

Japan Railway Construction, Transport and Technology Agency (JR TT)

Sustainability Finance

February 2019



JR TT



Japan Railway Construction, Transport and Technology Agency

Overview of JR TT



**Japan Railway Construction, Transport and Technology Agency (JR TT) was founded in October 2003 by integrating the Japan Railway Construction Public Corporation (JRCC) and the Corporation for Advanced Transport & Technology (CATT).
Currently, JR TT is wholly owned by the Japanese government**

Name	Japan Railway Construction, Transport and Technology Agency (JR TT)
Competent minister	Minister of Land, Infrastructure and Transportation
Date of foundation	October 1, 2003 Established by integrating the Japan Railway Construction Public Corporation (JRCC) and the Corporation for Advanced Transport and Technology (CATT) * Basis law: Act on the Japan Railway Construction, Transport and Technology Agency (Act No. 180 of Dec. 2002)
Capital stock	115,371,159,986 JPY (as of April 1, 2018) * JR TT is wholly owned by the Japanese government
No. of employees	Officers:13, Staff members:1,586 (as of April 1, 2018)

JR TT has established a Basic Philosophy, with an aim to achieve the objectives stipulated in its governing law through shared understanding and collaborative efforts of its employees

Corporate Principle

- Contribute to Build Tomorrow's Transportation Networks.
 - ✓ We contribute to build safe, secure, eco-friendly transportation networks
 - ✓ Our transportation network building helps improve people's lives and further develop economies and societies.
 - ✓ In the course of building transportation networks, we use our reliable technical capacity, abundant experience, and advances expertise to the fullest

JRTT is the sole incorporated administrative agency that develops and supports railway and ship transport networks, operating the five key business accounts

Railway Construction and Leasing



(Construction account)

Joint Ownership Shipbuilding



(Maritime account)

Settlement of JNR



(Special operation account)

Investments in Local Public Transportation



(Local public transportation account)

Railway Development Supports



(Subsidy account)

* Photo supplied by JR Tokai

■ Nominated project and asset for sustainability Finance

(Construction account)






- Railway Construction and Leasing

(Maritime account)

- Joint Ownership Shipbuilding

JRTT has developed its Sustainability Finance framework by taking into account the 4 core elements (1 to 4 below) required by various international standards*1

- “Sustainability Finance” refers to financing schemes such as bonds and loans that contribute to environmental improvement (green feature) and social benefit (social feature).
- JRTT has obtained an independent verification assessment from DNV GL to ensure transparency of the framework and acquired programmatic certification*2 from Climate Bonds Initiative (CBI), an international NGO that promotes large-scale investments toward a low-carbon economy.

<h3>1 Use of Proceed</h3> <ul style="list-style-type: none"> ■ All the proceeds from Sustainability Finance will be used to finance and/or refinance to the projects in the “Railway Construction Business (Construction account)” and the “Joint Ownership Shipbuilding Business (Maritime account).” ■ Through the two business segments, JRTT aims to contribute to the achievement of the UN’s Sustainable Development Goals (SDGs). 	<p><u>Goals to which both businesses contribute</u></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>9 産業と技術革新の基盤をつくろう</p> </div> <div style="text-align: center;">  <p>11 住み続けられるまちづくりを</p> </div> <div style="text-align: center;">  <p>13 気候変動に具体的な対策を</p> </div> </div> <p><u>Goals to which “Joint Ownership Shipbuilding” contribute</u></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>8 働きがいも経済成長も</p> </div> <div style="text-align: center;">  <p>14 海の豊かさを守ろう</p> </div> </div>
<h3>3 Management of Proceeds</h3> <ul style="list-style-type: none"> ■ Appropriateness of accounting treatment and use of proceeds are periodically checked and confirmed in accounting/ operational audits by the Board of Audit of Japan and auditing firms. ■ JRTT organizes separate into five accounts according to operation. As funds for each project are managed separately, the proceeds from the Sustainability Finance will not be allocated to other projects. 	<h3>2 Process for Project Evaluation and Selection</h3> <ul style="list-style-type: none"> ■ As the government policy measures on transport/infrastructure, JRTT’s projects are evaluated and selected with external institutions having expertise in environmental and other issues. ■ Additionally, projects are examined by each business division of JRTT from the viewpoint of environmental improvement (CO₂ emission reduction, etc.).
	<h3>4 Reporting</h3> <ul style="list-style-type: none"> ■ JRTT discloses actual expenditures of each project in its annual business reports on the website. Major changes in the situation are evaluated by the project evaluation committee made up of external experts for the evaluation results to be disclosed. ■ In addition, JRTT plans to annually disclose information such as use of proceeds and performance indicators on environmental and social benefits.

