



Overview of Fiscal Investment and Loan Program 2022

Financial Bureau,
Ministry of Finance, JAPAN

FILP Utilization Cases



Central Japan International Airport Company, Ltd./ Airport Construction Project/ Chubu Centrair International Airport/ Tokoname City, Aichi Pref.



The Okinawa Development Finance Corporation/[Industrial Investment] Investment in Okinawa Urban Monorail, Inc. (Support for enhancement of transportation capacity)/Monorail/ Naha City, Okinawa Pref.



Urban Renaissance Agency/ Rental Housing Business/ Rental Housing/ Suita City, Osaka Pref.

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Cover photo source

- ① National Center for Geriatrics and Gerontology (National Research and Development Agency) /Facilitis Development Project/ National Center for Geriatrics and Gerontology New Outpatient Wing/Obu City, Aichi Pref
- ② Japan Railway Construction, Transport and Technology Agency: Shared Shipbuilding Project/Ferry Kyoto/Osaka City, Osaka Pref
- ③ Cool Japan Fund Inc./Investment in apparel business using next-generation fiber materials from Japan/Pilot plant for fermentation process in Tsuruoka City, Yamagata Pref /Tsuruoka City, Yamagata Pref
- ④ Japan Railway Construction, Transport and Technology Agency/Overseas Operations/Taiwan High Speed Rail/Taiwan
- ⑤ Development Bank of Japan Inc./Investment in R-Plus Japan Corporation (development support for recycling of used plastic)/Demonstration plant facility/Texas, U.S.A.
- ⑥ Himi City: Depopulation Countermeasure Project (Renewal and Improvement Project for Seaside Botanical Garden)/Himi Seaside Botanical Garden/Himi City, Toyama Pref
- ⑦ Urban Renaissance Agency / Land readjustment project / Umekita 2nd Project District / Osaka City, Osaka Pref
- ⑧ Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development / Investment in energy transportation and supply network development project in India/ LNG receiving and storage facility/India
- ⑨ Organization for Promoting Urban Development/financial support for Tenjin Business Center Project (tentative name)(Mezzanine Support Project)/Tenjin Business Center/Fukuoka City, Fukuoka Pref
- ⑩ Japan Finance Corporation (Agriculture, Forestry, Fisheries and Food Business Operations) /New farmer/cattle barn/Wakasa-machi, Mikata-Kaminaka-gun, Fukui Pref

Financial Bureau,
Ministry of Finance, JAPAN

1. What is FILP?

Fiscal Investment and Loan Program (FILP) represents the investment and lending operation by the Japanese Government, using funds from non-tax sources such as the issuance of the FILP bonds and dividends from the government-held shares. FILP complements the private sector by providing pump-priming money and contributes to the growth strategy of Japan.

① Fiscal Loan (5 years or longer)

Fiscal Loan provides long-term, fixed, and low-interest loans for projects with policy needs and certainty of repayment. The resources are obtained through the issuance of the FILP bonds.

② Industrial Investment

Industrial Investment finances projects with policy needs and profitability but not fully invested because of risks. It plays a pump-priming role in inducing the private sector to invest.

③ Government Guarantee (5 years or longer)

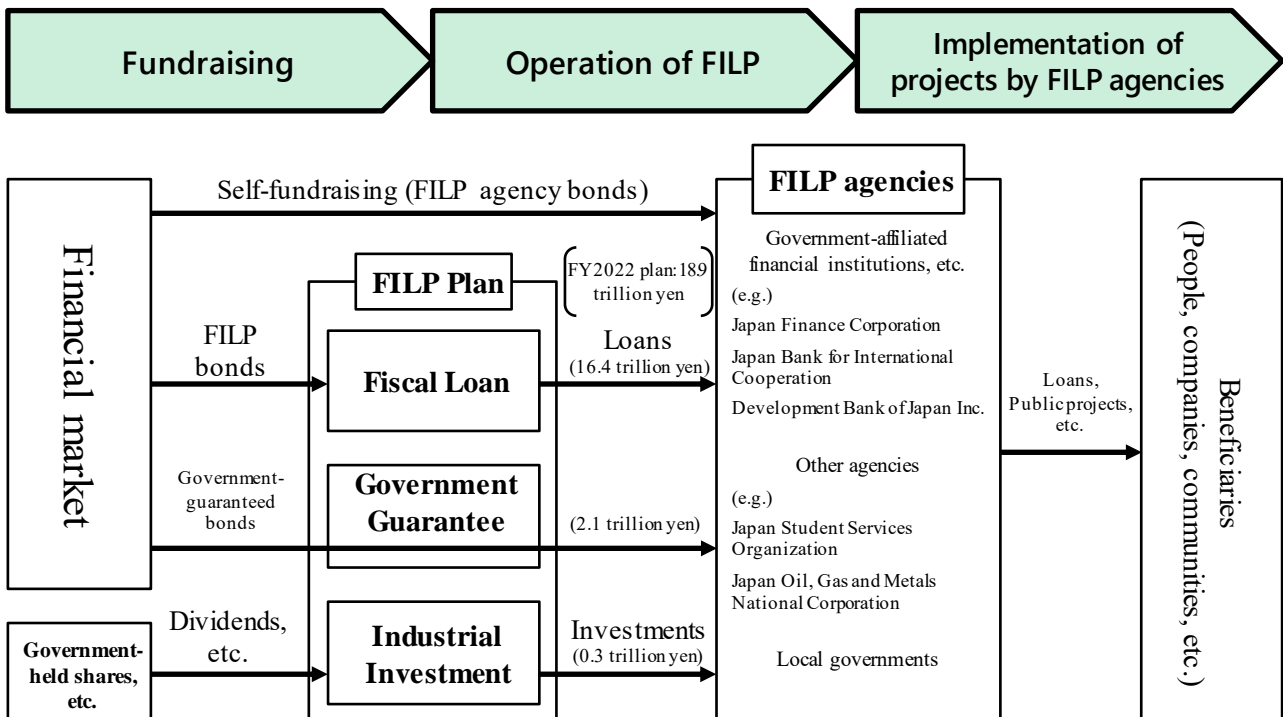
Government Guarantee is given for bonds issued and borrowing by FILP agencies. This allows FILP agencies to raise funds smoothly and on more favorable terms.

The General Account collects taxes from taxpayers for public services. In contrast, FILP’s resources consist of non-tax funds such as the issuance of the FILP bonds and dividends from the government-held shares. Beneficiaries payback to FILP agencies and bear the financial burden of reimbursement.

FILP has the following features:

- Public projects’ beneficiaries bear the costs or fees to the extent of benefits they receive, and the tax burden is reduced.
- From the viewpoint of a lender or investor, the government runs along with the projects in the long distance and promotes good governance of the projects.

Mechanism of FILP



2. In what fields is FILP utilized?

FILP finances projects in various fields through FILP agencies such as government-affiliated financial institutions and incorporated administrative agencies.

SMEs and micro-enterprises

Government-affiliated financial institutions provide SMEs and micro-enterprises for financing support.

