Financial Statements

1 General Account

Balance Sheet (as of March 31, 2011)

Assets

Ⅰ Current assets				
Cash and bank deposits		121,419,899,271		
Inventories				
Stored goods	448,220,780	448,220,780		
Advance payments		7,711,764,657		
Prepaid expenses		188,222,505		
Accrued income		27,950,702		
Accrued revenues		1,838,308,612		
Short-term loans of development investment and financing	509,010,810			
Allowance for possible loan losses	(10,068,724)	498,942,086		
Short-term loans of migration investment and financing	209,678,261			
Allowance for possible loan losses	(1,754,058)	207,924,203		
Consignment goods		10,593,192		
Suspense payments		31,909,947		
Advances paid		5,136,348		
Total current assets			132,388,872,303	
Ⅱ Fixed assets				
1 Tangible fixed assets				
Buildings	45,669,494,446			
Accumulated depreciation	(12,725,706,168)			
Accumulated impairment loss	(128,417,030)	32,815,371,248		
Structures	1,576,032,193			
Accumulated depreciation	(817,556,485)	758,475,708		
Machines and equipment	199,779,680			
Accumulated depreciation	(130,933,158)	68,846,522		
Vehicles and other transportation devices	1,860,900,940			
Accumulated depreciation	(1,054,631,587)	806,269,353		
Tools, instruments, and fixtures	2,091,496,265			
Accumulated depreciation	(1,131,570,588)	959,925,677		
Land	18,391,420,253			
Accumulated impairment loss	(36,383,117)	18,355,037,136		
Construction in process		24,013,178		
Total fixed assets		53,787,938,822		
2 Intangible fixed assets				
Trademarks		2,478,021		
Telephone subscription rights		4,296,350		
Total intangible fixed assets		6,774,371		
3 Investment and other assets				
Long-term deposit		323,000,000		
Long-term loans of development investment and financing	2,379,191,484			
Allowance for possible loan losses	(151,597,820)	2,227,593,664		
Long-term loans of migration investment and financing	1,761,865,769			
Allowance for possible loan losses	(1,087,972,719)	673,893,050		
Long-term installment principal on sales of settlement	30,763,144			
Allowance for possible loan losses	(30,763,144)	0		
Long-term prepaid expenses		604,173		
Guarantee money paid		1,494,945,723		
Total investment and other assets		4,720,036,610		
Total fixed assets			58,514,749,803	
Total assets				190,903,622,106

(Unit: Yen)

Liabilities				
Ⅰ Current liabilities				
Management grant liabilities		30,905,694,383		
Funds for grant aid projects		66,918,207,326		
Donations received		391,706,839		
Accrued payments		18,501,946,755		
Accrued expense		214,076,468		
Lease liabilities		95,482,968		
Deposit received		249,916,551		
Deferred revenue		178,793		
Total current liabilities			117,277,210,083	
Ⅱ Fixed liabilities				
Property liabilities				
Property management grants	2,035,558,835			
Property grants, etc	70,249,348	2,105,808,183		
Long-term lease liabilities		118,526,789		
Asset retirement obligation		271,316,889		
Total fixed liabilities			2,495,651,861	
Total liabilities				119,772,861,944
Net assets				
Ⅰ Capital				
Governmental investment		83,332,866,850		
Total capital			83,332,866,850	
Ⅱ Capital surplus				
Capital surplus		(2,609,913,679)		
Accumulated depreciation not included in expenses		(14,334,479,594)		
Accumulated impairment loss not included in expenses		(172,693,247)		
Accumulated interest expense not included in expenses		(2,380,076)		
Total capital surplus			(17,119,466,596)	
Ⅲ Retained earnings				
Carryover reserve in the midterm period		2,092,107,465		
Reserve		1,696,045,073		
Unappropriated income for the current year		1,129,207,370		
[Total income for the current year]		[1,129,207,370]		
Total retained earnings			4,917,359,908	
Total net assets				71,130,760,162
Total of liabilities and net assets				190,903,622,106

