

National Cancer Center (National Research and Development Agency)

http://www.ncc.go.jp

1. Summary of operations implemented using FILP funds

The National Cancer Center unerringly provides citizens with better-quality healthcare by developing medical facilities and machines, by conducting surveys and developing research and technology on medical measures against cancer and other malignant neoplasms that have a grave impact on the health of citizens, and by integrating the relevant healthcare services with the training of technicians.

2. Amount of lending under FY2019 FILP

(Unit: billion yen)

FY2019 FILP	Estimated outstanding amount of FILP lending at the end of FY2018
2.9	19.6

3. Estimated policy cost analysis of the project

(1) Policy cost (Unit: billion yen)

Category	FY2018	FY2019	Fluctuation
1. Government expenditure (subsidies, etc.)	10.1	9.9	-0.2
2. Government revenue (payments to the government, etc.)*	-	-	-
3. Opportunity cost of capital investments, etc.	-2.8	-3.2	-0.4
Total (1+2+3=policy cost(A))	7.3	6.7	-0.6
Analysis period (years)	26 years	25 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)	7.3	6.7	-0.6
1) Opportunity cost of capital investments, etc. provided before the beginning of the analysis period	15.9	14.1	-1.8
2) Policy cost expected to be newly accrued during the analysis period	-8.6	-7.4	+1.2
Government expenditure (subsidies, etc.)	10.1	9.9	-0.2
Government revenue (payments to the government, etc.)*	-	-	-
Opportunity cost of surplus, etc.	-18.7	-17.4	+1.4
Opportunity cost of capital investments, etc.	-	-	-

(3) Year-to-Year comparison analysis

(Computing any fluctuation from previous year)

(Unit: billion yen)

Policy cost		FY2018	FY2019	Simple fluctuation
		Simple comparison (before adjustment)	7.3	6.7
Past year comparison (after adjustment)	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 FY2018)	Real fluctuation (2-1)
		6.8	7.4	+0.7

[Real fluctuation factor analysis]

○Factors behind policy cost increase

- Increase in cost due to increase in medical care service expenses, etc. (+0.5 billion yen)

- Increase in subsidies, etc. regarding retirement allowances (+0.2 billion yen)

○Factors behind policy cost decrease

- None

(4) Sensitivity analysis (cases where assumptions change)

(Unit: billion yen)

(A) Policy cost (previously cited)	A case in which a fundraising interest rate is raised by 1 %	Fluctuation	1. Government expenditure (subsidies, etc.)	2. Government revenue (payments to the government, etc.)*	3. Opportunity cost of capital investments, etc.
			6.7	27.0	+20.3

(A) Policy cost (previously cited)	A case in which medical care service revenues are cut by 1%	Fluctuation	1. Government expenditure (subsidies, etc.)	2. Government revenue (payments to the government, etc.)*	3. Opportunity cost of capital investments, etc.
			6.7	17.5	+10.8

(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.

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

[Outline of estimation]

The estimation covers the National Cancer Center's development of buildings and medical machines that are required for providing medical services involving cancer and other malignant neoplasms that have a grave impact on the health of citizens.

[Project prospect]

The scale of projects is estimated to be ¥2.9 billion in FY2019. The analysis period is 25 years until the redemption of loans regarding FY2018 operations

(Unit: million yen)

FY	Result				Estimated	Planned		Assumptions for calculation		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Medical services revenues	38,910	43,093	48,316	49,249	52,501	54,472	54,472	54,472	54,472	54,472
Medical services expenses	34,017	36,304	41,293	41,727	45,975	47,852	47,852	47,852	47,852	47,852

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

Reasons for granting of subsidies and mechanism

(Reasons)

In order to contribute to the progress and improvement of the public health, improving the high and technical medical treatments of cancer and other new vicious organisms as a national medical policy by carrying out the investigation, research, and exploitation of techniques of medical treatments of cancer and other new vicious organisms and providing medical treatments related closely to these works, and training of engineers.

(Underlying laws and regulations)

Article 46 of the Act on General Rules for Incorporated Administrative Agencies (Act No.103 of 1999)

(Delivery of Financial Resources)

Article 46

The government may, within the scope of the budget, deliver to an Incorporated Administrative Agency an amount, equivalent to all or part of the necessary amount of money, to be appropriated to the financial resources for its operations.