-Japan Finance Corporation, The Okinawa Development Finance Corporation, etc.



Japan Finance Corporation (Small and Medium Enterprise Operations) / Loan (capital loan) to Daiwa Gear Manufacturing Co. (Precision Gear Manufacturing) / Wakayama Plant No.3 / Hidakagawa-cho, Hidaka-gun, Wakayama Pref.

Agriculture, forestry, and fisheries industry

FILP agencies promote facility investments in the agriculture, forestry, and fisheries industry, where businesses are strongly affected by natural conditions.

-Japan Finance Corporation, etc.



Japan Finance Corporation (Agriculture, Forestry, Fisheries, and Food Business Operations) / Smart Agriculture / Fully Artificial Light Plant Factory / Awa City, Tokushima Pref.

Education

FILP agencies provide scholarship loans and promote the facility improvement of private schools.

-Japan Student Services Organization, Promotion and Mutual Aid Corporation for Private Schools of Japan, etc.



Promotion and Mutual Aid Corporation for Private Schools of Japan / Loan Program (general facility expenses) / Felicia College of Childhood Education / Machida City, Tokyo

Welfare / Medical care

FILP agencies bolster the facility development in the welfare and medical service through financing the welfare service corporations and the medical corporations.

-Welfare and Medical Service Agency, National Hospital Organization, etc.



National Hospital Organization / Medical Equipment Development Project / Linac

Industry / Innovation

FILP agencies, including government-affiliated investment corporations, provide pump-priming money for enhancing the competitiveness of industries and for promoting innovation.

-Development Bank of Japan Inc., Japan Finance Corporation, etc.



The Okinawa Development Finance Corporation/ Loan to Okinawa Uruma New Energy Corporation (to support installation of Okinawa's largest biomass power plant) / Power Plant / Uruma City, Okinawa Pref.

Housing

FILP agencies operate in the business of disaster reconstruction and rebuilding decrepit rental housing.

-Urban Renaissance Agency, Japan Housing Finance Agency, etc.



Urban Renaissance Agency/ Rental Housing Business/ Rental Housing/ Suita City, Osaka Pref.

Social capital

FILP agencies manage large-scale, very long-term projects such as the airport, railroad, and expressway development.

-Japan Railway Construction, Transport and Technology Agency, Japan Expressway Holding and Debt Repayment Agency, etc.



Japan Railway Construction, Transport and Technology Agency/ Urban Railway Loan (Extension of Tokyo Route 8)/ Tokyo Metro Yurakucho Line/ Tokyo

Overseas investment and loans

FILP agencies, including government-affiliated investment corporations, are engaged in securing a stable supply of natural resources and promoting the overseas expansion of Japanese companies.

-Japan Bank for International Cooperation, Japan Oil, Gas and Metals National Corporation, etc.



Japan Oil, Gas and Metals National Corporation/Mozambique LNG Project/LNG Tank Overview Map/Mozambique

Local governments

FILP is used for projects undertaken by local government in areas where the national government have responsibility to support, such as disaster recovery, as well as for the social infrastructure development closely related to the lives of residents, such as water supply and sewage systems.



Fukuoka City/ General Subsidy Facilities Improvement Project (Special Sublease Bonds) (Fukuoka Expressway Construction Project)/ Fukuoka Expressway Route 6 (Harbor Road Island City Route 3) Fukuoka City, Fukuoka Pref.

3. How does FILP ensure its soundness?

(1) Asset-Liability Management (ALM)

In the Fiscal Loan Fund (Funding for Fiscal Loans), to reduce the interest rate fluctuation risks arising from the mismatch in duration between loan and funding, we are working to close the gap from the cash flows between assets such as loans and liabilities such as the FILP bonds.

(2) Reserves

The ALM after the FILP reform has gradually reduced the interest rate fluctuation risks of the Fiscal Loan Fund. However some interest rate fluctuation risks still exist even at present.

Therefore, preparing for future losses, profit is reserved to secure the long-term stable operation of the FILP Special Account.

The maximum required level of reserves (reserves for interest variance) is set at 50/1000 of total assets pursuant to the stipulation of the Cabinet Order.

(3) Policy-cost analysis

From the perspective of disclosure, we estimate the future cash flows of projects that utilize FILP to confirm the project prospects and the certainty of reimbursement, as well as to calculate and disclose the policy-cost.

(4) On-Site Monitoring

1. On-site monitoring of FILP agencies

Incorporated administrative agencies and other organizations that carry out projects subject to FILP are checked for (1) policy significance appropriate to the project, (2) financial soundness and certainty of repayment, and (3) proper execution of funds.

2. On-site monitoring of local governments

Local governments are also subject to checks on (1) the use of loan funds, (2) the results of their projects, and (3) their financial status (certainty of repayment).

(Reference) FILP Reform

The FILP Reform, a fundamental reform of the FILP system, was implemented in FY2001.

The points of the reform are the following:

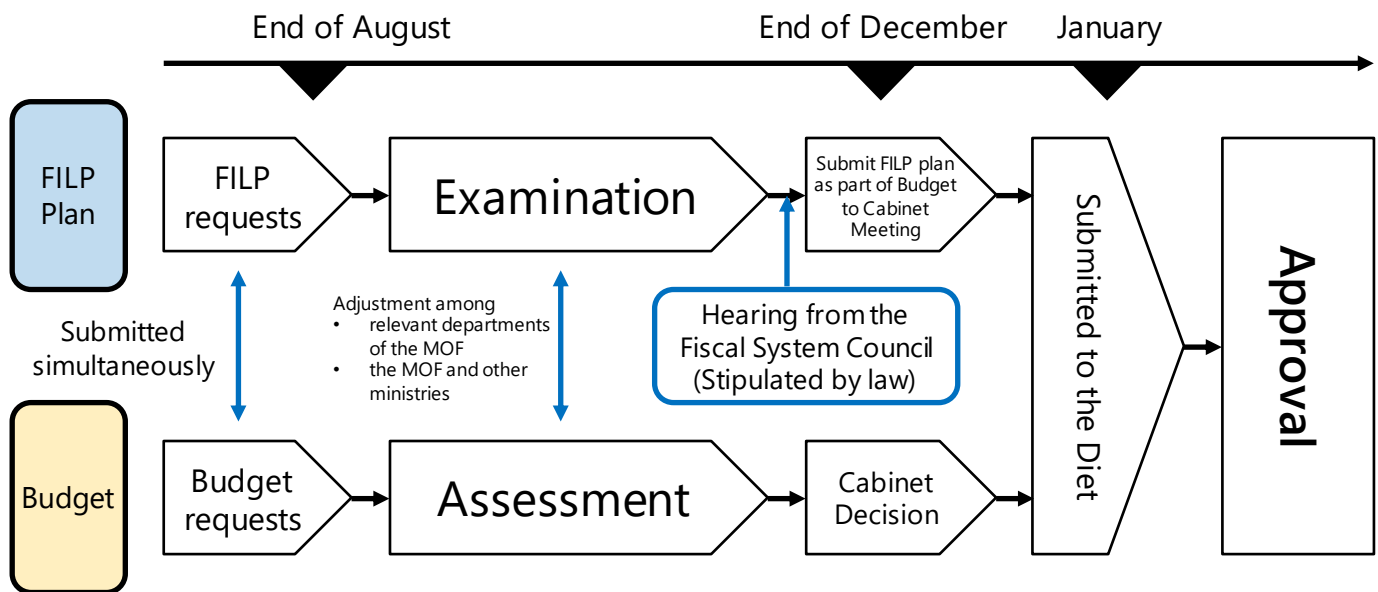
1. Abolition of the deposit obligation for the postal savings and the pension reserves
2. Issuance of the FILP bonds at the same interest rates as ordinary JGBs
3. Introduction of the policy-cost analysis

1. The Flowchart of Formulating the FILP Plan

The FILP Plan is designed to organize the government's investment and loan activities in a unified manner. It includes the planned Fiscal Loan, Industrial Investment, and Government Guarantee for each FILP agency.

