

Supplemental Tables for Takero Doi and Takeo Hoshi “Paying for the FILP”

September 1, 2002

Supplemental Table 1
FILP Loans, Government-Guaranteed Bonds, and Total FILP Funds, 31 March 2001
(billion yen)

TFB Loans	Postal Life Loans	Total FILP Loans	GGB ¹	Total FILP Funds ²	Borrower and number in category
7,279	0	7,279	0	7,279	<i>Central Government</i> General Account (JNR loans) ³
345	0	345	0	345	<i>Special Accounts (SA) (10):</i> SA for National Hospital
671	0	671	0	671	SA for Lending Urban Development Funds
944	0	944	0	944	SA for Consolidation of Specific Natl Property *
1,037	0	1,037	0	1,037	SA for National Schools *
1,067	0	1,067	0	1,067	SA for Government-Operated Land Improvement Projects *
910	0	910	0	910	SA for National Forest Service
14	0	14	0	14	Road Improvement SA *
0	304	304	0	304	Postal Services SA
1,007	0	1,007	0	1,007	SA for Airport Development *
57,350	0	57,350	0	57,350	Postal Savings SA ⁴
73,348	1,401	74,749	602	75,351	<i>Government Financial Institutions (8):</i> Government Housing Loan Corp
8,071	2,066	10,137	100	10,237	National Life Finance Corp
2,674	2,722	5,397	1740	7,137	Japan Finance Corp for Small Business
3,422	134	3,556	0	3,556	Agriculture, Forestry & Fisheries Finance Corp
0	0	0	16,341	16,341	Japan Finance Corp for Municipal Enterprises
1,412	207	1,618	0	1,618	Okinawa Development Finance Corp
14,064	859	14,923	220	15,143	Development Bank of Japan
12,385	430	12,815	25	12,840	Japan Bank for International Cooperation
11,381	2,708	14,088	704	14,792	<i>Special Public Corps (SPCs) (27):</i> Urban Development Corp
35,967	0	35,967	0	35,967	Pension Welfare Service Public Corp
71	25	96	0	96	Employment and Human Resources Development Org
374	18	392	0	392	Japan Environment Corp
287	145	432	0	432	Teito Rapid Transit Authority

293	202	496	1	497	Japan Regional Development Corp
106	9	115	0	115	Japan Sewage Works Agency
2,699	0	2,699	40	2,739	Social Welfare and Medical Service Corp
27	0	27	0	27	Labor Welfare Corp
0	0	^a 2	0	2	Org for Pharmaceutical Safety & Research
202	114	316	0	316	Promotion & Mutual Aid Corp for Private Schools of Japan
661	0	661	0	661	Japan Scholarship Foundation
118	36	154	0	154	Japan Small and Medium Enterprise Corp
475	0	475	0	475	Japan Green Resources Corp
0	0	^a 6	0	6	Bio-oriented Technology Research Advancement Inst
9,437	10,562	20,000	1,665	21,665	Japan Highway Public Corp
1,543	2,326	3,868	208	4,076	Metropolitan Expressway Public Corp
1,340	1,969	3,309	82	3,391	Hanshin Expressway Public Corp
846	1,169	2,016	125	2,141	Honshu-Shikoku Bridge Authority
926	161	1,087	471	1,558	Japan Railway Construction Public Corp
112	230	342	0	342	New Tokyo International Airport Authority
2,925	119	3,044	524	3,568	Corp for Advanced Transport and Technology
1,012	306	1,318	50	1,368	Water Resources Development Public Corp
40	0	40	0	40	Metal Mining Agency of Japan
476	54	530	153	683	Japan National Oil Corp
0	0	^a 23	0	23	Japan Key Technology Center
0	15,472	15,472	0	15,472	Postal Life Insurance Welfare Corp
<i>Special Firms (11):</i>					
311	0	311	0	311	Shoko Chukin Bank
0	0	0	474	474	Trans-Tokyo Bay Highway Corp *
0	0	0	5	5	Japan Airlines Co, Ltd
0	0	0	335	335	Kansai International Airport Co, Ltd
0	0	0	103	103	Central Japan International Airport Co, Ltd
4	11	15	47	62	East Japan Railway Co
5	14	18	0	18	Central Japan Railway Co
4	11	15	0	15	West Japan Railway Co
12	0	12	0	12	Japan Freight Railway Co
0	0	0	14	14	Org for Promoting Urban Development
924	223	1,147	551	1,698	Electric Power Development Co
<i>Local Governments:</i>					
69,618	17,652	87,270	0	87,270	Local Governments