*1 International standards : CBS (Climate Bonds Standard) defined by CBI, Green Bond Principles, Social Bond Principles, and Sustainability Bond Guideline defined by ICMA (International Capital Market Association) etc.
 *2 Programmatic certification : This system enables issuers to issue multiple certified bonds with a single certification. JRTT has obtained CBI certification for the first in Japanese domestic market. According to CBI statistics, about 14% of green bonds issued by major international financial institutions and non-financial companies in 2018 were certified by CBI,

**The proceeds will be used for the Railway Construction Business (Construction account)
and the Joint Ownership Shipbuilding Business (Maritime account)**

1 Railway Construction Project

- In addition to Convenience Enhancement Project for Urban Railway Project, JRJT is involved in the construction of Main line and Urban transportation lines, Private railways and City railway.
- The raised funds will be used for construction or refinancing (This plan is as of January 2019 (No. of routes to be financed through debt financing: 18 routes with route extension distance of 231.6km) and may change in the future).

2 Joint Ownership Shipbuilding Project

- JRJT's Joint Ownership Shipbuilding Business provides low cost long term financings and technical supports to domestic shipbuilding companies that construct passenger/freight ships.
- The proceeds will be used to finance or refinance shipbuilding projects (as of Feb., 2019, a total of 1,028 passenger ships with 1.038 million tons and a total of 3,022 cargo ships with 3.589 million tons).

* MLIT: Ministry of Land, Infrastructure and Transport

Nominated Project	Project outline
<p>Railway Construction Project</p> <ul style="list-style-type: none"> ■ Eligible category <ul style="list-style-type: none"> · Clean transportation · Essential and imperative transportation infrastructure · Low cost transportation and accessibility for various users 	<ul style="list-style-type: none"> · Public railway ; Railway Project under the Urban Railway Convenience Improvement Law : Projects to improve convenience and speed of urban railways (Eastern Kanagawa lines) · Public railway (Leased railway) : Construction projects to enhance transportation capacity in metropolis (Keiyo line etc.) · Public railway (Assigned railway) : Construction projects to enhance transportation capacity and mitigate traffic congestion during commuting time (Tobu Isezaki line, Minatomirai line, Odakyu Odawara line, Hokuso line, Seibu Yurakucho line, Tojo line, Seibu Ikebukuro line, Toyo Rapid line, Saitama Railway line, Rinkai line etc.) · Public railway (Railway Project under the Act on Special Measures concerning Integrated Promotion of Residential Land Development and Railway Construction in Major Urban Areas) : Construction projects to increase transportation capacity and reduce congestion (New Joban line(Tsukuba Express))
<p>Joint Ownership Shipbuilding</p> <ul style="list-style-type: none"> ■ Eligible category <ul style="list-style-type: none"> · Essential and imperative transportation infrastructure and convenience for various users · Efficient logistics · Enhancement of sea routes to remote island · Clean Transportation and Pollution Prevention/control 	<ul style="list-style-type: none"> · Logistics system improvement : Building large scale ships or enhancement of freight and operation efficiency · Environmental Conservation : Building ships for modal shift (Shift from truckload transportation to ship and railway transportation) which enable environmental improvements such as traffic congestion mitigation and CO₂ emission reduction · Measures for declining birthrate and aging population : Building barrier-free ships addressing the aging society · Measures for remote island routes : Building ships to provide essential transportation to remote island citizens to secure safety and stable transport services

JRTT sets a clear goal for environmental/social contributions and evaluates and selects projects in consultation with external institutions having expertise in environmental and other issues

1 Project Selection

- As the government's transport/infrastructure policy measures, JRTT's projects are evaluated and selected with external institutions having expertise in environmental and other issues. Additionally, projects are examined by each business division of JRTT from the viewpoint of environmental improvement (CO₂ reduction, etc.).
- In the case of financing through sustainability finance, Finance and Fund Planning Department determines the eligibility of the framework.
- By referring to the standards described below, JRTT has confirmed that its Sustainability Finance framework can encompass JRTT's other debt financing instruments (Sustainability Loans, etc.) in addition to the Sustainability Bonds.

