opportunity cost of government capital investments, etc. =a+b+c	Funds provided before the beginning of the analysis period a	Policy costs expected to be newly incurred during the analysis period		(Sensitivity analysis) Policy cost for case of 1% rise in assumed interest rate		
						Change in surplus, etc. b	Increase in investment c			
<Incorporated Administrative Agencies, etc.>										
The Promotion and Mutual Aid Corporation for Private Schools of Japan (Grant Account)	FY2019	-1.5	—	-23.3	21.8	23.5	-1.7	—	24.6	
	FY2018	-3.0	—	-21.0	18.0	18.9	-0.8	—	19.5	
	Fluctuation	+1.4	—	-2.3	+3.8	+4.6	-0.8	—		
Japan Student Services Organization (Incorporated Administrative Agency)	FY2019	112.9	112.0	—	0.9	0.0	0.9	—	129.6	
	FY2018	130.1	129.3	—	0.8	0.0	0.7	—	155.0	
	Fluctuation	-17.1	-17.3	—	+0.2	-0.0	+0.2	—		
Welfare and Medical Service Agency (Incorporated Administrative Agency) (General Account)	FY2019	-35.2	5.3	—	-40.5	5.9	-46.4	—	-8.2	
	FY2018	-33.5	5.7	—	-39.3	6.8	-46.1	—	1.0	
	Fluctuation	-1.6	-0.4	—	-1.2	-0.9	-0.3	—		
National Hospital Organization (Incorporated Administrative Agency)	FY2019	92.3	57.1	—	35.1	51.6	-16.4	—	212.8	
	FY2018	109.3	130.3	—	-21.0	42.6	-63.6	—	216.8	
	Fluctuation	-17.0	-73.2	—	+56.2	+9.0	+47.2	—		
National Cancer Center (National Research and Development Agency)	FY2019	6.7	9.9	—	-3.2	14.1	-17.4	—	27.0	
	FY2018	7.3	10.1	—	-2.8	15.9	-18.7	—	28.2	
	Fluctuation	-0.6	-0.2	—	-0.4	-1.8	+1.4	—		
National Cerebral and Cardiovascular Center (National Research and Development Agency)	FY2019	14.2	7.5	—	6.7	4.4	2.2	—	19.9	
	FY2018	14.7	8.8	—	5.8	5.0	0.9	—	21.3	
	Fluctuation	-0.5	-1.3	—	+0.8	-0.6	+1.4	—		
National Center for Child Health and Development (National Research and Development Agency)	FY2019	3.8	3.3	—	0.5	2.0	-1.5	—	8.9	
	FY2018	3.6	4.9	—	-1.2	0.5	-1.7	—	7.4	
	Fluctuation	+0.2	-1.6	—	+1.7	+1.5	+0.3	—		
National Center for Geriatrics and Gerontology (National Research and Development Agency)	FY2019	5.3	2.4	—	3.0	2.4	0.5	—	6.8	
	FY2018									
	Fluctuation	+5.3	+2.4	—	+3.0	+2.4	+0.5	—		
National Institution for Academic Degrees and Quality Enhancement of Higher Education (Incorporated Administrative Agency)	FY2019	0.4	0.4	—	—	—	—	—	0.4	
	FY2018	0.3	0.3	—	—	—	—	—	0.3	
	Fluctuation	+0.0	+0.0	—	—	—	—	—		
Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency)	FY2019	902.4	913.2	—	-10.9	4.9	-15.8	—	858.6	
	FY2018	962.4	972.7	—	-10.3	3.1	-13.4	—	908.6	
	Fluctuation	-60.0	-59.4	—	-0.6	+1.8	-2.3	—		
	Construction Account	FY2019	913.2	913.2	—	—	—	—	—	861.1
		FY2018	972.7	972.7	—	—	—	—	—	912.1
		Fluctuation	-59.4	-59.4	—	—	—	—	—	
	Maritime Affairs Account	FY2019	-10.9	—	—	-10.9	4.9	-15.8	—	-2.4
		FY2018	-10.3	—	—	-10.3	3.1	-13.4	—	-3.5
		Fluctuation	-0.6	—	—	-0.6	+1.8	-2.3	—	
Japan Housing Finance Agency (Incorporated Administrative Agency)	FY2019	31.8	—	-46.1	78.0	7.9	70.1	—	21.9	
	FY2018	40.8	—	-70.2	111.0	3.0	102.3	5.8	35.9	
	Fluctuation	-8.9	—	+24.1	-33.0	+4.9	-32.1	-5.8		

Note: Figures may not add up to the total because of rounding.

