

Japan Railway Construction, Transport and Technology Agency
(Incorporated Administrative Agency) (Construction Account)

<https://www.jrtt.go.jp/>

1. Summary of operations implemented using FILP funds

Under the private railway project, Japan Railway Construction, Transport and Technology Agency undertakes the construction and major improvement of private railway systems in major urban regions to increase commuter transportation capacity, reduce congestion rates, increase the convenience of transportation, and maintain and improve urban functions. Under the Shinkansen new bullet train line project, JRJT constructs and leases Shinkansen lines to form nationwide high-speed railway networks to contribute to developing the national economy, expanding the national life sphere and promoting regional development.

Note: Major non-FILP projects include an urban railway convenience promotion project.

2. Amount of lending under FY2021 FILP

(Unit: billion yen)

| FY2021 FILP | Estimated outstanding amount of FILP lending at the end of FY2020 |
|-------------|---|
| 308.3 | 1,060.0 |

3. Estimated policy cost analysis of the project

(1) Policy cost (Unit: billion yen)

| Category | FY2020 | FY2021 | Fluctuation |
|--|--------------|--------------|--------------|
| 1. Government expenditure (subsidies, etc.) | 844.5 | 764.3 | -80.1 |
| 2. Government revenue (payments to the government, etc.)*1 | - | - | - |
| 3. Opportunity cost of capital investments, etc. | - | - | - |
| Total (1+2+3=policy cost(A)) | 844.5 | 764.3 | -80.1 |
| Analysis period (years) | 25 years | 24 years | -1 year |

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

| Category | FY2020 | FY2021 | Fluctuation |
|---|--------|--------|-------------|
| (A) Policy cost (previously cited) | 844.5 | 764.3 | -80.1 |
| 1) Opportunity cost of capital investments, etc. provided before the beginning of the analysis period | - | - | - |
| 2) Policy cost expected to be newly accrued during the analysis period | 844.5 | 764.3 | -80.1 |
| Government expenditure (subsidies, etc.) | 844.5 | 764.3 | -80.1 |
| Government revenue (payments to the government, etc.)*1 | - | - | - |
| Opportunity cost of surplus, etc. | - | - | - |
| Opportunity cost of capital investments, etc. | - | - | - |

(4) Sensitivity analysis (cases where assumptions change)

(Unit: billion yen)

| (A) Policy cost (previously cited) | Case before the negative interest rate policy*2 | Fluctuation | Fluctuation | | |
|------------------------------------|---|-------------|---|--|--|
| | | | 1. Government expenditure (subsidies, etc.) | 2. Government revenue (payments to the government, etc.)*1 | 3. Opportunity cost of capital investments, etc. |
| 764.3 | 761.8 | -2.5 | -2.5 | - | - |

| (A) Policy cost (previously cited) | Case of a 1% decrease in operating revenues | Fluctuation | Fluctuation | | |
|------------------------------------|---|-------------|---|--|--|
| | | | 1. Government expenditure (subsidies, etc.) | 2. Government revenue (payments to the government, etc.)*1 | 3. Opportunity cost of capital investments, etc. |
| 764.3 | 764.3 | - | - | - | - |

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

s

*2 Assumed interest rates (discount factor and future interest rate) are based on the market yield on Japanese government bonds on January 28, 2016, before the introduction of the negative interest rate policy.

(3) Year-to-Year comparison analysis

(Computing any fluctuation from previous year)

(Unit: billion yen)

| Policy cost | Comparison | FY2020 | FY2021 | Simple fluctuation |
|---|--|---------------------------------------|--------|--------------------|
| | | Simple comparison (before adjustment) | 844.5 | 764.3 |
| Past year comparison (after adjustment) | 1) Adjusting initial years (Analysis results after adjusting initial year to that for FY2021 analysis) | 764.1 | 764.3 | +0.2 |
| | 2) Adjusting assumed interest rates (Analysis results of re-estimation using assumed interest rate for FY2020) | 764.1 | 764.3 | +0.2 |

【Real fluctuation factor analysis】

○Factors behind policy cost increase

- Increase in cost due to a decrease in the discount factor accompanying shortening of the analysis period (+0.2 billion yen)

○Factors behind policy cost decrease

- None

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

【Outline of estimation】

Subject to the estimation are the private railway project for the construction, major improvement and transfer of private railways subjected to FILP and the Shinkansen project for the construction and leasing of Shinkansen lines. (As for the Shinkansen project, only three portions of three new lines under construction (Hokkaido Shinkansen (Shin-Hakodate-Hokuto - Sapporo portion), Hokuriku Shinkansen (Kanazawa - Tsuruga portion), Kyushu Shinkansen (Takeo Onsen - Nagasaki portion)) are subjected to the estimation.)