328,194	61,658	^a 389,883	24,579	414,462	Total, gross
270,844	61,658	^a 332,533	24,579	357,112	Total, net ⁴

* Do not publish balance sheets regularly, and so are excluded from analysis.

1 GGB are government-guaranteed bonds.

2 Figures here differ from the source because it includes ¥3,352 billion of capital contributed by the government through the IISA. Here only loans are reported; government capital is in Appendix Table 1.

3 TFB loans to the former Japan National Railroad (JNR) and former JNR Settlement Corp (JNRSC), which the government assumed. Unlike other loans to the general account, these are included in the formal FILP Plan.

4 Funds the TFB has loaned back to the postal savings system for it to invest directly. These are excluded from the net total.

a Includes Industrial Investment Special Account (IISA) loans. These total ¥31 billion to 3 FILP agencies.

Sources: FILP Report 2001, p 42-43, and *Zaisei Kin'yu Tokei Geppo* (Ministry of Finance Statistics Monthly), Jul 2001.

Supplemental Table 2
Capital of FILP Agencies, 31 March 2001
(billion yen and percents)

Capital on:			
Original Balance Sheet ¹	Adminis- trative Statement ²	Capital Ratio (%) ³	
			<i>Central Government</i>
			<i>Special Accounts:</i>
1385.5	-	59.4	SA for National Hospital ⁴
214.5	-	40.0	SA for Lending Urban Development Funds
7046.2	-	82.4	SA for Consolidation of Specific Natl Property
4497.2	-	51.1	Postal Savings SA ⁴
			<i>Government Financial Institutions:</i>
-174.6	-188.8	-0.2	Government Housing Loan Corp ⁴
321.9	-180.1	-1.7	National Life Finance Corp
410.9	155.2	2.1	Japan Finance Corp for Small Business
311.1	244.8	6.2	Agriculture, Forestry & Fisheries Finance Corp
16.6	1324.7	5.3	Japan Finance Corp for Municipal Enterprises
64.8	49.3	2.8	Okinawa Development Finance Corp
1977.1	1616.2	8.6	Development Bank of Japan
7773.7	7338.2	31.7	Japan Bank for International Cooperation
			<i>Special Public Corps:</i>
598.4	417.4	2.4	Urban Development Corp
-1044.4	-819.8	-2.3	Pension Welfare Service Public Corp
1597.9	1508.9	63.9	Employment and Human Resources Development Org
19.8	-15.8	-4.0	Japan Environment Corp
107.7	-	8.3	Teito Rapid Transit Authority
147.6	134.8	18.0	Japan Regional Development Corp
-16.0	-7.4	-2.3	Japan Sewage Works Agency
303.4	297.8	9.6	Social Welfare and Medical Service Corp
551.2	351.2	62.3	Labor Welfare Corp
43.7	21.6	60.1	Org for Pharmaceutical Safety & Research
-1540.4	3315.2	79.0	Promotion & Mutual Aid Corp. for Private Schools ... ⁵
8369.2	-77.8	-3.3	Japan Scholarship Foundation
1162.2	1148.8	11.9	Japan Small and Medium Enterprise Corp
684.9	686.1	44.5	Japan Green Resources Corp
127.5	107.4	64.6	Japan Intl Cooperation Agency
46.5	75.7	69.8	Bio-oriented Technology Research Advancement Inst
2012.9	6109.1	18.2	Japan Highway Public Corp
597.6	994.8	16.9	Metropolitan Expressway Public Corp
470.2	187.1	4.7	Hanshin Expressway Public Corp
-233.5	-623.0	-17.3	Honshu-Shikoku Bridge Authority
233.7	-645.8	-6.3	Japan Railway Construction Public Corp
279.6	282.9	32.2	New Tokyo International Airport Authority
970.2	962.8	12.3	Corp for Advanced Transport and Technology
178.8	166.9	83.9	Telecommunications Advancement Org of Japan
49.3	42.3	0.9	Water Resources Development Public Corp
10.9	10.9	27.7	Fund for Promotion & Development of the Amami Isles
26.9	25.5	34.2	Metal Mining Agency of Japan
1215.2	1474.9	36.6	Japan National Oil Corp