1. The Ministers in charge of FILP agencies compile the FILP requests of the agencies and submit them to the Minister of Finance at the same time as the Budget request.
2. The requests of each FILP agency are reviewed by the Ministry of Finance (the Financial Bureau), with opinion hearing from the FILP Subcommittee.
3. The FILP Plan thus formulated is submitted to the Cabinet at the same time as the Budget.

Flowchart of formulating FILP Plan



(Reference) FILP Subcommittee

The FILP Subcommittee is established under the Council on Fiscal System, an advisory body to the Minister of Finance to consider the overall fiscal policy of the government. The FILP Subcommittee comprises members with academic experience and is required by law to express its opinions in advance on the Fiscal Investment and Loan Program for each fiscal year.

2. FY2021 FILP Revised Plan

FY2021 FILP Revised Plan (922.1 billion yen), based on the “Economic Measures for Overcoming COVID-19 and Opening Up a New Era” (November 19th, 2021), promotes...

1. Aggressive investment toward the realization of a Science and Technology Nation

- Funding in growth areas such as greening including renewable energy projects (e.g., wind power generation) and innovation and digitalization (e.g., upgrading logistics functions) to realize a Science and Technology Nation.
(Development Bank of Japan Inc.) [Fiscal Loan: Part of 600.0 billion yen]



Wind Power Generation (image)



Upgrading Logistics Functions (image)

- LED lighting at Kansai International Airport, Osaka International Airport, and Chubu Centrair International Airport to achieve carbon neutrality by 2050.
(New Kansai International Airport Company, Ltd.) [Fiscal Loan: 20.0 billion yen]
(Central Japan International Airport Company, Ltd.) [Government Guarantee: 2.1 billion yen]



Examples of aviation lights at airports

2. Disaster prevention and mitigation and national land resilience

- Financial support for the construction of power grid, improvement of the earthquake resistance of elevated bridges, and urban redevelopment to create disaster-resistant urban areas, etc.
(Development Bank of Japan Inc.) [Fiscal Loan: Part of 600.0 billion yen]



Construction of power grid (image)



improvement of the earthquake resistance of elevated bridges (image)



urban redevelopment (image)

- Increase the number of lanes to 4 among the priority development sections selected from the three perspectives of securing the network, ensuring time reliability and preventing accidents.
(Japan Expressway Holding and Debt Repayment Agency)
[Fiscal loan: 300.0 billion yen]

3. FY2022 FILP Plan

FY2022 FILP Plan(18,885.5 billion yen) focuses on...

1. Support for businesses affected by COVID-19 / Strengthening growth potential toward post-COVID-19 era

- Support for businesses affected by COVID-19 and SMEs tackling various management issues (business succession, digitalization, etc.) toward post-COVID-19 era.
(Japan Finance Corporation, The Okinawa Development Finance Corporation)
[Fiscal Loan: 5,014.4 billion yen, Industrial Investment: 21.5 billion yen]
- Support for medical and welfare service providers, acceleration of the digital investment and improvement of childcare system.
(Welfare and Medical Service Agency) [Fiscal Loan: 856.5 billion yen]

2. Realizing a Science and Technology Nation

- Establishment of a 10-trillion-yen University Endowment Fund to realize research universities that rank among the world's top universities.
(Japan Science and Technology Agency) [Fiscal Loan: 4,888.9 billion yen]
- Establishment of a new public-private investment fund to achieve carbon neutrality in 2050.
(Fund for Supporting Carbon Neutrality (tentative name)) <New>
[Industrial Investment: 20.0 billion yen]

3. "Rural-Urban Digital Integration and Transformation"

- Support for smart agriculture, greening, and strengthening exports to make agriculture growth industry.
(Japan Finance Corporation) (listed again)
- Funds to Local Governments mainly for infrastructure (water supply and sewerage services, etc.) and areas that the central government is responsible to support (post-disaster reconstruction, etc.).
(Local Governments) [Fiscal Loan: 2,626.4 billion yen]

4. Promotion of economic security

- Promotion of stable supply of important energy and mineral resources, including rare metals.
(Japan Oil, Gas and Metals National Corporation)
[Fiscal Loan: 0.3 billion yen, Industrial Investment: 54.6 billion yen]
- Financial support for domestic production of advanced semiconductors.
(Japan Finance Corporation) (listed again)

5. Acceleration of infrastructure development (strengthening of international competitiveness, promotion of disaster prevention and mitigation, and national land resilience)

- Acceleration of the conversion of tentative two-lane highways to four-lane highways, and the development of urban railway networks.
(Japan Expressway Holding and Debt Repayment Agency, Japan Railway Construction, Transport and Technology Agency)
[Fiscal Loan: 401.1 billion yen]
- Acceleration of the construction of agricultural reservoirs and drainage facilities to cope with frequent natural disasters.
(National Federation of Land Improvement Associations) <New>
[Fiscal Loan: 0.9 billion yen]

Main Measurement

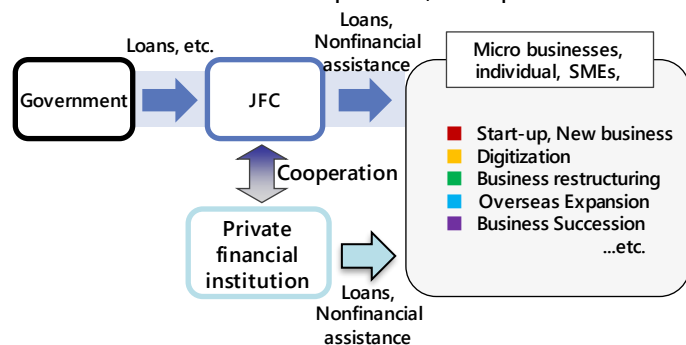
Japan Finance Corporation

- Thorough support for businesses affected by COVID-19, ensuring sufficient business scale based on current performance and the possibility of future re-spread of infection.
- Support for businesses and SMEs tackling various management issues (business succession, digitalization, etc.) toward post-COVID-19 era.
- Ensure a sufficient business scale for safety net loan to support for agriculture, forestry, and fisheries businesses that are in severe conditions due to COVID-19. Establishment of capital subordinated loans toward post-COVID-19 era to facilitate the smooth supply of funds from private financial institutions.
- To make agriculture growth industry, ensure sufficient business scale for Super L Loan, etc. necessary to support for smart agriculture, greening, etc. New funds are established to achieve export targets for agricultural, forestry, fisheries, and food products.
- Consulting services such as the agricultural, forestry and fishery management advisor program will be further promoted to provide strong support for the agriculture, forestry, and fishery industries.
- Based on the economic measures, financial support for domestic production of advanced semiconductors.