(Unit: billion yen)

Institutions	Policy cost	Government expenditure (Subsidies, etc.)	Government revenue (payments to the government, etc.)	Opportunity cost of government capital investments, etc. =a+b+c	Funds provided before the beginning of the analysis period a	Policy costs expected to be newly incurred during the analysis period		(Sensitivity analysis) Policy cost for case of 1% rise in assumed interest rate	
						Change in surplus, etc. b	Increase in investment c		
Urban Renaissance Agency (Incorporated Administrative Agency) (Urban Renaissance Account)	FY2019	-3,795.8	122.2	-4,317.7	399.6	427.8	-28.2	0.0	-2,019.1
	FY2018	-3,850.2	98.5	-4,408.4	459.7	483.6	-24.7	0.8	-2,050.6
	Fluctuation	+54.4	+23.7	+90.8	-60.0	-55.8	-3.5	-0.8	
Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)	FY2019	1,042.5	40.8	—	1,001.7	996.3	—	5.5	2,094.1
	FY2018	1,084.1	26.4	—	1,057.7	1,051.7	—	6.1	2,149.4
	Fluctuation	-41.6	+14.4	—	-56.0	-55.4	—	-0.6	
Japan Water Agency (Incorporated Administrative Agency)	FY2019	78.5	82.6	—	-4.1	1.1	-5.2	—	91.3
	FY2018	70.8	76.0	—	-5.1	1.8	-6.9	—	83.5
	Fluctuation	+7.6	+6.6	—	+1.0	-0.7	+1.7	—	
Japan Finance Organization for Municipalities	FY2019	-472.7	—	-100.2	-372.5	—	-372.5	—	-307.7
	FY2018	-557.3	—	-500.2	-57.1	—	-57.1	—	-354.1
	Fluctuation	+84.6	—	+400.0	-315.4	—	-315.4	—	
Forest Research and Management Organization (National Research and Development Agency) (Water Conservation Forest Account)	FY2019	735.4	5.8	—	729.6	499.4	154.2	76.0	745.6
	FY2018	712.5	7.1	—	705.4	549.9	75.2	80.3	723.3
	Fluctuation	+23.0	-1.3	—	+24.3	-50.5	+79.0	-4.3	
Japan Oil, Gas and Metals National Corporation (Incorporated Administrative Agency)	FY2019	0.3	0.3	-0.1	0.0	—	0.0	—	0.3
	FY2018	0.5	0.6	-0.1	0.0	—	0.0	—	0.5
	Fluctuation	-0.2	-0.2	+0.0	-0.0	—	-0.0	—	
General Account for Metal Mining	FY2019	0.2	0.3	-0.1	0.0	—	0.0	—	0.2
	FY2018	0.5	0.5	-0.1	0.0	—	0.0	—	0.4
	Fluctuation	-0.2	-0.2	+0.0	-0.0	—	-0.0	—	
Account for Oil and Natural Gas	FY2019	0.0	0.0	—	—	—	—	—	0.0
	FY2018	0.0	0.0	—	—	—	—	—	0.0
	Fluctuation	-0.0	-0.0	—	—	—	—	—	
<Special Corporations, etc.>									
Development Bank of Japan Inc.	FY2019	-539.4	0.0	-692.3	152.9	452.4	-299.5	—	410.2
	FY2018	-378.5	0.0	-420.8	42.3	252.4	-210.1	—	192.1
	Fluctuation	-160.9	-0.0	-271.4	+110.6	+200.0	-89.4	—	
New Kansai International Airport Co., Ltd.	FY2019	-96.8	—	-33.2	-63.6	27.8	-91.4	—	7.6
	FY2018	-84.7	—	-37.4	-47.2	32.0	-79.3	—	22.1
	Fluctuation	-12.1	—	+4.3	-16.4	-4.3	-12.1	—	
Organization for Promoting Urban Development (General Incorporated Foundation)	FY2019	-2.7	—	-2.9	0.2	—	0.2	—	-2.9
	FY2018	-3.0	—	-3.5	0.5	—	0.5	—	-3.2
	Fluctuation	+0.3	—	+0.6	-0.3	—	-0.3	—	
Central Japan International Airport Co., Ltd.	FY2019	-50.2	—	-12.7	-37.5	3.2	-40.7	—	-29.4
	FY2018	-53.1	—	-13.4	-39.6	3.7	-43.3	—	-30.6
	Fluctuation	+2.9	—	+0.8	+2.1	-0.5	+2.6	—	

Note: Figures may not add up to the total because of rounding.

(Reference 4) FY2019 Policy Cost Analysis Table (Past year comparison)

(Unit: billion yen)