187.5	163.5	82.5	Japan Science & Technology Corp
239.8	55.7	66.0	Information-Technology Promotion Agency
290.1	47.8	66.8	Japan Key Technology Center
105.6	100.0	96.7	Industrial Structure Improvement Fund
282.2	12.8	77.8	New Energy & Industrial Technology Development
397.4	-3489.0	-14.3	Postal Life Insurance Welfare Corp
<i>Special Firms:</i>			
608.5	-	4.2	Shoko Chukin Bank
..	Trans-Tokyo Bay Highway Corp ⁶ *
267.7	-	14.9	Japan Airlines Co, Ltd *
419.1	-	26.2	Kansai International Airport Co, Ltd
32.6	-	18.2	Central Japan International Airport Co, Ltd *
952.6	-	13.1	East Japan Railway Co *
634.5	-	10.7	Central Japan Railway Co *
429.8	-	16.7	West Japan Railway Co *
41.8	-	13.5	Japan Fright Railway Co *
26.3	-	1.9	Org for Promoting Urban Development *
130.6	-	5.5	Electric Power Development Co

The government's share of original capital is reported on Appendix Table 2.

* None of the capital contributed directly by the government.

1 Original balance sheets use accounting standards for public corporations.

2 Administrative cost statements use standards for private sector firms.

3 Ratio of capital to total assets reported on the administrative cost statement (or, for corporations that did not file administrative cost statements, the original balance sheet).

4 Capital is adjusted by subtracting cumulative losses that are counted as assets.

5 Promotion and Mutual Aid Corp for Private Schools of Japan. Because the corporation is not supposed to run a profit, on its original balance sheet it has added to reserves for future pension payments what would in the private sector be considered profit. On the administrative cost statement, this reserve (about ¥4.7 trillion) is reclassified as capital.

6 Data are not available.

Sources: *Zaisei Kin'yu Tokei Geppo* (Ministry of Finance Statistics Monthly), Jul 2001 and the administrative costs statements of each agency.

Supplemental Table 3
Bad Loans of FILP Agencies, 31 March 2001
(billion yen and percents)