(Underlying law for payments to the national treasury)

Article 20, Paragraph 1 and 2 of the Act on National Research and Development Agencies that Conduct Research related to Advanced and Specialized Medical Care (Act No.93 of 2008)

(Disposition of Reserve Funds)

Article 20

National Centers for Advanced and Specialized Medical Care may, if there is a reserve fund as prescribed by Article 44, Paragraph 1 of the Act after the deposition as prescribed by Article 44, Paragraph 1 or 2 of the Act in the last fiscal year of the project in the period of the medium to long-term target (hereinafter referred to as "medium to long-term target period") as prescribed by Article 35-4, Paragraph 2, Item 1 of the Act, use the amount approved by Minister of Health, Labour and Welfare as revenue for operations which National Centers for Advanced and Specialized Medical Care conduct, as prescribed by from Article 13 to 19 in the next medium to long-term target period as specified in the medium to long-term plan approved as prescribed by Article 35-5, Paragraph 1 of the Act concerning next medium to long-term target period (if any change is approved as prescribed by the same Paragraph, use the plan after the change).

2 National Centers for Advanced and Specialized Medical Care may deduct from the amount equal to the reserve specified in Paragraph 1 the amount approved under the said Paragraph. After the deduction, the remaining amount, if any, shall be paid to the national treasury.

3 (omitted)

6. Special remarks

Based on the Act on the Promotion of Administrative Reform to Realize Simple and Efficient Government (Act No. 47 of 2006) and Act on Incorporated Administrative Agency Engaging in Research on Highly-Specialized Medicine (Act No. 93 of 2008), etc., the Special Account of the National Center for Advanced and Specialized Medical Care was abolished as of the end of FY2009, and the National Center for Advanced and Specialized Medical Care was reorganized into an Incorporated Administrative Agency on April 1, 2010.

Under the provisions of Article 130 of the Act on the Arrangement of the Relevant Acts Incidental to Enforcement of the Act for Partial Amendment of the Act on the General Rules for Incorporated Administrative Agencies (Act No. 67 of 2014), the National Cancer Center Japan (Incorporated Administrative Agency) was reorganized into the National Cancer Center (National Research and Development Agency) on April 1, 2015.

(Reference) Outcome and social and economic benefits of operations

1 Diagnosis and Cure

NCC establishes the explication, diagnosis, and remedy of the carcinogenesis, promotes the multidisciplinary remedy including the chemotherapy and the radiation therapy, achieves good results proud of to the world, and does its best to disseminate the normal remedy of the cancer in Japan.

NCC establishes the various databases about the prevention, research, and diagnosis of the cancer, aims at more improvement of the levels of research and diagnosis, and tries to operate the overall support system of the cancer diagnosis that restores the newest information and technology to the region by giving that information to medical institutions of distant lands.