1) Private railway project

- The estimation is made based on the current system (cost collection method). Under the system, a part of the funds for the construction of railways that is considered as interest-bearing loans will be collected in full through of the payments for the transfer collected after the transfer from the railway operator by the principal-interest equal semiannual repayment system.
- The length of analysis period is 23 years (to FY2043), during the project will be completed.

2) Shinkansen project

- Fiscal loans are planned to cover the construction of three portion of three new lines under construction and be repaid with rent income.
- The analysis period covers 24 years (to FY2044) in which the fiscal loans will be repaid.

The future business was simulated based on the preconditions given under the above-mentioned presuppositions. The results of the simulation were used to calculate the necessary policy cost to carry out the projects.

【Project prospect】

1) Private railway project

- As the construction of private railway systems based on instructions in construction plans was completed in FY2018, the transfer of private lines is only projected for years from FY2019.
- Values for the transfer of private lines shall be collected an equal semiannual installment basis for 25 years after transfer, and will be totally redeemed by FY2043. No prepayment is expected from railway operators.

2) Shinkansen project

- As noted in an agreement between the government and ruling parties on “Handling of New Shinkansen Railway Lines” on January 14, 2015, new Shinkansen lines will form nationwide high-speed railway networks to contribute to developing the national economy, expanding the national life sphere and promoting regional development and should be opened to produce their effects as early as possible for the national economy. The completion and opening of the three new lines under construction is expected to take a long period of time. However, exercising the effect of opening the new lines at an early time by making early, intensive investment within the limits of the planned operating expenses is very significant for the national economy. Therefore, the timing of the completion and opening is planned to be brought forward under the assumption that the local governments of regions located along the new lines will make the greatest possible efforts.

(Schedules for opening of three new lines’ three portions under construction)

*Hokkaido Shinkansen (Shin-Hakodate-Hokuto - Sapporo portion): Scheduled to be completed at the end of FY2030

*Hokuriku Shinkansen (Kanazawa - Tsuruga portion): The greatest possible efforts to be made toward completion at the end of FY2023

*Kyushu Shinkansen (Takeo Onsen - Nagasaki portion): Scheduled to be completed around autumn 2022

- JRJT will steadily implement the development of new Shinkansen lines by utilizing long-term, fixed low-interest rate FILP funds when making advance use of future rent income as part of the financial source for construction of the lines.

(Unit: billion yen)

| FY | | Estimated | Planned | Assumptions for calculation |
|-------------------|--|-----------|---------|-----------------------------|
| | | 2 | 3 | 4~15 |
| Construction cost | Hokkaido Shinkansen (Shin-Hakodate-Hokuto - Sapporo) | 93.0 | 95.0 | 1,288.6 |
| | Hokuriku Shinkansen (Kanazawa - Tsuruga) | 275.0 | 330.0 | 300.8 |
| | Kyushu Shinkansen (Takeo Onsen - Nagasaki) | 75.0 | 61.0 | 40.3 |
| Total | | 443.0 | 486.0 | 1,629.7 |

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

1) Private railway project

The Agency receives subsidies from general accounts for loans and a part of the interest payable of railway construction bonds, to ease the burden of transfer prices on private railway operators.

(Underlying laws and regulations)

As for subsidies, each operator receives half of what exceeds beyond the interest rate specified in the annual budget for funds financed in each year. There are no underlying laws. (they are budgetary measures)

2) Shinkansen project

Based on the Nationwide Shinkansen Railway Development Act, the Minister of Land, Infrastructure, Transport and Tourism designated JRJT as the builder of three new Shinkansen lines – Hokkaido Shinkansen (Aomori - Sapporo), Hokuriku Shinkansen (Tokyo - Osaka) and Kyushu Shinkansen (Fukuoka - Nagasaki) – for which a construction plan was decided on in 1973.