Bad Loans		Loan Loss Reserve		
in yen ¹	as % total	in yen	as % of bad loans ²	
1397.8	1.8	41.1	2.9	<i>Government Financial Institutions:</i>
940.3	8.7	439.4	46.7	Government Housing Loan Corp
432.7	5.7	253.4	58.6	National Life Finance Corp
193.6	5.1	44.1	22.8	Japan Finance Corp for Small Business
156.1	9.2	21.6	13.8	Agriculture, Forestry & Fisheries Finance Corp
616.2	3.5	342.9	55.6	Okinawa Development Finance Corp
809.2	3.7	528.0	65.2	Development Bank of Japan
				Japan Bank for International Cooperation
				<i>Special Public Corps:</i>
43.6	2.2	3.3	7.6	Urban Development Corp
44.8	0.5	15.2	33.9	Pension Welfare Service Public Corp
17.0	2.6	6.9	40.6	Employment and Human Resources Development Org
22.8*	6.2	33.0	144.7	Japan Environment Corp
10.5*	9.0	5.3	50.5	Japan Regional Development Corp
21.8	0.8	5.0	22.9	Social Welfare and Medical Service Corp
2.3	3.0	36.4	1582.6	Labor Welfare Corp
7.8	0.9	2.5	32.1	Promotion & Mutual Aid Corp for Private Schools of Japan
72.2	3.0	62.5	86.6	Japan Scholarship Foundation
131.9*	8.1	156.4	118.6	Japan Small and Medium Enterprise Corp
0.5	23.8	0.4	80.0	Japan Green Resources Corp
5.2	67.6	0.5	9.6	Japan International Cooperation Agency
0.022	0.4	0.024	109.1	Bio-oriented Technology Research Advancement Inst
0.9	0.05	0.9	100.0	Japan Railway Construction Public Corp
11.5	3.9	4.8	41.7	Corp for Advanced Transport and Technology
4.3	31.2	0.014	0.3	Fund for Promotion & Development of Amami Isles
1.7	9.4	0.2	11.8	Metal Mining Agency of Japan
120.2	43.9	20.0	16.6	Japan National Oil Corp
				<i>Special Firm:</i>
533.9	4.9	464.6	87.0	Shoko Chukin Bank

5598.8	3.2	-	-	Total for all agencies
5440.9	-	2261.7	41.6	Total for under-reserved agencies

FILP agencies not listed in this table do not have any loans to other corporations or do not disclose non-performing loans.

1 For the government financial institutions and Shoko Chukin Bank, entries are for risk-management loans. SPCs are allowed to use a less strict definition. For them, the figures show amounts of loans past-due 6 months or more or loans to bankrupt entities that they report with their balance sheets.

2 An entry under 100% means the agency is under-reserved. The absolute amount is given in Appendix Table

1. Only 5 of the 26 agencies listed have reserves equal to or in excess of their bad loans.

* The administrative cost statements of Japan Environment Corp, Japan Regional Development Corp, and Japan Small and Medium Enterprise Corp do not have any reference to non-performing loans. However, their original financial statements do, so data are taken from there.

Sources: Administrative cost statements of the agencies, except as noted by *.

Supplemental Table 4
Over-Valuation of Business Assets held by FILP Agencies, 31 March 2001
(billion yen and percents)

Asset Values:				
Original ¹	ACS ²	As re-valued	Over valuation (%) ³	
16,959	16,624	15,425	7.8	Urban Development Corp
257	252	87	189.9	Japan Environment Corp
1,232	-	1,189	3.6	Teito Rapid Transit Authority
151	162	125	29.6	Japan Sewage Works Agency
38,532	32,808	28,363	15.7	Japan Highway Public Corp
6,754	5,827	4,720	23.5	Metropolitan Expressway Public Corp
4,790	3,954	3,478	13.7	Hanshin Expressway Public Corp
3,946	3,538	2,890	22.4	Honshu-Shikoku Bridge Authority
5,362	5,335	2,782	91.8	Japan Railway Construction Public Corp
824	825	606	36.1	New Tokyo International Airport Authority
3,638	3,638	3,174	14.6	Water Resources Development Public Corp
2,215	-	2,478	-10.6	Electric Power Development Co

Only agencies reporting significant physical assets have been revalued. We are unable to revalue two agencies (Japan Regional Development Corporation and Japan Green Resources Corporation) because changes in accounting rules in 1986 prevent a consistent time series.

1 Asset values reported in original balance sheets.

2 Asset values reported in administrative cost statements.

3 Difference between revalued assets and amount reported in the administrative cost statement as a percentage of the revalued assets, except for Teito Rapid Transit Authority and Electric Power Development Company. They are believed to have been publishing balance sheets comparable to those of private sector companies, and hence are not required to file administrative cost statements. Therefore, their original balance sheets are used. Absolute amounts are in Appendix Table 1 column 2.

Source: Authors' calculation based on the data published in *Zaisei Kin'yu Tokei Geppo* (Ministry of Finance Statistics Monthly), various issues, and the administrative cost statement of each agency. Supplemental Appendix A describes the revaluation method in detail and discusses the depreciation rates and land price series used for each corporation. It is available elsewhere on this web site.