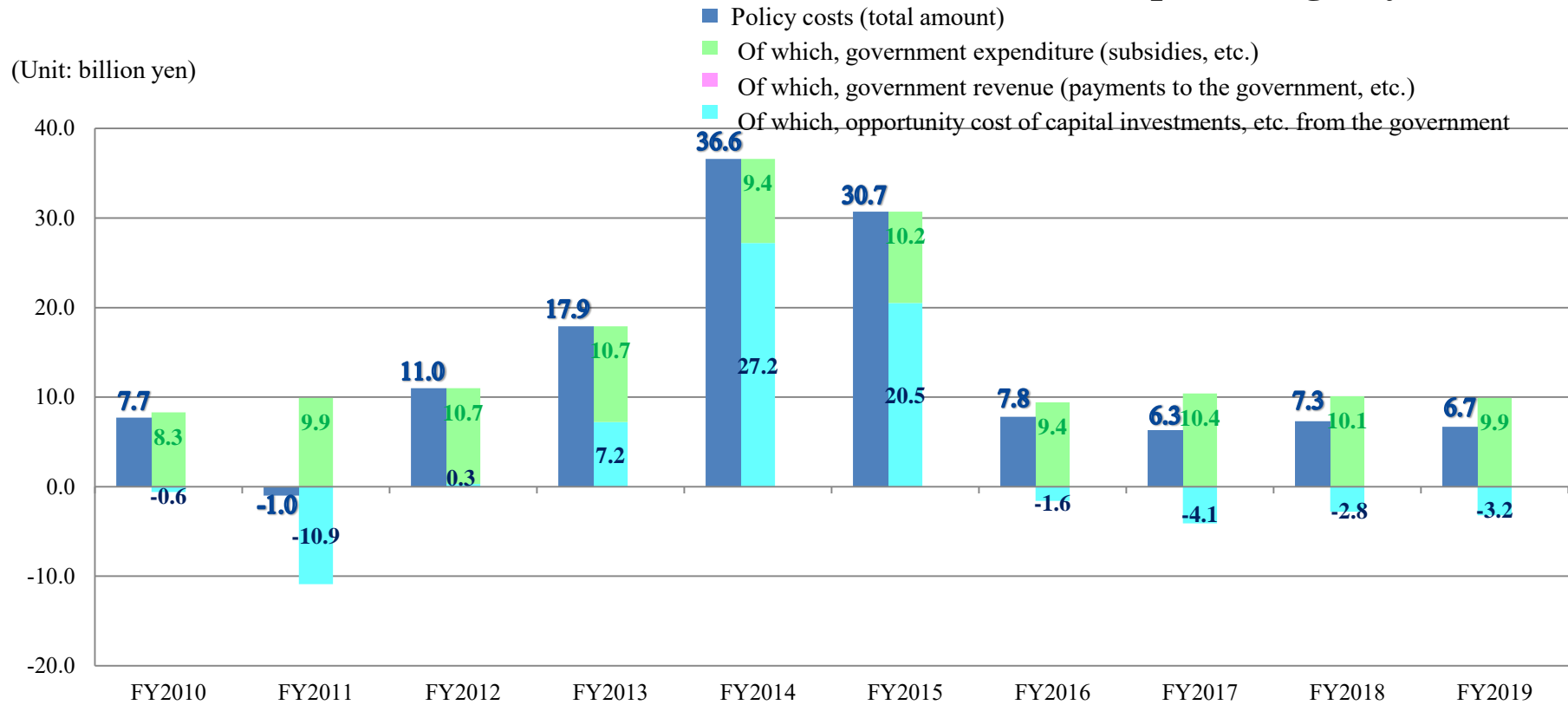
Furthermore, NCC engages actively in the various medical examinations for cancer prevention, the proton beam therapy, and the palliative care that relieves the pain and improves the quality of lives of the patients whose cancer were too advanced and incurable.

2 Research

NCC advances the research that is helpful to prevention, diagnosis and curing of cancer, and puts extensive researches in effect, from a research that is connected directly with the clinical experiences to a research that treats genetic levels.

(Reference) Changes in Policy Costs by Component

<National Cancer Center (National Research and Development Agency)>



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

(Points)

- The FY2019 policy costs rose to 6.7 billion yen due to a cost decrease of 0.4 billion yen through a decrease in the opportunity cost for investments, etc. that accompanied a change in the assumed interest rate.
- In the analyses in FY2014 and FY2015, the policy cost was on a rise due to deterioration in the current balance, but turned to be on a decrease since FY2016 as a result of management improvement.

(Reference) Financial Statements

Balance Sheet

(Unit: million yen)