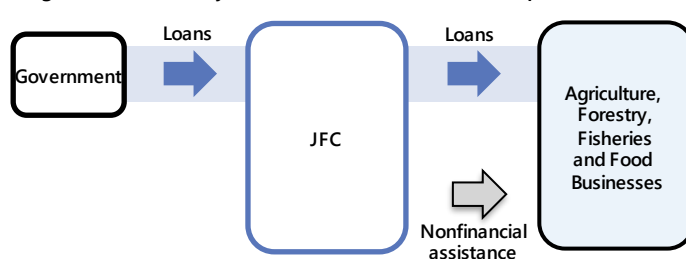
[Fiscal Loan: 4,792.7 billion yen, Industrial Investment: 18.9 billion yen]

Project Scheme

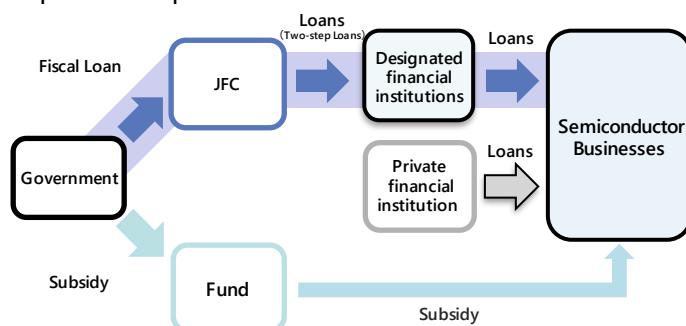
<Micro Business and Individual Operations, SME Operations>



<Agriculture, Forestry, Fisheries and Food Business Operations>



<Operations to Specific Businesses Promotion>



FILP

(Unit: billion yen)

	FY2019 Execution	FY2020 Execution	FY2021 Plan (initial)	FY2022 Plan
Micro Business and Individual Operations				
FILP	1,918.5	6,651.1	9,301.3	2,302.0
Fiscal Loan	1,872.0	6,600.9	9,050.0	2,300.0
Industrial Investment	1.5	0.2	1.3	2.0
Government Guarantee	45.0	50.0	250.0	—
SME Operations				
FILP	881.0	3,699.6	4,935.4	1,196.9
Fiscal Loan	844.0	3,699.6	4,683.0	1,180.0
Industrial Investment	37.0	—	2.4	16.9
Government Guarantee	—	—	250.0	—
Operations to Facilitate Crisis Responses				
FILP	35.0	3,399.5	10,099.0	474.0
Fiscal Loan	35.0	3,399.5	10,099.0	474.0
Industrial Investment	—	—	—	—
Government Guarantee	—	—	—	—
Agriculture, Forestry, Fisheries and Food Business Operations				
FILP	355.5	615.0	700.0	627.0
Fiscal Loan	355.5	615.0	700.0	627.0
Industrial Investment	—	—	—	—
Government Guarantee	—	—	—	—
Operations to Specific Businesses Promotion				
FILP	100.0	—	195.0	211.7
Fiscal Loan	100.0	—	195.0	211.7
Industrial Investment	—	—	—	—
Government Guarantee	—	—	—	—

Welfare And Medical Service Agency (WAM)

- In the light of long-term impact of COVID-19, continue thoroughly support for medical and welfare service providers.
- In order to promote the growth strategy toward post COVID-19 era, actively support medical and welfare service providers that accelerate digital investment and improvement of childcare system, by expansion of preferential measures of loan programs, etc.

[Fiscal Loan: 856.5 billion yen]

■ FILP		(Unit: billion yen)			
	FY2019 Execution	FY2020 Execution	FY2021 Plan (initial)	FY2022 Plan	
Business Scale	254.0	1,726.4	1,786.0	868.6	
FILP	206.0	1,682.0	1,689.8	856.5	
Fiscal Loan	206.0	1,682.0	1,689.8	856.5	
Industrial Investment	—	—	—	—	
Government Guarantee	—	—	—	—	

* Business scale is based on contracts.

<Conventional Loan (mainly for construction) >

[Fiscal Loan: 246.9 billion yen]

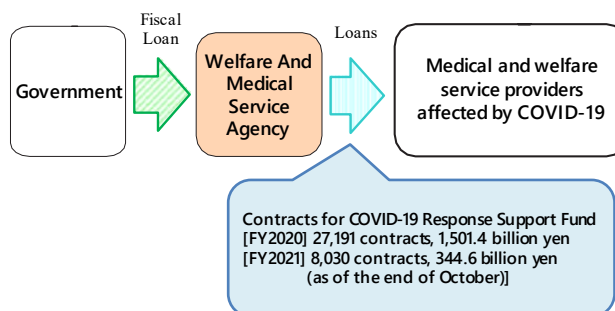
- Expansion of preferential measures for digital investment and development of childcare-related facilities
 - Digital investment: Reduction of loan interest rate
Loan interest rate: Base interest rate + α
→ Same rate as base interest rate
 - Development of childcare-related facilities: Increase in loan rates, etc.
 - (1) Increase in loan rate*: 90% → 95%
 - (2) Extension of maximum loan period: 20 years → 30 years

* Loan to Project Cost Ratio

<Financing to support response to COVID-19 (working capital) >

[Fiscal loan: 609.6 billion yen]

- The “Funds to support response to COVID-19” will be provided on a sufficient scale, considering the current track record and the possibility of future re-spread of infection, and the necessary fiscal investment and loans will be provided.



Japan Science and Technology Agency (JST)

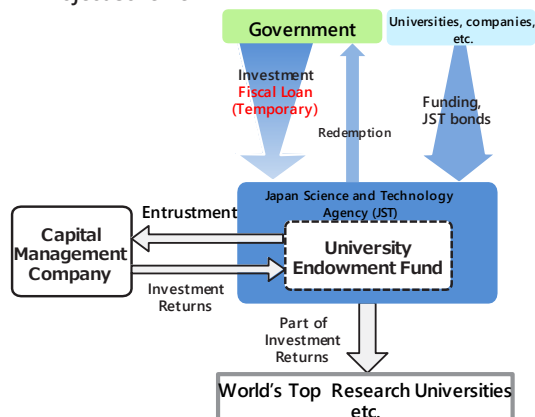
- Establishment of a 10-trillion-yen University Endowment Fund to realize research universities that rank among the world's top universities.
- Gains resulting from the investment of the fund will be used to ...
 - To make long-term, stable investments in the future research infrastructure of universities
 - To complete university reforms (governance reforms, strengthening of external funding, etc.) to fundamentally strengthen the research capabilities of Japan's research universities.