Based on an agreement between the government and ruling parties in December 2004 and that in December 2011 on “Handling of New Shinkansen Railway Lines,” three new Shinkansen lines’ three portions – Hokkaido Shinkansen’s Shin-Hakodate-Hokuto - Sapporo portion, Hokuriku Shinkansen’s Kanazawa - Tsuruga portion and Kyushu Shinkansen’s Takeo Onsen - Nagasaki portion – totaling about 393 kilometers are now under construction.

(Underlying laws and regulations)

Part of the subsidies are covered by rent income from the Japan Railway group. Of the remaining subsidies, two-thirds are provided by the central government and one-third by local governments under Article 13 of the Nationwide Shinkansen Railway Development Act and Article 8 of an ordinance for the enforcement of the Act.

Payments to the National Treasury are defined for in the Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency) Act.

【Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency) Act】

(Exceptions to profit and loss deposition, etc.)

Article 18:

The Agency may allocate funds approved by the Minister of Land, Infrastructure, Transport and Tourism equivalent to the amount of reserves (if such exist) provided for in Article 44, Paragraph 1, of the Law for development implemented as provided for in Article 44, Paragraph 1 or 2, relevant to the final project year of the medium-term target period) provided for in Article 29, Paragraph 2, Item 1, of the Act ("medium-term target period" in this and the following paragraph) in Grant Account to the financing of operations provided for in Article 13 (including transfers provided for in the foregoing article, Paragraph 3, and supplementary provisions, Article 3, Paragraph 11) based on the stipulations of the approved medium-term plan of Article 30, Paragraph 1, of the Act (the plan subsequent to revision in the event that revision has been authorized as provided for in the latter section of the Paragraph 1) for the medium-term target period subsequent to said medium-term target period.

2. The Agency's railway facility subsidies account may establish the reserve fund which is defined in the same paragraph in the medium-term target period subsequent to current medium-term target period if there is still remaining balance (if such exists) of funds approved by the Minister of Land, Infrastructure, Transport and Tourism derived by deducting funds approved.

3. The Agency shall pay the remaining balance (if such exists) to the National Treasury derived by deducting the amount approved as provided for in preceding two paragraphs from an amount equivalent to reserves as provided for in Paragraph 1.

4. In regard to the application of the provision of Article 44, Paragraph 1, of the Act in the account relating to operations described in Paragraph 1, Items 1 to 3, of the foregoing article, the text "in the event of allocation to uses of Paragraph 3 as provided for in the same paragraph" in said paragraph shall read "in the event of the payment to the National Treasury of an amount calculated as stipulated by government ordinance or allocation to uses of Paragraph 3 as provided for in the same paragraph."

5. The stipulations of Paragraphs 1 and 3 shall apply correspondingly to the accounts of the foregoing paragraph. In such event, "Article 44, Paragraph 1, of the Act" shall read "Article 44, Paragraph 1, of the Act upon revision as provided for in Paragraph 4."

6. In addition to the stipulations of the foregoing paragraphs, items required for payment procedures for payments and the disposal of other reserves shall be stipulated by government ordinance.

【Act on General Rules for Incorporated Administrative Agencies】

Article 44

For each business year, when profits have accrued as a result of the calculation of profits and losses, an Incorporated Administrative Agency must offset any losses carried forward from the preceding business year, and if there is a remainder, it must record the amount of the remainder as reserve funds; provided, however, that this does not apply if it appropriates the amount of the remainder for the use referred to in paragraph (3) pursuant to the provisions of the paragraph.

2. For each business year, an Incorporated Administrative Agency must, when losses have occurred as a result of the calculation of profits and losses, record the losses by reducing the amount of the reserve funds under the provisions of the preceding paragraph, and if there is still a shortfall, it must dispose of the amount of the shortfall as a loss carried forward.