Data and Information

Statement of Income (April 1, 2010–March 31, 2011)

(Unit: Yen)

Ordinary expenses			
Operating expenses			
Expenses for program formulation	6,699,843,124		
Expenses for technical cooperation projects	70,635,546,965		
Expenses for grant aid projects	148,856,580		
Expenses for public participation based cooperation	19,619,043,969		
Expenses for emigration program	341,770,971		
Expenses for disaster relief activities	917,442,311		
Expenses for aid personnel recruitment and training	708,443,103		
Expenses for follow-up cooperation	1,199,361,913		
Expenses for project/program evaluation	326,119,700		
Research-related expenses	501,003,713		
Expenses for operation support	7,426,755,860		
Expenses for accounting support	27,735,052,560		
Expenses for grant aid programs	90,586,982,624		
Contracted program expenses	1,881,325,163		
Expenses for donation projects	11,750,440		
Depreciation expenses	447,597,886	229,186,896,882	
General administrative expenses		8,788,407,742	
Financial expenses			
Interest expense	341,365		
Foreign exchange loss	657,943,656	658,285,021	
Miscellaneous loss		18,576,436	
Total ordinary expenses			238,652,166,081
Ordinary revenues			
Revenues from management grants		144,253,857,752	
Revenues from grant aid programs		90,586,982,624	
Revenues from contracted programs			
Revenues from contracted programs from Japanese government and the local government agencies	1,880,922,042		
Revenues from contracted programs from the other parties	580,000	1,881,502,042	
Revenues from development investment and financing		72,718,434	
Revenues from settlement affairs		3,723,579	
Revenues from migration investment and financing		54,294,550	
Donation revenues		11,750,440	
Transfer from allowance for possible loan losses		79,363,198	
Transfer from liabilities for property management grants		484,825,560	
Transfer from liabilities for property grants		21,528,410	
Financial revenues			
Interest income	82,902,317	82,902,317	
Miscellaneous profits		2,271,741,520	
Total ordinary revenues			239,805,190,426
Ordinary profits			1,153,024,345
Extraordinary loss			
Loss on retirement of fixed assets		22,312,620	
Loss on sales of fixed assets		15,498,486	37,811,106
Extraordinary profits			
Profits on sales of fixed assets		2,200,531	2,200,531
Net income			1,117,413,770
Reversal of surplus deposits from the previous mid-term period			11,793,600
Total income for the current year			1,129,207,370

Statement of Cash Flows (April 1, 2010–March 31, 2011)

(Unit: Yen)

Ⅰ Cash flow from operating activities	
Payment of operating expenses	(133,721,926,977)
Payments for grant aid projects	(89,376,945,948)
Payment of contracted program expenses	(1,974,538,677)
Payment of personnel costs	(14,628,454,760)
Other operation payments	(1,399,926,249)
Proceeds from management grants	151,725,902,000
Proceeds from grant aid programs	99,680,411,183
Proceeds from contracted programs	2,010,952,634
Loan interest income	137,510,317
Proceeds from settlement affairs	12,997,699
Interest revenues	6,164,667
Installment principal	6,833,032
Donation revenues	40,901,981
Other operation proceeds	2,632,180,353
Subtotal	15,139,063,556
Interest received	93,063,279
Interest paid	(341,365)
Cash flow from operating activities	15,231,785,470
Ⅱ Cash flow from investing activities	
Payments for purchase of fixed assets	(598,190,100)
Proceeds from sales of fixed assets	1,242,482,887
Proceeds from loans receivable	1,136,255,642
Putting money for time deposits	(511,000,000,000)
Proceeds from time deposit refund	448,500,000,000
Cash flow from investing activities	(60,719,451,571)
Ⅲ Cash flow from financing activities	
Repayment of lease liabilities	(109,944,417)
Cash flow from financing activities	(109,944,417)
Ⅳ Effect of exchange rate fluctuation on funds	(426,337,997)
Ⅴ Net decrease in funds	(46,023,948,515)
Ⅵ Funds at the beginning of year	63,943,847,786
Ⅶ Funds at the end of year	17,919,899,271