Institutions	Policy Cost	Primary Cause of Real Fluctuation	Analysis period (years)	Note
Total ① (Simple addition)	FY2019	-978.1		
	FY2018	-769.3		
	Fluctuation	-208.8		
Total ② (For FILP agencies [their accounts] for both FY2018 and FY2019)	FY2019	-983.4	Adjustment to calculate real fluctuation: +502.1	
	FY2018	-769.3	Impact of assumed interest: +459.0 Policy cost during FY2018: +43.1	
	Fluctuation	-214.1		
	(Real fluctuation)	(+287.9)		
<Special Account>				
Special Account for Energy Measures	FY2019	—	Adjustment to calculate real fluctuation: —	16
	FY2018	—	Impact of assumed interest: — Policy cost during FY2018: —	↑
	Fluctuation	—	[No policy cost accrued in FY2018 and FY2019]	14
	(Real fluctuation)	(—)		
Special Account for Stable Supply of Food	FY2019	25.8	Adjustment to calculate real fluctuation: +11.8	19
	FY2018	34.7	Impact of assumed interest: — Policy cost during FY2018: +11.8	↑
	Fluctuation	-8.9	Business plan change: +2.9	20
	(Real fluctuation)	(+2.9)		
<Government Financial Institutions>				
Japan Finance Corporation	FY2019	451.2		
	FY2018	822.5		
	Fluctuation	-371.3		
Account for Micro Business and Individual Operations	FY2019	30.8	Adjustment to calculate real fluctuation: +21.2	31
	FY2018	27.3	Impact of assumed interest: -0.0 Policy cost during FY2018: +21.2	↑
	Fluctuation	+3.5	New financing: -128.7	31
	(Real fluctuation)	(+24.7)	Bad debt write-off: +60.4 Finalization of FY2017 results: +7.8 Other e.g. (Increase in clerical cost due to new financing): +85.3	
Account for SME Loan Programs and Securitization Support Programs [Guarantee-type Operations]	FY2019	5.4	Adjustment to calculate real fluctuation: +20.1	21
	FY2018	6.6	Impact of assumed interest: +14.1 Policy cost during FY2018: +6.0	↑
	Fluctuation	-1.2	New financing: -43.1	21
	(Real fluctuation)	(+18.9)	Bad debt write-off: +6.4 Finalization of FY2017 results: +13.6 Other e.g. (Increase in clerical cost due to new financing): +42.0	
Account for Agriculture, Forestry, Fisheries and Food Business Operations	FY2019	97.4	Adjustment to calculate real fluctuation: +28.3	60
	FY2018	99.2	Impact of assumed interest: +11.3 Policy cost during FY2018: +17.0	↑
	Fluctuation	-1.8	New financing: +6.4	60
	(Real fluctuation)	(+26.5)	Bad debt write-off: +16.1 Advanced redemption: -11.7 Other e.g. (Increase in clerical cost due to new financing): +15.7	
Account for Operations to Facilitate Crisis Responses	FY2019	316.7	Adjustment to calculate real fluctuation: +50.3	20
	FY2018	688.3	Impact of assumed interest: +1.2 Policy cost during FY2018: +49.2	↑
	Fluctuation	-371.7	Decrease in scale of projects covered by loss indemnification, etc.: -321.3	20
Account for Operations to Facilitate Specific Businesses Promotion, etc.	FY2019	0.8	Adjustment to calculate real fluctuation: +0.1	20
	FY2018	1.0	Impact of assumed interest: +0.0 Policy cost during FY2018: +0.1	↑
	Fluctuation	-0.1	Decrease in clerical costs, etc.: -0.0	20
	(Real fluctuation)	(-0.0)		
The Okinawa Development Finance Corporation	FY2019	4.6	Adjustment to calculate real fluctuation: +4.3	37
	FY2018	6.4	Impact of assumed interest: +3.6 Policy cost during FY2018: +0.6	↑
	Fluctuation	-1.8	New financing: -1.3	37
	(Real fluctuation)	(+2.5)	Bad debt write-off: -6.5 Advanced redemption: -1.6 Other e.g. (Increase in interest payments due to change in terms and conditions for loans): +12.0	

Note 1: Figures may not add up to the total because of rounding.

2: In the "Primary Cause of Real Fluctuation" column, "Adjustment to calculate real fluctuation" is the total of the Impact of assumed interest plus Policy cost during FY2018.

3: A breakdown of policy cost by causative factor was estimated and noted for agencies with a mark in the Remarks column.