Standards that JRTT referred to for verifying the consistency in the framework

International standard that JRTT referred to

- Climate Bonds Standard version 2.1
- Green Bond Principles (2018)
- Social Bond Principles (2018)
- Sustainability Bond Guidelines (2018)
- Green Bond Guidelines (Ministry of Environment, Japan 2017)
- Green Loan Principles (2018)
- A High-Level Mapping to the Sustainable Development Goals (2018)

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2 Environmental Policy

Basic Environmental Policy

- JRTT's mission is to provide smooth land and maritime transport, thereby contributing to the healthy development of the national economy and improving the lifestyles of Japanese people. To fulfill this mission, JRTT strives to contribute to society by proactively engaging in efforts to conserve the global environment and creating a transportation network for the future that seamlessly coexists with the abundant and beautiful natural environment.
 1. We strive to mitigate the environmental burden created in all areas of our business activity, including railway construction, assistance for promoting the improvement of transportation infrastructure by railway companies, maritime transport companies and others, along with other support.
 2. We observe laws and regulations regarding environmental conservation as well as self-imposed standards.
 3. We contribute to regional communities by actively participating in local environmental conservation activities.

The 4th Environmental Action Plan (From FY2018 to FY2022)

- Based on its Basic Environmental Policy, JRTT has established the Environmental Action Plan to mitigate environmental impact of its business activities and office work. This action plan sets out JRTT's specific environmental initiatives in light of the achievement of its environmental improvement measures to date and the current deteriorating global environmental issues.

(Measures to mitigate environmental impact under the 4th Environmental action plan)

- i. Countermeasures for global warming, ii. Reduction of construction waste, iii. Proper treatment of waste water and soil caused by construction, iv. Conservation of biodiversity, v. Appropriate treatment of specified toxic substances when selling land and vi. Reduction of the environmental impact of office work

As a contractee in various projects, JRTT encourages each contractor to promote the above action plans i. through v. and sets a target and promotes specific initiatives for the action plan vi. concerning the office work related to the projects.

Management of Proceeds

Proceeds of bond issues are checked and confirmed by internal/external auditing organizations JRTT works to ensure transparency by disclosing audit results

- JRTT organizes separate into five accounts according to operation. Railway construction and Joint ownership shipbuilding are managed in the construction account and maritime account, respectively. Funds are separately managed for each projects.
 - JRTT can track the details of allocated funds (and the corresponding bond issuances) for each project by using a specific reporting form recording how much of the proceeds from each bond issuance have been allocated to the relevant projects. The balance of the allocated and unallocated funds is also controlled by a specific reporting form recording unallocated amount of each project.
- The settlement of accounts of JRTT must be approved annually by Ministry of Land, Infrastructure, Transport and Tourism (MLIT), the competent authority. The above settlement of accounts review procedure constitutes a part of JRTT's internal control process.

- Audit results are reported in the annual financial result announcement and disclosed on JRTT website



- The Board of Audit of Japan:** Organization that audits accounts of the State and institutions provided for by law and supervises adequate financial management (The Constitution of Japan (Article 90), the Board of Audit Act (Article 20))
- Accounting auditor (auditing firm):** An incorporated administrative agency must undergo external audit by an accounting auditor with regard to the financial statements, business reports and statement of accounts (Act on General Rules for Incorporated Administrative Agencies (Article 39))
- Auditor:** A post that investigates operations of an incorporated administrative agency and its officers/ employees for an internal audit. JRTT has three auditors (Act on General Rules for Incorporated Administrative Agencies (Article 18), the Japan Railway Construction, Transport and Technology Agency Act (Article 7))