3. When there is a remainder provided for in paragraph (1), an Agency Managed under the Medium-term Objectives and a National Research and Development Agency may appropriate all or a part of the amount of the remainder for the use of a surplus referred to in Article 30, paragraph (2), item (vii) for a Medium-term Plan (meaning a Medium-term Plan referred to in Article 30, paragraph (1) as authorized under same paragraph (or a revised plan if the agency obtains authorization for revision under the provisions of the second sentence of same paragraph); the same applies hereinafter) or the use of a surplus referred to in Article 35-5, paragraph (2), item (vii) for a Medium to Long-term Plan (meaning a Medium to Long-term Plan referred to in Article 35-5, paragraph (1) as authorized under the paragraph (or a revised plan if the agency obtains authorization for revision under the provisions of the second sentence of the paragraph); the same applies hereinafter), by obtaining the approval of the competent minister.

4. The disposal of reserve funds under the provisions of paragraph (1) is specified by the relevant Individual Act.

6. Special remarks

The Corporation for Advanced Transport and Technology was integrated with the Japan Railway Construction Public Corporation on October 1, 2003, and subsequently reestablished as the Japan Railway Construction, Transport and Technology Agency (Incorporated Administrative Agency) based on the Reorganization and Rationalization Plan for Special Public Corporations.

1) Private railway project

Policy costs of the Agency are required to promote the railway improvement in response to urgent issues, such as the demand for increased transportation capacity of work and social commuters and eased congestion in metropolitan areas, improved traffic flow, and maintenance and enhancement of urban functions. Since all the costs to raise funds for the projects shall be collected from railway operators on a long-term installment basis, the reduction of such costs through the investment of FILP would reduce construction costs, and consequently ease the burden on railway operators, and eventually on the general public, as ultimate users.

2) Shinkansen project

The Economic Measures for Realizing Investment for the Future (Cabinet Decision on August 2, 2016) called for taking advantage of the current low interest situation for providing super-long-term funds for infrastructure development to accelerate investment for the future. Under additional FILP measures based on the second supplementary budget for FY2016, the JRTT construction account was set to utilize low-interest FILP loans for the construction of new Shinkansen lines to reduce interest cost and accelerate the construction.

(Reference) Outcome and social and economic benefits of operations

○ Shinkansen project

Based on assumptions for the policy cost analysis, JRTT estimates users' benefits from Shinkansen development (improvement of convenience for users through shorter traveling time and fewer transfers), supplier benefits (a gap between railway operators' profits based on the absence and presence of Shinkansen development) and environment improvement benefits (environment improvement through users' switch from aircraft or automobiles to railways).

• Case for an analysis period of 50 years after Shinkansen opening with the social discount factor assumed at 4%: 3,648.7 billion yen

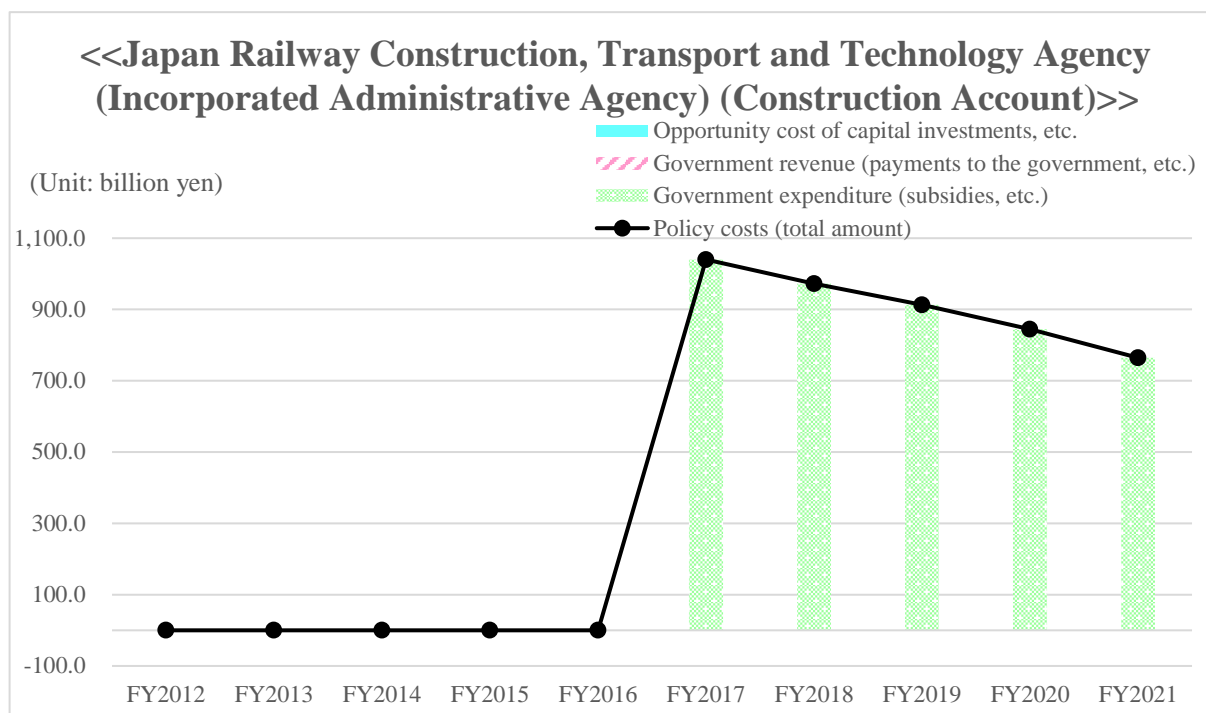
(Unit: billion yen)