Institutions	Policy Cost	Primary Cause of Real Fluctuation	Analysis period (years)	Note
Japan Bank for International Cooperation	FY2019	53.4		
	FY2018	56.8		
	Fluctuation	-3.4		
	(Real fluctuation)	(-25.1)		
Account for Ordinary Operations	FY2019	47.8	Adjustment to calculate real fluctuation: -20.9 Impact of assumed interest: +4.9 Policy cost during FY2018: -25.8	25
	FY2018	52.9	New financing: -11.7 Bad debt write-off: -36.3	↑ 26
	Fluctuation	-5.1	Finalization of FY2017 results: +5.4 Other e.g. (Increase in earnings reserves retained at beginning of analysis period): +16.6	
	(Real fluctuation)	(-26.0)		
Account for Special Operations	FY2019	5.5	Adjustment to calculate real fluctuation: -0.8 Impact of assumed interest: +0.1 Policy cost during FY2018: -0.9	20
	FY2018	3.8	New financing: -35.1 Bad debt write-off: -6.1	↑ 20
	Fluctuation	+1.7	Finalization of FY2017 results: +34.7 Other e.g. (Increase in capital at beginning of analysis period): +7.4	
	(Real fluctuation)	(+0.9)		
Japan International Cooperation Agency (JICA) (Incorporated Administrative Agency)	FY2019	454.8	Adjustment to calculate real fluctuation: -39.4 Impact of assumed interest: -23.8 Policy cost during FY2018: -15.6	49
	FY2018	137.4	New financing: +91.8 Bad debt write-off: +176.8	↑ 50
	Fluctuation	+317.4	Finalization of FY2017 results: -58.1 Other e.g. (Increase in clerical cost due to new financing): +67.4	
	(Real fluctuation)	(+278.0)		
<Incorporated Administrative Agencies, etc.>				
The Promotion and Mutual Aid Corporation for Private Schools of Japan (Grant Account)	FY2019	-1.5	Adjustment to calculate real fluctuation: +0.8 Impact of assumed interest: +0.1 Policy cost during FY2018: +0.7	31
	FY2018	-3.0	New financing: -2.3 Bad debt write-off: -0.1	↑ 26
	Fluctuation	+1.4	Increase in clerical cost due to analysis period extension, etc.: +3.2 Other e.g. (Increase in opportunity cost of investments): +1.5	
	(Real fluctuation)	(+2.3)		
Japan Student Services Organization (Incorporated Administrative Agency)	FY2019	112.9	Adjustment to calculate real fluctuation: +12.1 Impact of assumed interest: +1.7 Policy cost during FY2018: +10.4	26
	FY2018	130.1	New financing: +4.8 Bad debt write-off: +8.9	↑ 26
	Fluctuation	-17.1	Realization of applied interest rate: -10.9 Other e.g. (Decrease in interest payments due to changes in terms and conditions for loans): -7.9	
	(Real fluctuation)	(-5.1)		
Welfare and Medical Service Agency (Incorporated Administrative Agency) (General Account)	FY2019	-35.2	Adjustment to calculate real fluctuation: +5.3 Impact of assumed interest: -0.2 Policy cost during FY2018: +5.5	37
	FY2018	-33.5	New financing: +6.3 Bad debt write-off: +3.1	↑ 38
	Fluctuation	-1.6	Finalization of FY2017 results: -6.4 Other e.g. (Increase in clerical cost due to new financing): +0.7	
	(Real fluctuation)	(+3.7)		
National Hospital Organization (Incorporated Administrative Agency)	FY2019	92.3	Adjustment to calculate real fluctuation: +22.6 Impact of assumed interest: +12.0 Policy cost during FY2018: +10.6	35
	FY2018	109.3	Increase in opportunity cost due to analysis period extension: +68.5 Decrease in subsidies, etc.: -62.9	↑ 29
	Fluctuation	-17.0		
	(Real fluctuation)	(+5.6)		
National Cancer Center (National Research and Development Agency)	FY2019	6.7	Adjustment to calculate real fluctuation: +1.3 Impact of assumed interest: +0.8 Policy cost during FY2018: +0.5	25
	FY2018	7.3	Increase in operating expenditure: +0.5 Increase in subsidies, etc.: +0.2	↑ 26
	Fluctuation	-0.6		
	(Real fluctuation)	(+0.7)		
National Cerebral and Cardiovascular Center (National Research and Development Agency)	FY2019	14.2	Adjustment to calculate real fluctuation: -1.1 Impact of assumed interest: +0.6 Policy cost during FY2018: -1.7	25
	FY2018	14.7	Increase in operating expenditure: +4.2 Decrease in interest payments: -5.7	↑ 26
	Fluctuation	-0.5		
	(Real fluctuation)	(-1.5)		
National Center for Child Health and Development (National Research and Development Agency)	FY2019	3.8	Adjustment to calculate real fluctuation: -0.2 Impact of assumed interest: -0.2 Policy cost during FY2018: -0.0	16
	FY2018	3.6	Increase in opportunity cost due to analysis period extension: +1.3 Decrease in subsidies, etc.: -1.1	↑ 12
	Fluctuation	+0.2	Other e.g. (Increase in operating revenue): -0.2	
	(Real fluctuation)	(-0.0)		
National Center for Geriatrics and Gerontology (National Research and Development Agency)	FY2019	5.3	Adjustment to calculate real fluctuation: - Impact of assumed interest: - Policy cost during FY2018: -	33
	FY2018			↑
	Fluctuation	+5.3	[Exempt from analysis in previous fiscal year]	-
	(Real fluctuation)			

Note 1: Figures may not add up to the total because of rounding.

2: In the "Primary Cause of Real Fluctuation" column, "Adjustment to calculate real fluctuation" is the total of the Impact of assumed interest plus Policy cost during FY2018.

3: A breakdown of policy cost by causative factor was estimated and noted for agencies with a mark in the Remarks column.