鉄道・運輸機構
 サイトマップ 文字サイズ 小 中 大 検索
 機構案内 業務案内 調達情報 売却情報 IR情報 採用情報
 トップページ > 機構案内 > 平成29年度財務諸表
平成29年度 財務諸表
 財務諸表、事業報告書、決算報告書、およびそれらに関する各種書類を掲載しています。
平成29事業年度財務諸表
 平成29事業年度の財務諸表を掲載しています。法人単位と勘定別があります。
法人単位財務諸表
 法人単位財務諸表 (PDF: 1,269KB)
勘定別財務諸表
 建設勘定 (PDF: 988KB)
 海事勘定 (PDF: 3,400KB)
 地域公共交通通商勘定 (PDF: 2,200KB)
 助成勘定 (PDF: 457KB)
 特例業務勘定 (PDF: 577KB)
平成29事業年度事業報告書
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 平成29事業年度事業報告書 (PDF: 1,227KB)
平成29事業年度決算報告書
 平成29事業年度の決算報告書を掲載しています。
 平成29事業年度決算報告書 (PDF: 214KB)
監査報告及び会計監査報告
 平成29事業年度の財務諸表についての監査報告及び会計監査報告を掲載しています。
 監査報告及び会計監査報告 (PDF: 231KB)

JRTT plans to disclose the progress, expenditures and environmental/social benefits of each project on its website

1 Periodic Reports

- JRTT annually prepares the Project Report on project progress and financial results and the Environmental Report and discloses the reports on its website. JRTT continues to disclose these periodic reports on an annual basis. Additionally, any significant changes in the implementation plan of eligible projects will be disclosed as necessary.
- In addition to the above, JRTT will disclose and update reports on the Sustainability Bonds including allocations of proceeds post issuance on its website until redemption of each bonds based on its Sustainability Finance framework.

List of periodic reports

Summary of report

- Environmental report
- Annual business report
- Annual financial report
- Annual financial statements
- Project report
- Bond information report (corporate info., securities info.)

2 Reporting Index

- JRTT discloses information on major projects including the previously issued Green Bond projects in its Annual Business Report on the website, including cumulative and annual expenditures for each project.
- Amount of allocated proceeds and balance of unallocated proceeds will be reported for each bond issue compared with the original issue amount of the corresponding bonds. In addition, JRTT plans to disclose qualitative and quantitative performance indicators on the environmental and social benefits of each project to the extent possible.

Reporting items on environmental and social benefit (incl. external data)

Indicators to be reported

- CO₂ emission per transportation unit
- Information about shipbuilding in accordance with the government direction
- Number of passengers of eligible railway projects (main line)
- Project progress of each eligible project

Reporting items on the use of proceeds

Indicators to be reported

- Allocation of proceeds for the reported fiscal year
- Balance of unallocated proceeds
- Refinance share (%)

Consistency with SDGs



SDGs		JRTT sustainability finance contribution	
	<p>8.9 : By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products</p>	<ul style="list-style-type: none"> • Joint Ownership Shipbuilding 	<ul style="list-style-type: none"> • Domestic cruise ship alternative shipbuilding considering tourism vision based on tourism vision according to the government Direction
	<p>9.1 : Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p> <p>9.4 : By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>	<ul style="list-style-type: none"> • Railway Construction • Joint Ownership Shipbuilding 	<ul style="list-style-type: none"> • Contribution to MLIT plan 'Social capital development plan', strengthen international competition in metropolis and acceleration of global warming countermeasure.
	<p>11.2 : By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</p> <p>11.a : Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning</p>	<ul style="list-style-type: none"> • Railway Construction • Joint Ownership Shipbuilding 	<ul style="list-style-type: none"> • Providing safe and comfortable service to aged and disabilities people(barrier free transportation law) • Promoting smooth and convenient mobilization of inter-region, according to land transportation plan by MLIT*2
	<p>13.2 : Integrate climate change measures into national policies, strategies and planning</p> <p>13.3 : Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none"> • Railway Construction • Joint Ownership Shipbuilding 	<ul style="list-style-type: none"> • Improvement of the efficiency of transportation by modal connection based on the integrated logistics framework by MLIT • Contribution to MLIT environmental action plan 'Promotion of modal shift' and 'Promotion to R&D and application for marine segment (including integrated countermeasure for mitigating the pollution substance such as Sox)'
	<p>14.1 : By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p>	<ul style="list-style-type: none"> • Joint Ownership Shipbuilding 	<ul style="list-style-type: none"> • Marine pollution prevention shipbuilding to mitigate the environment load.

Contact Information



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