Data and Information

Statement of Administrative Service Operation Costs (April 1, 2010–March 31, 2011)

(Unit: Yen)

Ⅰ Business expenses			
(1) Expenses on income statement			
Operating expenses	229,186,896,882		
General administrative expenses	8,788,407,742		
Financial expenses	658,285,021		
Miscellaneous loss	18,576,436		
Loss on retirement of fixed assets	22,312,620		
Loss on sales of fixed assets	15,498,486	238,689,977,187	
(2) (Deduction) Self revenues, etc.			
Revenues from contracted programs	(1,881,502,042)		
Revenues from development investment and financing	(72,718,434)		
Revenues from settlement affairs	(3,723,579)		
Revenues from migration investment and financing	(54,294,550)		
Donation revenues	(11,750,440)		
Transfer from allowance for possible loan losses	(79,363,198)		
Financial revenues	(82,902,317)		
Miscellaneous profits	(2,271,741,520)		
Profits on sales of fixed assets	(2,200,531)	(4,460,196,611)	
Total business expenses			234,229,780,576
Ⅱ Accumulated depreciation not included in expenses			1,734,774,078
Ⅲ Accumulated impairment loss not included in expenses			164,887,047
Ⅳ Accumulated interest expense not included in expenses			2,380,076
Ⅴ Accumulated sale differential not included in expenses			(113,550,728)
Ⅵ Estimated bonus payment not included in allowance			(19,465,821)
Ⅶ Estimated increase in retirement benefit not included in allowance			869,640,496
Ⅷ Opportunity cost			
Governmental investments and other opportunity costs			842,100,028
Ⅸ Administrative service operation cost			237,710,545,752

Significant Accounting Policies

1 Standards for reporting revenues from the management grants

The Revenue Recognition Standard based on Accrued Expense is applied. This is attributable to the difficulties associated with the application of achievement and time-period standards, specifically, the significant amount of time required to evaluate operating results as well as other complexities.

2 Depreciation methods

(1) Tangible fixed assets

Straight-line method.

The useful lives of major assets are as follows:

Buildings:	1–50 years
Structures:	1–42 years
Machines and equipment:	1–20 years
Vehicles and other transportation devices:	1–6 years
Tools, instruments, and fixtures:	1–18 years

The estimated depreciation costs for specific depreciable assets (Accounting Standard for Incorporated Administrative Agency No. 87) and specific removal costs, etc. associated with asset retirement obligations (Accounting Standard for Incorporated Administrative Agency No. 91) are directly deducted from the capital surplus and reported as accumulated depreciation not included in expenses.

(2) Intangible fixed assets

Straight-line method.

3 Standard for appropriation of allowances and estimation in relation to bonus payments

An allowance for bonus payments is not appropriated, since the financial source is secured by the management grants.

The estimated bonus payment not included in the allowance, as shown in the Administrative Service Operation Cost Statement, is reported as current fiscal year estimate of allowances in relation to bonus payments which has been calculated according to Accounting Standard No. 88.

4 Standard for appropriation of allowances and estimation in relation to retirement benefits

An allowance for retirement benefits is not appropriated since the financial source is secured by the management grants.

An allowance for retirement benefits is not provided for pension benefits from Employees' Pension Funds, since the financial source for EPF's insurance fees and reserve shortfall is secured by the management grants.

The estimated increase in retirement benefits not included in the allowance, as shown in the Administrative Service Operation Cost Statement, is reported as current fiscal year allowance for retirement benefits which has been calculated according to Accounting Standard No. 38.

5 Basis and standard for appropriation of allowances, etc.

Allowance for possible loan losses

To provide for loan losses, JICA records the estimated amount of default, taking into account the actual loss rate for ordinary loans and specific collectability of doubtful loans, etc.