[Fiscal Loan: 4,888.9 billion yen]

■ FILP		(Unit: billion yen)	
	FY2021 Plan (initial)	FY2022 Plan	
FILP	4,000.0	4,888.9	
Fiscal Loan	4,000.0	4,888.9	

* FY2020 the third supplementary budget and FY2021 the supplementary budget provided 5000 billion yen and 611.1 billion yen, respectively, in capital contribution from the general account. Together with the fiscal loan mentioned above, the University Endowment Fund with a scale of 10 trillion yen will be realized.

■ Project Scheme



Economic Measures for Overcoming COVID-19 and Opening Up a New Era (November 19th, 2021)

With regard to advanced science and technology and innovation that will drive growth in the new post-corona society, the Government will take a wide range of measures, including budget, tax, and regulatory reforms, at the initiative of the Government to promote private investment, thereby realizing a science and technology nation.

In order to establish world's top research universities, the University Endowment Fund with a scale of 10 trillion yen in 2021 FY will be realized by the end of the fiscal year. The fund will start operation¹, and make bold investments in research infrastructure such as the development of doctoral students and young human resources at universities that conduct world-class research and development. From the viewpoint of ensuring the stable redemption of fiscal loan funds, the Government aims to establish a stable financial foundation that can withstand even past major market fluctuations in the redemption period.

The Government also plans to submit to the next ordinary Diet session related bills to establish a new university system in order to realize university reforms, such as governance reforms, that are required of research universities that are competitive in the world. In supporting by this fund², a mechanism will be established to encourage participating universities to steadily increase their own income and to contribute funds to this fund³, with the aim of achieving business growth comparable to that of the world's top universities. In the future⁴, participating universities aim to shift from funds with government investment and manage university-specific funds with their own funds. In addition, the Government will foster talented young researchers who can compete with the world in the field of science and technology and will promote the creation of high-quality international co-authored papers. By doing so, the Government will build the world's best research environment and improve the quality of higher education.

1 In investment, the Government will ensure compliance with long-term management, international diversification, and investment discipline.
2 The Government will create a stable and continuous support system utilizing the financial resources of the University Endowment Fund. The Government will check through a government bank whether the government funds are being spent appropriately in line with policy objectives and will revise the amount of support for universities.
3 When refunding the participation universities, the requirements should be met and the refund will be done gradually, while securing a stable financial foundation for the University Endowment Fund.
4 This will be made after a stable financial foundation has been built that can withstand even past large market fluctuations.

Development Bank of Japan Inc.(DBJ)

- Promoting private sector investment through support for businesses engaged in research and development of advanced science and technology, such as digital and green technology.
- Support for regional transportation, infrastructure development, and efforts to strengthen the competitiveness of the life science industry considering COVID-19.

[Fiscal Loan: 300.0 billion yen, Industrial investment: 50.0 billion yen, Government Guarantee: 350.0 billion yen]

■ FILP (Unit: billion yen)

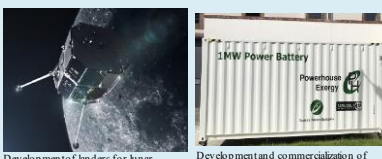
	FY2019 Execution	FY2020 Execution	FY2021 Plan (revised)	FY2022 Plan
FILP	1,270.3	1,700.7	900.0 (1,500.0)	700.0
Fiscal Loan	800.0	1,050.0	450.0 (1,050.0)	300.0
Industrial Investment	130.0	220.0	175.0	50.0*
Government Guarantee	340.3	430.7	275.0	350.0

* Projects of industrial investment (Special Investment Operations), such as the DBJ innovation and life science fund, growth fund for coronavirus revival, and the green investment fund, which were established in FY2021, continue to respond appropriately to the capital needs.

■ Examples of Funding

Promotion of innovation

Support for the space industry, including lunar exploration, and businesses engaged in development and manufacture of next-generation hydrogen storage batteries to promote research and development of advanced science and technology, such as digital, green, and space technology.



Development of landers for lunar exploration (image) Development and commercialization of next-generation storage batteries (image)

Economic Measures for Overcoming COVID-19 and Opening Up a New Era (November 19th, 2021)
III. Launching "New Form of Capitalism" to open up a future society
1. Growth Strategy
(1) Realizing a Science and Technology Nation
(i) Strengthening investments in science, technology, and innovation
 The Government will promote private investment by making bold investments in R&D and demonstration of advanced science and technology in fields such as digital, green, AI, quantum, bio, space, and ocean.

Ensuing regional transportation


Ensuring transportation for residents by equipment funds to local bus and rail operators.



Bus company's equipment renewal (image)

Responses against COVID-19

Strengthening prevention, detection and early treatment through vaccines, tests, and therapeutic drugs of COVID-19 by supporting for businesses manufacturing and selling PCR testing equipment, which is essential for the diagnosis.



Fully automated PCR testing system (image)

Fund for Supporting Carbon Neutrality (tentative name) (new)

- In order to achieve -46% GHG emissions of the 2013 level in 2030 and carbon neutrality in 2050, a new public-private fund will be established to be financed by industrial investment and private capital.
- To realize a Decarbonized Society, the fund will maximize the pump-priming role in inducing the private sector to invest, while complementing private-sector.
- Governance will be secured to ensure profitability through human resources with expertise in the field of carbon-neutral investment and portfolio management across the organization.
- The fund will share roles with other public-private funds and mutually cooperate with each other to achieve synergistic effects by taking advantage of their respective areas.

[Industrial Investment: 20.0 billion yen]

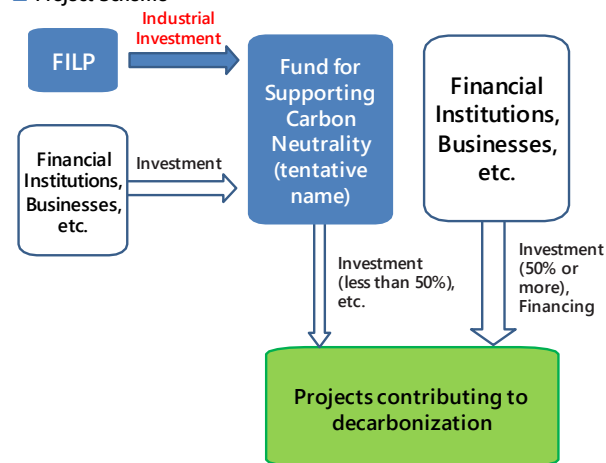
■ FILP (Unit: billion yen)

	FY2022 Plan (New)
FILP	20.0
Fiscal Loan	—
Industrial Investment	20.0
Government Guarantee	—

■ Examples of support targets

Field	Assumed Project Scale	GHG Reduction
Recycling of food biomass into fertilizer, fuel, etc.	Approx. 4.0 billion yen	Approx. 2,000 tons/year
Solar power generation without FIT (Feed-in Tariff)	Approx. 7.0 billion yen	Approx. 35,000 tons/year
Forest conservation and utilization as timber and energy	Approx. 0.8 billion yen	Approx. 9,000 tons/year
CCS (Carbon dioxide Capture and Storage)	Approx. 36.0 billion yen	Approx. 835,000 tons/year

■ Project Scheme



* Establishment period: Until the end of FY2050. (The status of the Fund will be reviewed considering achievement of the FY2030 target (-46% GHG emissions).