| Portions for development | Total benefits |
|--|----------------|
| Hokkaido Shinkansen (Shin-Hakodate-Hokuto - Sapporo) | 1,513.9 |
| Hokuriku Shinkansen (Kanazawa - Tsuruga) | 1,484.2 |
| Kyushu Shinkansen (Takeo Onsen - Nagasaki) | 650.5 |
| Total | 3,648.7 |

•In the case where the social discount factor is set to that of the policy cost analysis: 3,578.1 billion yen

Overview of policy cost analysis results

【Changes in policy costs】



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

(Unit: billion yen)

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|---|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|
| Policy costs (total amount) | - | - | - | - | - | 1,040.1 | 972.7 | 913.2 | 844.5 | 764.3 |
| Government expenditure (subsidies, etc.) | - | - | - | - | - | 1,040.1 | 972.7 | 913.2 | 844.5 | 764.3 |
| Government revenue (payments to the government, etc.) | - | - | - | - | - | - | - | - | - | - |
| Opportunity cost of capital investments, etc. | - | - | - | - | - | - | - | - | - | - |

【Explanation of policy cost trends】

- Policy costs of JR TT (Construction Account) had been generated through interest subsidies from the government to mitigate costs for the transfer of private railway lines. Under the estimates at interest rates set between FY2008 and FY2016, no interest subsidies were estimated for the future, with no policy cost generated.
- Regarding additional FILP measures under the second supplementary budget for FY2016, the government built on the Economic Measures for Realizing Investment for the Future (Cabinet Decision on August 2, 2016) to utilize low-interest FILP loans for the construction of new Shinkansen lines and subject the Shinkansen project to the policy cost analysis in FY2017. In FY2021, policy costs involving subsidies declined on progress in Shinkansen line construction.

【FILP agency's self-assessment of policy cost analysis results (FY2021)】

- As the shinkansen bullet train railway construction made smooth progress, the policy cost in the FY2021 analysis decreased by 80.1 billion yen from the previous year to 764.3 billion yen. The decrease reflected a fall in subsidies in FY2020 accompanying a change in the analysis period, exerting little impact on financial soundness.
- In the sensitivity analysis (case before the negative interest rate policy), the policy cost decreased by 2.5 billion yen from the basic case due to a change in the discount factor, exerting little impact on financial soundness.
- The results of the sensitivity analysis (case of a 1% decrease in operating revenues) showed no change in the policy cost compared with the basic case. This is because the amount of subsidies for the new Shinkansen line projects is fixed. Therefore, the impact on financial soundness is minimal.

(Reference) Financial Statements

Balance Sheet (Construction Account)