Institutions	Policy Cost	Primary Cause of Real Fluctuation	Analysis period (years)	Note	
National Institution for Academic Degrees and Quality Enhancement of Higher Education (Incorporated Administrative Agency)	FY2019	0.4	Adjustment to calculate real fluctuation: +0.1 Impact of assumed interest: +0.0 Policy cost during FY2018: +0.1	35	↑ ◎
	FY2018	0.3	Increase in subsidies etc. due to increase in clerical cost accompanying new loans: +0.1	29	
	Fluctuation (Real fluctuation)	+0.0 (+0.1)			
Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency)	FY2019	902.4			
	FY2018	962.4			
	Fluctuation (Real fluctuation)	-60.0 (+12.7)			
Construction Account	FY2019	913.2	Adjustment to calculate real fluctuation: +73.6 Impact of assumed interest: +0.1 Policy cost during FY2018: +73.5	26	↑
	FY2018	972.7	Increase in subsidies for construction under Shinkansen bullet train line development program: (+14.2 billion yen)	27	
	Fluctuation (Real fluctuation)	-59.4 (+14.2)			
Maritime Affairs Account	FY2019	-10.9	Adjustment to calculate real fluctuation: -1.0 Impact of assumed interest: -0.3 Policy cost during FY2018: -0.7	18	↑ ◎
	FY2018	-10.3	Business asset decrease: -4.0 Bad debt write-off: -0.1	16	
	Fluctuation (Real fluctuation)	-0.6 (-1.5)	Other e.g. (Increase in clerical cost accompanying increase in business assets): +2.6		
Japan Housing Finance Agency (Incorporated Administrative Agency)	FY2019	31.8	Adjustment to calculate real fluctuation: +4.4 Impact of assumed interest: -1.6 Policy cost during FY2018: +6.0	40	↑ ◎
	FY2018	40.8	New financing: +4.8 Bad debt write-off: -6.8	40	
	Fluctuation (Real fluctuation)	-8.9 (-4.5)	Finalization of FY2017 results: -4.7 Other e.g. (Increase in clerical cost due to new financing): +2.3		
Urban Renaissance Agency (Incorporated Administrative Agency) (Urban Renaissance Account)	FY2019	-3,795.8	Adjustment to calculate real fluctuation: +197.1 Impact of assumed interest: +199.3 Policy cost during FY2018: -2.2	80	↑
	FY2018	-3,850.2	Decrease in payments to government due to decrease in rental housing business income, etc.: +205.2	80	
	Fluctuation (Real fluctuation)	+54.4 (+251.5)	Increase in subsidies, etc.: +51.1 Decrease in opportunity cost due to decrease in earnings reserved retained at beginning of analysis period: -4.8		
Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)	FY2019	1,042.5	Adjustment to calculate real fluctuation: +72.3 Impact of assumed interest: +63.8 Policy cost during FY2018: +8.5	36	↑
	FY2018	1,084.1	Increase in subsidies, etc.: +22.9 Capital subscription increase: +5.2	35	
	Fluctuation (Real fluctuation)	-41.6 (+30.6)	Opportunity cost increase accompanying extension of analysis periods: +2.5		
Japan Water Agency (Incorporated Administrative Agency)	FY2019	78.5	Adjustment to calculate real fluctuation: +11.9 Impact of assumed interest: +0.1 Policy cost during FY2018: +11.8	29	↑
	FY2018	70.8	Increase in subsidies, etc.: +16.4 Finalization of FY2017 results: +3.1	38	
	Fluctuation (Real fluctuation)	+7.6 (+19.5)			
Japan Finance Organization for Municipalities	FY2019	-472.7	Adjustment to calculate real fluctuation: -115.8 Impact of assumed interest: -2.5 Policy cost during FY2018: -113.3	18	↑ ◎
	FY2018	-557.3	Advanced redemption: +4.9 Finalization of FY2017 results: -20.6	19	
	Fluctuation (Real fluctuation)	+84.6 (-31.2)	Other e.g. (Decrease in opportunity cost due to shortening of analysis period): -15.5		
Forest Research and Management Organization (National Research and Development Agency) (Water Conservation Forest Account)	FY2019	735.4	Adjustment to calculate real fluctuation: +10.2 Impact of assumed interest: +8.9 Policy cost during FY2018: +1.3	89	↑
	FY2018	712.5	Capital subscription increase: +15.8 Timber sales revenue decrease: +17.3	89	
	Fluctuation (Real fluctuation)	+23.0 (+33.1)			
Japan Oil, Gas and Metals National Corporation (Incorporated Administrative Agency)	FY2019	0.3			
	FY2018	0.5			
	Fluctuation (Real fluctuation)	-0.2 (-0.2)			
General Account for Metal Mining	FY2019	0.2	Adjustment to calculate real fluctuation: +0.1 Impact of assumed interest: +0.0 Policy cost during FY2018: +0.1	16	↑ ◎
	FY2018	0.5	Decrease in clerical cost due to personnel cost revision, etc.: -0.2	16	
	Fluctuation (Real fluctuation)	-0.2 (-0.2)			
Account for Oil and Natural Gas	FY2019	0.0	Adjustment to calculate real fluctuation: +0.0 Impact of assumed interest: +0.0 Policy cost during FY2018: +0.0	14	↑ ◎
	FY2018	0.0	Increase in subsidies etc. due to increase in clerical cost accompanying new loans: +0.0	14	
	Fluctuation (Real fluctuation)	-0.0 (+0.0)			

Note 1: Figures may not add up to the total because of rounding.

2: In the "Primary Cause of Real Fluctuation" column, "Adjustment to calculate real fluctuation" is the total of the Impact of assumed interest plus Policy cost during FY2018.

3: A breakdown of policy cost by causative factor was estimated and noted for agencies with a mark in the Remarks column.