Japan Bank for International Cooperation (JBIC)

- From the perspective of strengthening the international competitiveness of Japanese industry, support overseas business to realize a Decarbonized Society, to strengthen and rebuild international supply chains, and to develop new overseas businesses toward post-COVID-19 era.

[Fiscal loan: 401.0 billion yen, Industrial Investment: 85.0 billion yen, Government Guarantees: 1,120.0 billion yen]

■ FILP (Unit: billion yen)

	FY2019 Execution	FY2020 Execution	FY2021 Plan (initial)	FY2022 Plan
FILP	636.8	551.3	1,165.0	1,606.0
Fiscal Loan	43.7	14.9	215.0	401.0
Industrial Investment	98.5	80.0	60.0	85.0
Government Guarantee	494.6	456.4	890.0	1,120.0

* The business scale, which includes its own funds, etc., amounts 1,704.1 billion yen in FY2019 (execution), 1,860.3 billion yen in FY2020 (execution), 2,700.0 billion yen in FY2021 (plan), 2,300.0 billion yen in FY2022 (plan).

Assumed projects

- Financially support climate change mitigation, such as overseas decarbonized business including renewable energy by Japanese companies, and decarbonization of developing countries.



Hydrogen station construction and operation project (image)



Waste treatment and power generation plant construction and operation (image)

- Promote supply chain resilience, such as ensuring the stable supply of important materials.
- Support overseas business affected by COVID-19 and new overseas business development toward post COVID-19 era.
- Support overseas deployment of SMEs by strengthening cooperation with relevant organizations and providing advisory services.



Copper mine development (image)



Manufacturing and selling sanitary products (image)

Japan Oil, Gas and Metals National Corporation (JOGMEC)

- Considering the direction to functional enhancement of JOGMEC in the “Sixth Strategic Energy Plan”, and from the perspective of a smooth transition to carbon neutrality and strengthening of “Economic Security”, the corporation will promote stable supply of natural gas and mineral resources by Japanese companies.

[Fiscal loan 0.3 billion yen, Industrial Investment 54.6 billion yen]

■ FILP (Unit: billion yen)

	FY2019 Execution	FY2020 Execution	FY2021 Plan (initial)	FY2022 Plan
FILP	16.6	32.6	34.8	54.9
Fiscal Loan	0.6	0.5	0.6	0.3
Industrial investment	16.0	32.1	34.2	54.6

Examples of projects expected to be supported in FY2022

<Mineral Resources: Investment in Asset Acquisition>

- From the viewpoint of economic security, in order to contribute to the stable supply of mineral resources, support Japanese companies that secure interests in rare metals in Asia, Africa, etc..

<Natural Gas: : Investment in Asset Acquisition>

- In order to contribute to the stable supply of energy through diversification of LNG procurement by Japanese companies, provide support to companies engaged in LNG liquefaction projects in Africa and other regions.

<Mineral resources Development Business>



<Natural Gas Liquefaction Business (image)>



Economic Measures for Overcoming COVID-19 and Opening Up a New Era (November 19th, 2021)

III. Launching “New Form of Capitalism” to open up a future society

1. Growth Strategy

(3) Economic Security

The Government will ensure a stable supply of important materials and strengthen the resilience of supply chains by conducting necessary surveys on important minerals, including rare earths, while seeking international cooperation under the international order based on fundamental values and rules.

Japan Expressway Holding and Debt Repayment Agency

- Utilize fiscal loan to accelerate the systematic conversion of tentative two-lane highways to four-lane highways, with a priority with the sections with the significant problems.

[Fiscal Loan: 200.0 billion yen, Government Guarantee: 120.0 billion yen]

■ FILP (Unit: billion yen)				
	FY2019 Execution	FY2020 Execution	FY2021 Plan (initial)	FY2022 Plan
FILP	2,070.0	1,480.0	620.0 (920.0)	320.0
Fiscal Loan	1,550.0	1,360.0	500.0 (800.0)	200.0
Industrial Investment Government Guarantee	—	—	—	—
	520.0	120.0	120.0	120.0

Increase the number of lanes to 4 among the priority development sections selected from the three perspectives of securing the network, ensuring time reliability and preventing accidents.



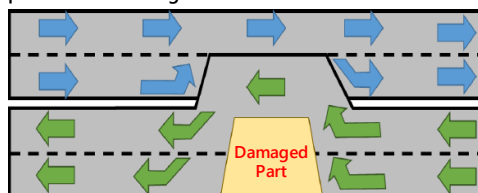
Economic Measures for Overcoming COVID-19 and Opening Up a New Era (November 19th, 2021)

IV. Ensuring safety and security through promotion of disaster risk reduction and enhancement of national resilience, etc.

1. Promoting disaster risk reduction and enhancing national resilience

- Elimination of Missing Links on High-standard Roads, Introduction of Four-lane Roads, and Disaster Prevention Measures for National Roads under Direct Control that Enable Quick Passage after a Disaster < Including Fiscal Investment and Loan Program >

<Four-lane construction to secure traffic at the earliest possible time during disaster>



Japan Railway Construction, Transport and Technology Agency (JRTT)

- Based on the “Follow-up on the Growth Strategy”, in order to strengthening international competitiveness and improve access convenience, the project aims for early development of major urban railway networks by utilizing long-term, fixed, low-interest fiscal investment and loans.

[Fiscal Loan: 201.1 billion yen out of 237.0 billion yen]

■ FILP (Unit: billion yen)				
	FY2019 Execution	FY2020 Execution	FY2021 Plan (initial)	FY2022 Plan
FILP	—	116.0	5.0	201.1
Fiscal Loan	—	116.0	5.0	201.1
Industrial Investment Government Guarantee	—	—	—	—
	—	—	—	—

* Only the amount related to urban rail loans in the Regional Public Transport Account is shown.

Basic Policy on Economic and Fiscal Management and Reform 2021 (June 18th, 2021)

Chapter 2 New Sources of Growth that will Lead the Next Generation —Four Driving Forces and Building a Foundation—

3. Revitalizing Japan as a whole through the creation of vibrant local regions: Development of new regional revitalization and building of decentralized land
 - (8) Building of decentralized nation and regional development making use of individuality

In order to develop an environment for regional revitalization, the Government will promote the early development and utilization of population flow and logistics networks, such as high standard roads, the Projected Shinkansen lines, the Linear Chuo Shinkansen, ports, and fishing ports, and will ensure, maintain, and revitalize the sustainability of aviation and local public transport services that are in crisis due to the impact of the Infections.