(Unit: million yen)

| Item | End of FY2019 (Result) | End of FY2020 (Estimated) | End of FY2021 (Planned) | Item | End of FY2019 (Result) | End of FY2020 (Estimated) | End of FY2021 (Planned) |
|---|---------------------------|------------------------------|----------------------------|---|---------------------------|------------------------------|----------------------------|
| (Assets) | | | | (Liabilities and equity) | | | |
| Current assets | 1,875,743 | 1,477,898 | 1,507,261 | Current liabilities | 329,943 | 323,429 | 412,280 |
| Cash and bank deposits | 511,819 | 407,176 | 466,925 | Deposited subsidies | 4,777 | - | - |
| Securities | 210,900 | - | - | Short-term borrowings | 94 | 587 | 56,622 |
| Installment sales receivables | 1,081,890 | 1,017,884 | 957,413 | Japan Railway Construction, Transport and Technology Agency | 74,000 | 70,500 | 100,000 |
| Disbursements for uncompleted construction | 26,146 | 50,627 | 80,741 | bonds to be redeemed within one year | - | 0 | - |
| Accrued income | 192 | 390 | 454 | Discount on bonds to be written off within one year | - | 0 | - |
| Accounts receivable | 40,630 | 1,821 | 1,728 | Long-term debts payable to be repaid within a year | 134,134 | 115,416 | 97,871 |
| Other current assets | 4,165 | - | - | Long-term loans from other accounts to be repaid within a year | 23,820 | 20,375 | 15,392 |
| Fixed assets | 6,415,233 | 6,860,410 | 7,210,947 | Lease obligations planned for payment within 1 year | 81 | 86 | - |
| Tangible fixed assets | 6,217,510 | 6,665,804 | 7,019,102 | Accrued payments | 52,889 | 50,114 | 45,925 |
| Buildings | 165,440 | 156,501 | 148,487 | Accrued expenses | 1,963 | 1,935 | 2,007 |
| Structures | 3,542,062 | 3,406,233 | 3,262,060 | Advances received | 9,852 | 9,782 | 9,714 |
| Machinery and equipment | 160,121 | 149,791 | 132,364 | Advance received for entrusted business | 27,191 | 51,612 | 81,726 |
| Tools furniture and fixtures | 147 | 189 | 191 | Reserves | | | |
| Land | 768,079 | 783,426 | 782,835 | Reserve for bonuses | 803 | 970 | 970 |
| Leasing assets | 143 | 72 | - | Asset retirement obligations scheduled to be fulfilled within one year | 34 | - | - |
| Construction in progress | 1,581,518 | 2,169,592 | 2,693,165 | Other current liabilities | 305 | 2,053 | 2,053 |
| Intangible fixed assets | 147,054 | 141,518 | 135,412 | Fixed liabilities | 7,121,274 | 7,141,568 | 7,413,041 |
| Perpetual lease | 57,549 | 57,549 | 57,549 | Asset collateral liabilities | 4,526,102 | 4,644,417 | 4,741,414 |
| Software | 43 | 67 | 206 | Asset collateral subsidies | 3,044,783 | 2,922,637 | 2,788,498 |
| Facilities usage rights | 89,436 | 83,875 | 77,631 | Asset collateral expenses | 42,429 | 40,822 | 36,426 |
| Other intangible fixed assets | 26 | 26 | 26 | Collateral subsidies for construction in progress | 804,177 | 999,335 | 1,183,007 |
| Investment and other assets | 50,668 | 53,089 | 56,433 | Collateral expenses for construction in progress | 1,743 | 162 | 542 |
| Shares in affiliates | - | 3,390 | 6,790 | Shinkansen asset collateral liabilities | 632,970 | 681,461 | 732,940 |
| Long-term accounts due | 43,226 | 41,717 | 40,208 | Japan Railway Construction Transport and Technology Agency bonds | 907,600 | 938,700 | 920,700 |
| Expected value of receivable loan fees | 617 | 591 | 564 | Discount on bond | 0 | - | - |
| Return for provisions for retirement allowances in Article 11-2 of the Ministry of Finance Ordinance on the Japan Railway Construction, Transport and Technology Agency | 6,318 | 6,735 | 6,973 | Long-term loans payable | 1,198,045 | 1,110,414 | 1,335,970 |
| Funds transferred into the account for regional public transportation, etc. | - | - | 1,000 | Long-term loans of other accounts | 46,413 | 26,039 | 10,647 |
| Security deposit and guarantee | 507 | 656 | 898 | Lease obligations | 86 | - | - |
| | | | | Long-term advances received | 170,523 | 160,741 | 151,027 |
| | | | | Reserves | | | |
| | | | | Reserve for retirement pensions | 15,346 | 15,772 | 16,315 |
| | | | | Collateral account for continuing debt | 255,410 | 245,486 | 236,968 |
| | | | | Other fixed liabilities | 1,749 | - | - |
| | | | | Reserves based on law | | | |
| | | | | Reserves for adjustments on leased assets | 161,429 | 177,917 | 194,757 |
| | | | | (Total liabilities) | 7,612,645 | 7,642,914 | 8,020,078 |
| | | | | Capital | | | |
| | | | | Financing by the Government | 51,508 | 54,898 | 58,298 |
| | | | | Capital surplus | 613,385 | 626,844 | 626,106 |
| | | | | Capital surplus | 629,421 | 643,751 | 643,756 |
| | | | | Other administrative costs accumulated | - 16,036 | - 16,907 | - 17,650 |
| | | | | Amount equivalent to accumulated depreciation cost (-) | - 15,291 | - 15,951 | - 16,670 |
| | | | | Amount equivalent to accumulated impairment loss (-) | - 4 | - 4 | - 0 |
| | | | | Amount equivalent to accumulated net gains or losses on sale or disposal (-) | - 741 | - 952 | - 980 |
| | | | | Retained earnings | 13,438 | 13,652 | 13,726 |
| | | | | Reserve carried forward during former medium-term target period | 12,361 | 12,361 | 12,361 |
| | | | | Reserve fund | 381 | 1,077 | 1,290 |
| | | | | Unappropriated retained earnings or undisposed losses for the period | 696 | 214 | 74 |
| | | | | (Of this, gross profit or loss) | 696 | 214 | 74 |
| | | | | (Total equity) | 678,331 | 695,394 | 698,129 |
| Total assets | 8,290,976 | 8,338,309 | 8,718,208 | Total liabilities and equity | 8,290,976 | 8,338,309 | 8,718,208 |