Supplemental Table 5
Secondary Market Yield Spreads on FILP Agency Bonds (Percents)

Bond (Date of Maturity)	Date							
	5/31 2002	5/1 2002	4/1 2002	3/1 2002	2/1 2002	1/4 2002	12/3 2001	11/1 2001
National Life Finance Corporation	0.181							
Agriculture, Forestry & Fisheries Finance Co. 1 (3/20/07)	0.476	0.525	0.500	0.257				
Japan Finance Co. for Municipal Enterprises 1 (12/26/11)	0.148	0.154	0.172	0.120				
Development Bank of Japan 1 (9/20/06)	0.124	0.133	0.155	0.132	0.118	0.122	0.157	0.133
Development Bank of Japan 2 (3/20/07)	0.132	0.130	0.149	0.110				
Development Bank of Japan 3 (6/20/07)	0.121	0.125						
Japan Bank for International Cooperation 1 (9/20/06)	0.116	0.128	0.171	0.118	0.081	0.095	0.083	0.101
Japan Bank for International Cooperation 2 (9/20/11)	0.132	0.141	0.166	0.115	0.109	0.104	0.098	0.103
Japan Bank for International Cooperation 3 (3/20/07)	0.119	0.114						
Japan Bank for International Cooperation 4 (3/20/12)	0.138	0.141						
Urban Development Corporation 1 (3/18/05)	0.777	0.817	0.786					
Japan Regional Development Corporation 1 (3/28/05)	0.818	0.814	0.803					
Social Welfare & Medical Service Corp. 1 (2/18/05)	0.557	0.583	0.506	0.305				
Promotion Corp. for Private Schools 1 (11/21/11)	0.629	0.582	0.535	0.273	0.226	0.205	0.202	
Japan Scholarship Foundation 1 (12/5/11)	0.689	0.592	0.543	0.289	0.258	0.244		
Japan Highway Public Corporation 1 (3/20/07)	0.686	0.721	0.593	0.391				
Japan Highway Public Corporation 2 (12/20/11)	0.740	0.747	0.688	0.439				
Japan Highway Public Corporation 3 (6/20/07)	0.727	0.798						
Japan Highway Public Corporation 4 (3/20/12)	0.791	0.845						
Metropolitan Expressway Public Corporation 1 (6/20/07)	0.778							
Metropolitan Expressway Public Corporation 2 (3/20/12)	0.812							
Hanshin Expressway Public Corporation 1 (3/20/07)	0.728	0.732	0.647	0.548				
Hanshin Expressway Public Corporation 2 (12/20/11)	0.773	0.783	0.741	0.570				
Japan Railway Construction Pub. Corp. 1 (12/20/11)	0.689	0.639	0.666	0.333	0.222	0.207		
New Tokyo Int'l Airport Authority 1 (9/22/11)	0.686	0.662	0.614	0.387	0.329	0.317	0.306	0.316
New Tokyo Int'l Airport Authority 2 (12/13/11)	0.717	0.663	0.600	0.389	0.337	0.325		
Corp. for Adv'd Transport & Tech. 1 (12/20/05)	0.594	0.568	0.479	0.264	0.217	0.220	0.205	
Water Resource Development Corp. 1 (9/20/11)	0.666	0.615	0.566	0.271	0.200	0.203		

Source: Japan Securities Dealers Association, *Kōshasai Kijun Kehai (Member Quotation of Bond Prices)* (<http://www.jsda.or.jp>).

Notes: The date at the top of each column shows the date when the quotations were published. The spread is the difference between the compound yields of the bond and a long-term JGB (Japanese Government Bonds) with a comparable maturity. When there are more than one JGBs with the same maturity, the yield was calculated as the simple average of their compound yields. When we cannot find any long-term JGB that matures within a month before or after the FILP agency bond matures, we took the weighted average of the yields of bonds with two closest maturing dates.