Item	End of FY2017 (Result)	End of FY2018 (Estimated)	End of FY2019 (Planned)	Item	End of FY2017 (Result)	End of FY2018 (Estimated)	End of FY2019 (Planned)
(Assets)				(Liabilities and equity)			
Current assets	22,799	28,060	26,624	Current liabilities	23,318	22,829	23,072
Cash and bank deposits	13,032	15,630	14,049	Debt from grants for operation cost	535	99	-
Accounts due for medical operations	7,840	8,885	9,030	Subsidy received, etc.	11	-	-
Accounts receivable	1,532	3,150	3,150	Donation received	69	162	194
Inventory assets	330	330	330	Long-term loans to be repaid within a year	2,096	2,465	2,208
Prepaid expenses	8	8	8	Accounts payable	3,310	4,166	4,317
Other current assets	57	57	57	Money unpaid	8,809	8,111	8,455
Fixed assets	114,625	113,711	123,957	Lease obligation to be paid within a year	894	208	147
Tangible fixed assets	112,889	112,154	115,251	Unpaid consumption tax, etc.	275	275	275
Buildings	42,474	40,636	40,189	Advances received	5,176	5,176	5,176
Structures	249	227	206	Deposits payable	574	574	574
Medical instruments and equipment	5,590	7,207	9,470	Unpaid expenses	14	17	17
Other instruments and equipment	3,466	2,975	4,276	Reserve for bonuses	1,263	1,283	1,416
Vehicles	0	0	0	Other current liabilities	293	293	293
Land	61,085	61,085	61,085	Fixed liabilities	19,432	22,017	29,848
Other tangible fixed assets	25	25	25	Asset collateral liabilities	1,347	869	550
Intangible fixed assets	1,686	1,512	995	Grants for asset collateral operation cost	287	179	134
Software	1,665	1,491	973	Asset collateral subsidies	997	643	383
Telephone subscription right	0	0	0	Asset collateral contributions	63	48	33
Other intangible fixed assets	21	21	21	Long-term loans payable	14,580	17,500	18,117
Investment and other assets	50	45	7,711	Lease liabilities	665	698	551
Long-term loan receivable	17	12	11	Reserve for retirement pensions	493	589	8,256
Long-term prepaid expenses	33	33	33	Reserves for environment protection measures	154	154	154
Bankruptcy or rehabilitation claims, etc.	45	78	111	Asset retirement obligation	2,192	2,206	2,219
Loan loss provisions	-45	-78	-111	Other fixed liabilities	0	0	0
Return for provision for retirement benefits	-	-	7,667	(Total liabilities)	42,750	44,847	52,920
Other investment assets	0	0	0	Capital			
				Financing by the Government	91,662	91,662	91,662
				Capital surplus	-1,449	-2,073	-2,687
				Capital surplus	6,246	6,246	6,246
				Amount equivalent to accumulated depreciation cost (-)	-7,329	-7,953	-8,567
				Amount equivalent to accumulated impairment loss (-)	-178	-178	-178
				Amount equivalent to accumulated interest cost (-)	-13	-13	-13
				Amount equivalent to accumulated net gains or losses on sale or disposal (-)	-175	-175	-175
				Retained earnings	4,461	7,335	8,685
				Reserve fund	3,359	4,461	7,335
				Unappropriated retained earnings for the period	1,101	2,874	1,350
				(Of this, gross profit)	1,101	2,874	1,350
				(Total equity)	94,674	96,924	97,661
Total assets	137,424	141,771	150,580	Total liabilities and equity	137,424	141,771	150,580

(Note 1) Components may not add up to the total because of rounding.

Income Statement

(Unit: million yen)

Item	FY2017 (Result)	FY2018 (Estimated)	FY2019 (Planned)
Ordinary expenses	70,224	75,802	77,768
Operating expenses	69,893	75,482	77,474
Research operating expenses	10,694	12,791	13,297
Clinical research operations expenses	5,477	6,144	6,121
Medical care operations expenses	47,547	50,252	51,818
Education and research operations expenses	2,553	2,673	2,776
Information operating expenses	2,356	2,425	2,249
General and administrative expenses	1,266	1,198	1,213
Other ordinary expenses	331	320	294
Ordinary income	71,595	78,676	79,378
Income from grants for operation cost	6,275	6,913	6,057
Operating income	62,841	68,079	69,839
Research operating income	8,707	9,569	9,569
Clinical research operations income	4,209	4,839	4,839
Medical care operations income	49,685	53,580	54,650
Education and research operations income	52	52	52
Information operating income	43	38	38
Other operating income	145	0	690
Other ordinary income	2,480	3,685	3,482
Temporary losses	287	7	7,817
Loss on retirement of fixed assets	280	6	-
Loss on sale of fixed assets	6	-	-
Other temporary losses	0	1	7,817
Temporary profits	17	8	7,557
Gain on sales of fixed assets	1	-	-
Other temporary profits	16	8	7,557
Net profit	1,101	2,874	1,350

(Note) Components may not add up to the total because of rounding.