Notes 1. The balance sheet includes costs for projects other than those subject to the policy cost analysis.

2. Components may not add up to the total because of rounding.

Income Statement (Construction Account)

(Unit: million yen)

| Item | End of FY2019 (Result) | End of FY2020 (Estimated) | End of FY2021 (Planned) | Item | End of FY2019 (Result) | End of FY2020 (Estimated) | End of FY2021 (Planned) |
|--------------------------------------|---------------------------|------------------------------|----------------------------|---|---------------------------|------------------------------|----------------------------|
| (Losses) | | | | (Profits) | | | |
| Ordinary expenses | 361,216 | 352,153 | 349,590 | Ordinary income | 361,674 | 352,367 | 349,664 |
| Construction administrative expenses | 351,439 | 341,804 | 341,187 | Railway facility transfer revenue | 78,353 | 71,106 | 66,224 |
| General and administrative expenses | 1,401 | 1,305 | 1,328 | Railway facility lease revenue | 115,538 | 115,508 | 118,601 |
| Finance expenses | 8,107 | 8,462 | 6,997 | Revenues from overseas operations | 146 | 172 | 77 |
| Miscellaneous losses | 269 | 582 | 78 | Revenue from cargo adjustment project | 13,131 | 11,581 | 14,425 |
| Temporary losses | 1 | - | - | Revenue from entrusted business | 652 | 1,763 | 1,356 |
| Loss on retirement of fixed assets | 1 | - | - | Revenue from financial assistance for railway improvement projects | 50 | 39 | 25 |
| Loss on sale of fixed assets | 0 | - | - | Reversal of asset collateral subsidies | 138,231 | 136,753 | 135,758 |
| Net profit or loss (-) | 696 | 214 | 74 | Reversal of asset collateral expenses | 4,379 | 4,371 | 4,395 |
| Gross profit or loss (-) | 696 | 214 | 74 | Reversal of collateral subsidies for construction in progress | 231 | - | - |
| | | | | Reversal of collateral account for continuing debt | 10,366 | 9,924 | 8,518 |
| | | | | Financial income | 21 | 13 | 4 |
| | | | | Miscellaneous income | 575 | 1,137 | 281 |
| | | | | Temporary profits | 240 | - | - |
| | | | | Gain on sales of fixed assets | 240 | - | - |
| Total | 361,914 | 352,367 | 349,664 | Total | 361,914 | 352,367 | 349,664 |

Notes 1. The income statement includes costs for projects other than those subject to the policy cost analysis.

2. Components may not add up to the total because of rounding.