Institutions	Policy Cost	Primary Cause of Real Fluctuation	Analysis period (years)	Note	
<Special Corporations, etc.>					
Development Bank of Japan Inc.	FY2019	-539.4	Adjustment to calculate real fluctuation: +125.8 Impact of assumed interest: +152.5 Policy cost during FY2018: -26.7	41	©
	FY2018	-378.5	New financing: -58.2 Bad debt write-off: -18.9	↑	
	Fluctuation (Real fluctuation)	-160.9 (-35.1)	Other e.g. (Opportunity cost increase accompanying extension of analysis periods): +42.0	26	
New Kansai International Airport Co., Ltd.	FY2019	-96.8	Adjustment to calculate real fluctuation: +10.6 Impact of assumed interest: +13.0 Policy cost during FY2018: -2.4	40	
	FY2018	-84.7	Decrease in cost due to future cash flow projection revision, etc.: -1.5	↑	
	Fluctuation (Real fluctuation)	-12.1 (-1.5)		41	
Organization for Promoting Urban Development (General Incorporated Foundation)	FY2019	-2.7	Adjustment to calculate real fluctuation: -0.4 Impact of assumed interest: -0.1 Policy cost during FY2018: -0.4	15	©
	FY2018	-3.0	New financing: -2.1 Bad debt write-off: +0.1	↑	
	Fluctuation (Real fluctuation)	+0.3 (-0.1)	Finalization of FY2017 results: +2.1 Other e.g. (Decrease in clerical cost due to shortening of analysis period): -0.1	20	
Central Japan International Airport Co., Ltd.	FY2019	-50.2	Adjustment to calculate real fluctuation: -2.5 Impact of assumed interest: -0.5 Policy cost during FY2018: -2.0	16	
	FY2018	-53.1	Decrease in surplus due to new capital investment: +7.0	↑	
	Fluctuation (Real fluctuation)	+2.9 (+0.4)	Increase in estimated demand: -6.6	17	

Note 1: Figures may not add up to the total because of rounding.

2: In the "Primary Cause of Real Fluctuation" column, "Adjustment to calculate real fluctuation" is the total of the Impact of assumed interest plus Policy cost during FY2018.

3: A breakdown of policy cost by causative factor was estimated and noted for agencies with a mark in the Remarks column.

How to interpret analysis results

FILP Utilization Corporation (general account)

<http://www.ooo.go.jp/>

1. Summary of operations implemented using FILP funds

- Providing long-term, low-interest loans to needy business operators
- Constructing public facilities

2. Amount of lending under FY2019 FILP

(Unit: billion yen)	
FY2019 FILP	Estimated outstanding amount of FILP lending at the end of FY2018
1,000.0	7,500.0

3. Estimated policy (subsidy) cost analysis of the project

(1) Policy cost (Unit: billion yen)

Category	FY2018	FY2019	Fluctuation
1. Government expenditure (subsidies, etc.)	10.0	40.0	+30.0
2. Government revenue (payments to the government, etc.)*	-200.0	-250.0	-50.0
3. Opportunity cost of capital investments, etc.	250.0	260.0	+10.0
Total (1+2+3=policy cost(A))	60.0	50.0	-10.0
Analysis period (years)	27 years	26 years	-1 year

(2) Breakdown of policy cost by the time of the provision of funds (Unit: billion yen)

Category	FY2018	FY2019	Fluctuation
(A) Policy cost (previously cited)	60.0	50.0	-10.0
1) Opportunity cost of capital investments, etc. provided before the beginning of the analysis period	300.0	350.0	50.0
2) Policy cost expected to be newly accrued during the analysis period	-240.0	-300.0	-60.0
Government expenditure (subsidies, etc.)	10.0	40.0	30.0
Government revenue (payments to the government, etc.)*	-200.0	-250.0	-50.0
Opportunity cost of surplus, etc.	-60.0	-100.0	-40.0
Opportunity cost of capital investments, etc.	10.0	10.0	-

(3) Year-to-Year comparison analysis (Computing any fluctuation from previous year) (Unit: billion yen)

	FY2018	FY2019	Simple fluctuation
Simple comparison (before adjustment)	60.0	50.0	-10.0
Past year comparison (after adjustment)	55.0	40.0	-15.0
1) Adjusting initial years (Analysis results after adjusting initial year to that for FY2019 analysis)			
2) Adjusting assumed interest rates (Analysis results of re-estimation using assumed interest rate for FY2019)			
Real fluctuation (2-1)			-15.0

[Real fluctuation factor analysis]

○ Factors behind policy cost increase

- Cost increase due to finalization of FY2017 results and revision of FY2018 projections (+20.0 bil. yen)
- Cost increase due to growth in prepayments. +(10.0 bil. yen)
- Other factors (including increase in administrative cost due to new loans) (+5.0 bil. yen)

○ Factors behind policy cost decrease

- Cost decrease due to fall in loan losses (-40.0 bil. yen)
- Cost decrease due to gaps between interest rates on FY2019 and earlier loans (-10.0 bil. yen)

(4) Breakdown of policy cost by causative factor (Unit: billion yen)

Category	FY2019
(A) Policy cost in FY2019 (previously cited)	50.0
1) Prepayments	20.0
2) Loan losses	300.0
3) Others (including profit spread)	-270.0

(5) Sensitivity analysis (cases where assumptions change) (Unit: billion yen)

(A) Policy cost [previously cited]	Case for raising lending and fundraising rates by 1%	Fluctuation	1. Government expenditure (subsidies, etc.)	2. Government revenue (payments to the government, etc.)*	3. Opportunity cost of capital investments, etc.
50.0	300.0	+250.0	+100.0	-250.0	+400.0
(A) Policy cost [previously cited]	Case for raising the bad loan write-off rate by 10%	Fluctuation	1. Government expenditure (subsidies, etc.)	2. Government revenue (payments to the government, etc.)*	3. Opportunity cost of capital investments, etc.
50.0	150.0	+100.0	+20.0	+80.0	-
(A) Policy cost [previously cited]	Case for cutting operating revenue by 10%	Fluctuation	1. Government expenditure (subsidies, etc.)	2. Government revenue (payments to the government, etc.)*	3. Opportunity cost of capital investments, etc.
50.0	200.0	+150.0	+100.0	+50.0	-

(Note) Components in each column may not add up to the total because of rounding.
 * Government revenue (payments to the government, etc.) is booked as a negative amount. Example: -10 b. yen for 10 b. yen in payments to government, etc.