<Extension of Tokyo Route 8 and Construction of Shinagawa Subway>

- Promote extension of Tokyo Route 8 in order to improve accessibility between the Tokyo Waterfront Subcenter and the eastern part of the 23 Special Wards of Tokyo, and ease congestion on the Tokyo Metro Tozai Line.
- Promote construction of the Shinagawa Subway in order to improve accessibility between Greater Tokyo Area and areas around Shinagawa Station.



[Tokyo Route 8] Toyosu - Sumiyoshi (Yurakucho Line)



[Shinagawa Subway] Shirokane Takanawa - Shinagawa (Namboku Line)

*The development of the Hokko Technoport Line is also included.

Local Governments

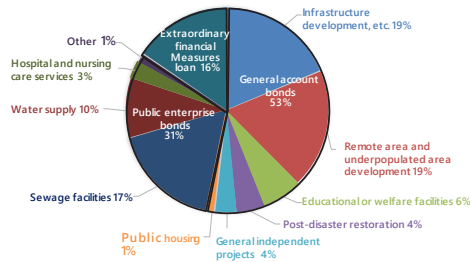
- Based on the Local Government Bond Program, Fiscal Loan Funds are provided to local governments, mainly for infrastructure closely related to the lives of residents and areas that the central government is responsible to support (post-disaster reconstruction, etc.).
- Fiscal loan funds are actively provided for projects that contribute to disaster prevention and disaster mitigation, support local lifelines (water supply and sewage services, etc.), and update public facilities that are due for renewal.

[Fiscal loan: 2,626.4 billion yen]

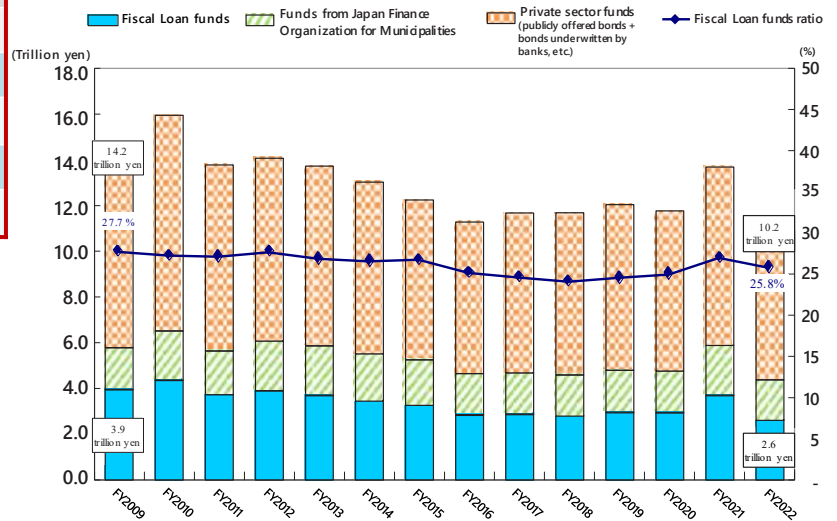
■ FILP (Unit: billion yen)

	FY2021 Plan (initial)	FY2022 Plan
Total	13,638.3	10,181.4
General account bonds, public enterprise bonds, etc.	8,158.7	8,400.9
Fiscal Loan funds	2,216.2 (27.2%)	2,216.9 (26.4%)
Extraordinary financial measures loan	5,479.6	1,780.5
Fiscal Loan funds	1,468.5 (26.8%)	409.5 (23.0%)

■ Planned Amount by Project for FY2022 (Fiscal Loan)

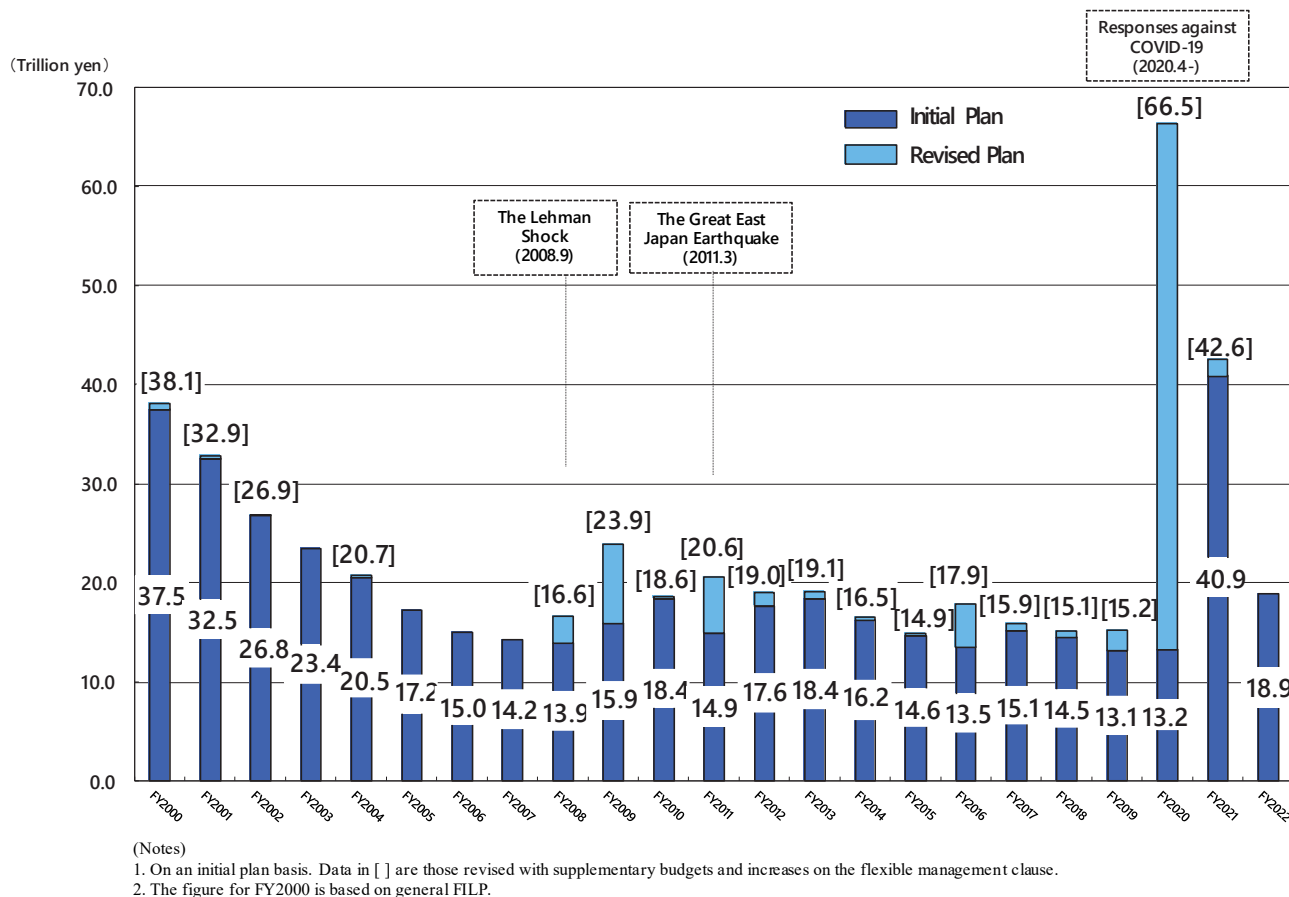


■ Trends of Fiscal Loan funds for local governments and the Local Government Bond Program

