



## What is the Securitization of Asset-Backed Securities (ABS/ABB)?

Securitization begins with separating the ownership of an asset from the asset itself.

〈 In other words, it transforms assets that are difficult to trade or convert into cash into a tradable form. 〉

This process of converting such assets into securities is called 'securitization.'

- Current asset holder → Called an 'Originator')
  - Special Purpose Company (SPC) → A company established under the Asset Securitization Law to conduct asset liquidation
  - Asset-Backed Security (ABS) → A financial instrument backed by cash-generating assets
- Examples include: accounts receivable, lease receivables, auto loans, and medical service receivables.

### <Overseas Context>

In China, ABS (segmented by original asset type) is gaining attention.

A public-private partnership project was used as the underlying asset for the first ABS issuance in both the interbank and stock markets.

Total issuance reached CNY 28.6 billion (approx. JPY 5.72 trillion).

China is actively promoting regulated asset securitization.



ASIAN  
VENTURE  
INVESTMENT  
SUPPORT  
SOCIETY

## ① Comprehensive Scheme of New Banking Business

Establish project entities under umbrella organization

Securities Companies/Banks  
UK, Canada, Australia, USA,  
etc.

MINIMUM・¥ 10billion~  
(ABB&ABS)

Approval/Authorization  
from the International  
Monetary Fund (IMF)

Payment of issuance fees :  
Contract ・ Securities  
issuance using international  
standardized structure (ISO)  
with international codes

Submit collateral evaluation documents,  
pay issuance fees after  
contract

Overseas  
Banks

Our Corporate Entity  
Hong Kong & Japan

Appointment of  
asset management  
company

Securities company acquires banking  
license and necessary permits

Tokyo Investment Bank &  
Asset Management  
Company

Establishment of  
subsidiary project entities

Japanese Town  
Development  
Projects

Energy and  
Environmental Project

Agriculture

Medical and  
Pharmaceutical Project

Refinery and Mining

Coordination with local parties /  
Adjustment fund for desired country

Establishment of a new company  
after signing the consulting contract.

Issuance fees and related costs,  
contract/trust agreement with local  
financial authorities or banks  
(Country S, Country B)

In Japan  
(Market fundraising via Tokyo Stock Exchange)

(Additionally, procurement via companies introduced by consulting firms is possible.)

■ Project Consulting Business Arranger : Mr. Thomas, J Mason  
(Mr. Shinya Matsuyama)



## ② National Infrastructure Project Fundraising

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### Fundraising for Infrastructure Projects

Government-owned mines with prior drilling survey are re-evaluated by global standard survey firms.

After that, securitization is conducted (post-issuance repayment from bond yields and infrastructure project profits).

\*Note: Re-survey cost is required—can be completed for several billion yen.\*

Example: Projects worth several hundred billion yen in Mongolia have already been executed.

Types of Securities  
Asset-Backed Securities (ABS)  
Asset-Backed Bonds (ABB)

### **Concept and Process of Fundraising via Securitization:**

1. Securities are not issued by the asset holder (Originator) themselves.
2. By separating ownership from the asset, securities can be issued based on the asset's inherent value and creditworthiness.  
This also enables off-balance-sheet treatment.
3. Separation of asset and owner is a key feature of securitization.
4. The securities issued are called Asset-Backed Securities (ABS).
5. A separate Special Purpose Company (SPC) is established, to which the asset is sold.  
The SPC issues securities backed by the asset and sells them to investors to raise funds.

### **In this case, the asset underlying the ABB issued by Company K is:**

- Mineral resources (mining rights, exploration rights, concession rights)
- Minimum issuance amount: JPY 10 billion

This enables the raising of large-scale funding to replace ODA capital.

For listed companies pursuing infrastructure development across Asia, particularly new ventures independent of ODA funding, ABB (and ABS) provides the optimal financial instrument.