Factor analysis: This analysis breaks down the estimated policy cost by component, clarifying the composition of the estimated policy cost.

1. Government expenditure (subsidies, etc.) → Policy cost for subsidies, grants-in-aid and grants from the government (e.g. general account)
2. Government revenue (payments to the government, etc.) → Negative policy cost for payment, corporate tax and other monetary transfers to the government (general account, etc.)
3. Opportunity cost of investments, etc. → Policy cost for the interest cost reduction effect (opportunity cost) of capital investment and interest-free loans from the government (general account, etc.)

Here, the FY2019 policy cost is estimated at 50.0 billion yen, down 10.0 billion yen from the previous year.

Year-to-year comparison analysis: Real rises or falls excluding the effects of assumed interest rates, etc. are identified for comparison between analysis results for the current and previous fiscal year. (For details, see "What is the past year comparison analysis? How is it done?")

It shows that if the policy cost for the current fiscal year are compared with those in the previous year with the effects of changes in interest rate and other assumptions eliminated, the policy cost decrease by 15.0 billion yen in real terms due primarily to factors given below the table.

Policy cost breakdown by timing of the funding: Opportunity cost of investments, etc. is divided into two portions – cost accrued from investments, etc. provided by the commencement of the analysis period and that accrued from investments, etc. provided in the future (during the analysis period).

It shows (1) that the interest cost reduction effect (opportunity cost) of past capital investments, etc. resulted in 350.0 billion yen in policy costs before the beginning of the analysis period, and (2) that subsidies and capital investments, etc. expected to be provided during the analysis period will bring about 300.0 billion yen in negative policy cost.

Breakdown of policy cost by causative factor: Financing institutions conduct the breakdown to identify the effects of prepayments and loan losses on the policy cost.

- "1) Prepayments" → Policy cost caused by prepayments that a FILP agency expects to receive during the analysis period.
- "2) Loan losses" → Policy cost caused by charge-offs and the gap between provisions for new loan loss and their reversal expected during the analysis period.
- "3) Others (including profit spread)" → Other factors including administrative cost and profit spread.

Sensitivity analysis: The analysis estimates how the policy cost increase or decrease on changes in interest rate, operating revenue and some other assumptions.

For example, the first table gives estimates for the case in which interest rates on loans and fundraising increase by 1 percentage point. The policy cost after the hike is estimated at 300.0 billion yen, up 250.0 billion yen from 50.0 billion yen before the hike. Changes include a rise of 20.0 billion yen in government expenditure (subsidies, etc.), a fall of 250.0 billion yen in government revenue (payments to the government, etc.) and a rise of 400.0 billion yen in opportunity cost of investments, etc.

4. Outline of estimation and project prospect employed in the analysis

- 1) Estimation targets: all projects subject to loans from FILP Utilization Corporation (general account) and some of its public works projects
- 2) Public works projects subject to estimation: 10 projects including ○○construction and △△ construction
- 3) Loans subject to estimation: 16 t. yen in outstanding loans at the end of FY2017, 2 t. yen in loans planned to be provided in FY2018 and 1 t. yen in those planned to be provided in FY2019
- 4) Analysis period: 26 years from FY2019 to FY2044 when longest loans will be repaid completely
- 5) Redemption plans for new loans are based on those for existing loans.
- 6) Prepayments and bad-loan write-offs are based on rates estimated for past results.

FY	Result				Estimated	Planned	Assumptions for calculation
	2014	2015	2016	2017			
Prepayment ratio	0.50%	1.52%	2.28%	1.25%	1.60%	1.15%	2020-2044 Each fiscal year: 134%
Provision on loans	0.15%	0.19%	0.31%	0.25%	0.35%	0.30%	Each fiscal year: 0.25%

5. Reasons for granting of subsidies, mechanism and underlying laws

As necessary to implement business operations as stipulated in the FILP Utilization Corporation Act, the Corporation accepts investments and subsidies from the general account.

[Underlying laws and regulations]

[Provisions for investments]

<FILP Utilization Corporation Act>

Article ●: The Government may, when it finds it to be necessary, make contributions to the corporation within the amount appropriated in the budget.

[Provisions for payments to the government]

<FILP Utilization Corporation Act>

Article ●: In the event that the amount of the surplus recorded in the settlement of accounts for each business year exceeds zero, the corporation shall accumulate, as a reserve, the amount calculated in accordance with the standards prescribed by a Cabinet Order, among such surplus, until it reaches the amount prescribed by the Cabinet Order, and if there is still a surplus, JFC shall pay the amount of such surplus into the National Treasury within three months after the end of such business year.

The description here covers **the mechanism (including reasons and rules for provision) and underlying laws** for two policy cost components – **subsidies, etc. from and monetary transferred to the government** expected for the analysis period.

6. Special remarks

FILP Utilization Corporation accepted an additional loan under a supplementary budget in FY1997.