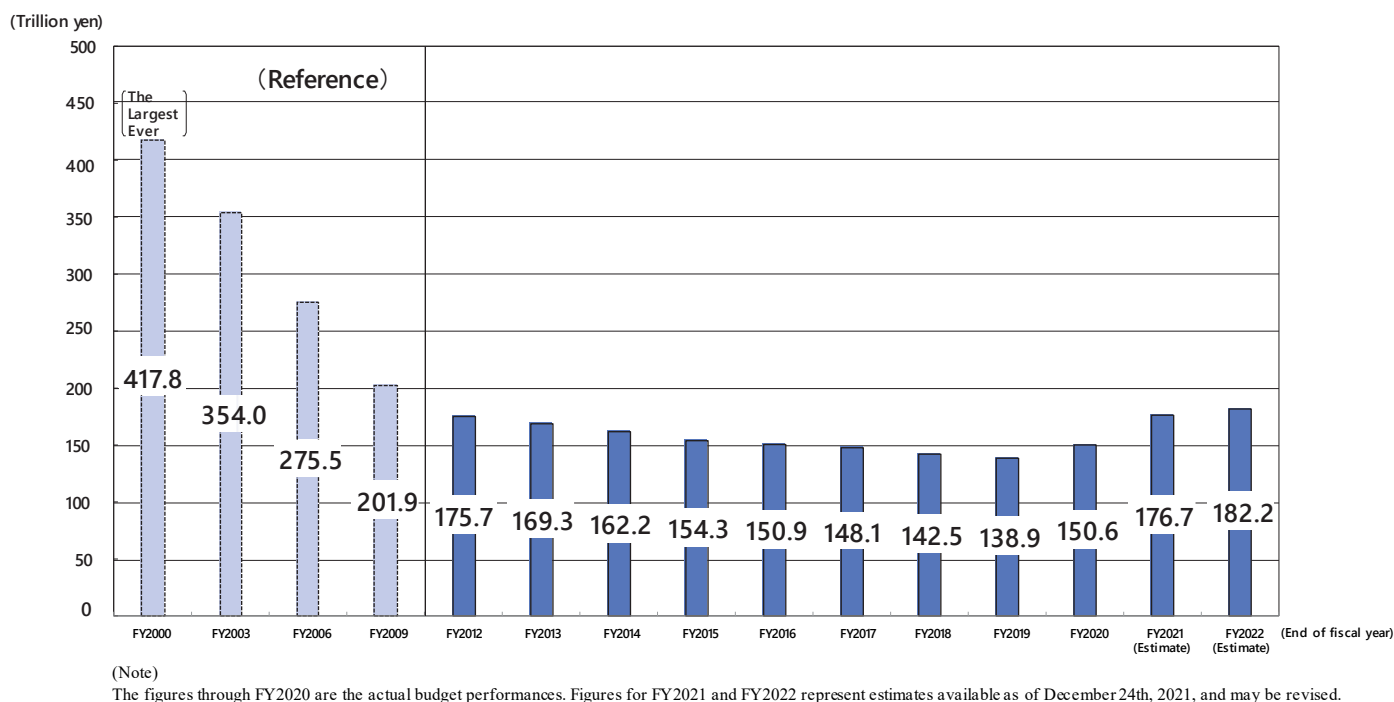


1. The transition of the FILP Plan (Flow/Stock basis)

Transition (flow) in the FILP Plan



Transition (stock) in the FILP Plan balance



2. List of FILP Agencies

The following table shows the amounts for each FILP agency in the FILP plan for FY2022.

(Unit: billion yen)

Institutions	Fiscal Loan	Industrial Investment	Government Guarantee	Total
(Special Accounts)				
Special Account for Stable Supply of Food	0.8	—	—	0.8
Special Account for Energy Measures	10.4	—	—	10.4
Special Account for Motor Vehicles Safety (Airport improvement account)	164.5	—	—	164.5
(Government Financial Institutions)				
Japan Finance Corporation	4,792.7	18.9	—	4,811.6
The Okinawa Development Finance Corporation	221.7	2.6	—	224.3
Japan Bank for International Cooperation	401.0	85.0	1,120.0	1,606.0
Japan International Cooperation Agency (Incorporated Administrative Agency)	523.7	—	118.0	641.7
(Incorporated Administrative Agencies, etc.)				
National Federation of Land Improvement Associations	0.9	—	—	0.9
Promotion and Mutual Aid Corporation for Private Schools of Japan	22.1	—	—	22.1
Japan Student Services Organization (Incorporated Administrative Agency)	584.9	—	—	584.9
Japan Science and Technology Agency (National Research and Development Agency)	4,888.9	—	—	4,888.9
Welfare and Medical Service Agency (Incorporated Administrative Agency)	856.5	—	—	856.5
National Hospital Organization (Incorporated Administrative Agency)	11.1	—	—	11.1
National Center for Child Health and Development (National Research and Development Agency)	1.0	—	—	1.0
National Center for Geriatrics and Gerontology (National Research and Development Agency)	0.2	—	—	0.2
National Institution for Academic Degrees and Quality Enhancement of Higher Education (Incorporated Administrative Agency)	51.1	—	—	51.1
Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency)	237.0	3.1	—	240.1
Japan Housing Finance Agency (Incorporated Administrative Agency)	34.9	—	220.0	254.9
Urban Renaissance Agency (Incorporated Administrative Agency)	512.4	—	—	512.4
Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)	200.0	—	120.0	320.0
Japan Water Agency (Incorporated Administrative Agency)	1.4	—	—	1.4
Forest Research and Management Organization (National Research and Development Agency)	4.9	—	—	4.9
Japan Oil, Gas and Metals National Corporation (Incorporated Administrative Agency)	0.3	54.6	—	54.9
(Local Governments)				
Local Governments	2,626.4	—	—	2,626.4
(Special Corporations, etc.)				
Fund for Supporting Carbon Neutrality (tentative name)	—	20.0	—	20.0
Development Bank of Japan Inc.	300.0	50.0	350.0	700.0
Organization for Promoting Urban Development	—	—	35.0	35.0
Central Japan International Airport Co., Ltd	—	—	23.1	23.1
Private Finance Initiative Promotion Corporation of Japan	—	—	50.0	50.0
Cool Japan Fund Inc.	—	9.0	—	9.0
Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development	—	58.0	58.9	116.9
Fund Corporation for the Overseas Development of Japan's ICT and Postal Services Inc.	—	25.0	15.5	40.5
Total	16,448.8	326.2	2,110.5	18,885.5

(Note) Figures are based on the initial plan of FY2022.