The description here covers **information that needs to be described in addition to the abovementioned information.**

(Reference) Outcome and social and economic benefits of operations

1) Financing

- Financing (FY2016): 2.3000 trillion yen
- Outstanding balance of lending (end of FY2017): 16 trillion yen
- Lending plan (FY2018): 2 trillion yen

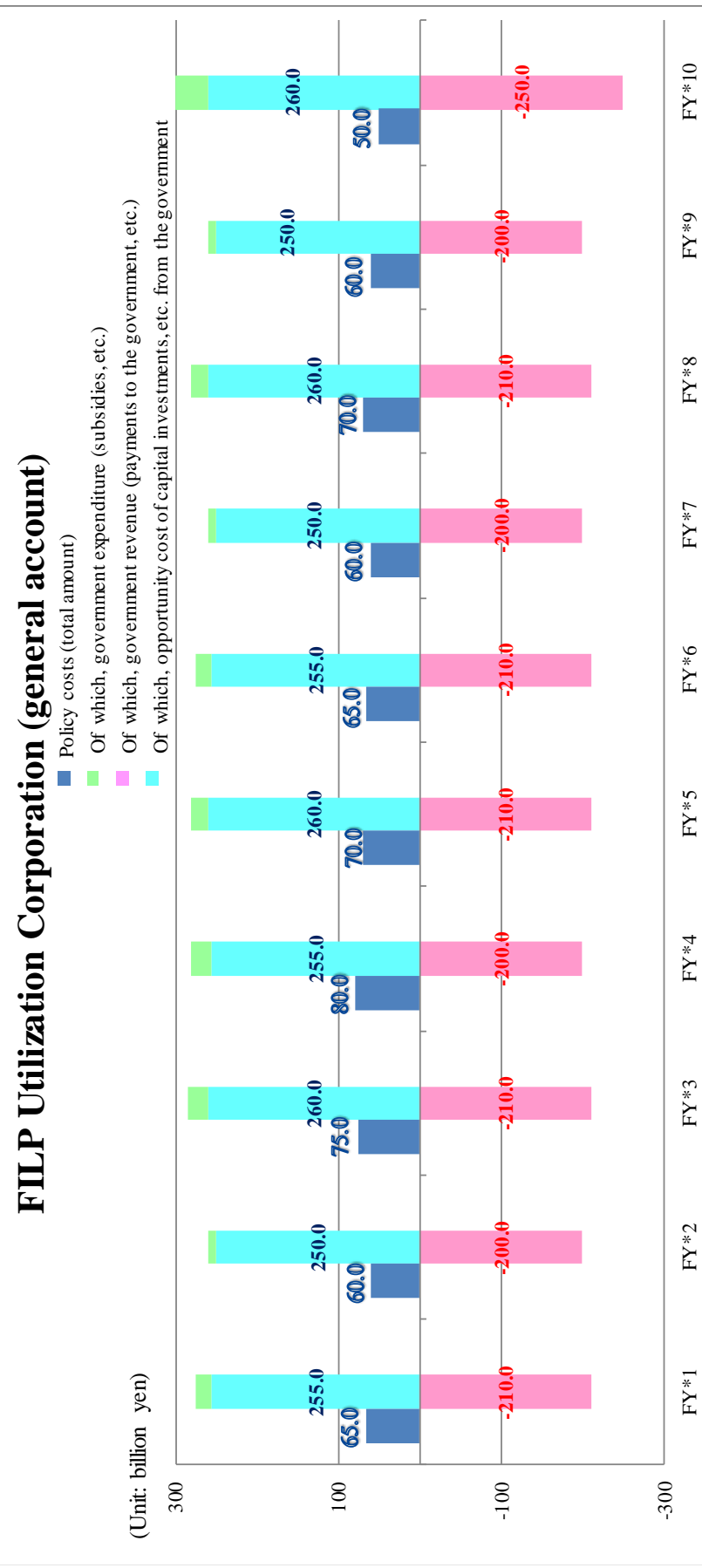
2) Main policy purposes and social/economic benefits

Social/economic benefits of public works are estimated as follows:

- ○○construction project: 5.5 trillion yen in total benefits through improved convenience of ○○ in Japan
- △△construction project: 2.3 trillion yen in total benefits through improved convenience of △△ in Japan
- 8 projects including □□ construction: 1.5 trillion yen in total benefits through improved convenience of □□ in Japan

Specifies for reference **the achievements of the FILP project** subject to the policy cost analysis and **their social and economic benefits** in the past and future.

(Reference) Changes in Policy Costs by Component



Notes: Policy costs for each fiscal year differ in assumptions including interest rates applied to estimates.

(Points)

-As FILP Utilization Corporation (general account) makes payments to the government and accepts subsidies, etc. from the government, its policy cost accrues from the opportunity cost of accepted subsidies, etc. exceeding payments to the government and of investments, etc.
 -Its policy cost has almost remained unchanged, though with small fluctuations seen due to assumed interest rate changes.

The graph of policy cost each FILP agency that classified in component of “Subsidies”, “Payments to the treasury/corporate tax”, and “Opportunity cost” about policy cost analysis results of the last 10 years (reflected as much as possible if the organization has changed).
 “Points” field describes cause of fluctuation and main trends of policy cost.

Note: For policy cost of each year, note that assumptions, such as interest rate to be applied to the estimate is different.