6 Standards and methods for the valuation of inventories

Stored goods

Cost method as determined by the FIFO method

7 Translation standard of foreign currency assets and liabilities into yen

Foreign currency money claims and liabilities are translated into yen utilizing the spot exchange rate as of the fiscal year-end. Exchange differences are recognized as profit or loss.

8 Standards for computing opportunity costs in the Administrative Service Operation Cost Statement

The interest rate used to compute opportunity costs concerning central and local governments' investments, etc.

1.255% taking into consideration the yield of 10-year fixed-rate JGBs as of March 31, 2011.

9 Accounting for lease transactions

The same accounting method applicable to ordinary transactions is applied to finance lease transactions with total lease fees of ¥3 million or more.

The same accounting method applicable to ordinary rental transactions is applied to finance lease transactions with total lease fees of less than ¥3 million.

10 Accounting for consumption taxes

Consumption taxes are included in financial statement amounts.

11 Change in principal accounting policies

The "Accounting Standards for Incorporated Administrative Agency and Guidance Notes for the Accounting Standards for Incorporated Administrative Agency" (February 16, 2000 [Amended October 25, 2010]) and "Q&A concerning the Accounting Standards for Incorporated Administrative Agency and Guidance Notes for the Accounting Standards for Incorporated Administrative Agency" (August 2000 [Final Amendment, November 2010]) have been adopted starting in the current operating year.

(1)Accounting standards concerning asset retirement obligation

In addition to the above revisions, "Accounting Standards for Asset Retirement Obligations" (Accounting Standards Board of Japan [ASBJ] Statement No. 18, March 31, 2008) and "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) were applied from the current operating year.

The change in asset retirement obligations due to the start of the application of the accounting standards, etc. was ¥269,889,175.

Removal costs, etc. associated with the asset retirement obligations (the cost allocation related to removal costs associated with asset retirement obligations and the adjustment amount of the asset retirement obligations due to passage of time set forth in the "Accounting for Asset Retirement Obligations," Accounting Standard for Incorporated Administrative Agency No. 39) were not expected to yield revenues which needed to be accounted for. Therefore, Accounting Standard for Incorporated Administrative Agency No. 91 was applied. The costs were not recorded in the costs for calculating profit and loss and were deducted from the capital surplus. This change had no effect on profit or loss.

(2) Accounting for transfer transactions associated with payment to the national treasury, etc. concerning unnecessary property

The "Accounting for Transfer Transactions Associated with Payment to the National Treasury, Etc. Concerning Unnecessary Property," Accounting Standard for Incorporated Administrative Agency No. 99 has been adopted starting in the current operating year.

Among the transfer transactions for unnecessary property conducted in the current operating year, the transfer balance of the transactions which were designated as "transfer transactions whose transfer balance shall not be recorded in the profit and loss for calculating profits and losses" of Article 13-2 of the Ministerial Ordinance for the Operations and Finances and Accounting of the Japan International Cooperation Agency (Ministry of Foreign Affairs Ordinance No. 22 of September 30, 2003 [Final Amendment, November 26, 2010]) and the costs required for the transfer were not recorded in the costs for calculating profits and losses and were deducted from the capital surplus.

As a result, ordinary profits increased by ¥29,263,704. Net income and total income for the current year increased by ¥1,177,897,498, respectively.

Notes

Notes to the balance sheet

1 Estimated retirement benefits to be provided from the management grants

¥30,240,708,396

(1) Breakdown of retirement benefit liabilities (Unit: Yen)

	FY2010
1) Retirement benefit liabilities	(40,898,713,243)
2) Plan assets	10,658,004,847
3) Not-accumulated retirement benefit liabilities 1) + 2)	(30,240,708,396)
4) Difference at the change of accounting standards	0
5) Unrecognized actuarial differences	0
6) Unrecognized past service liabilities (decrease in liabilities)	0
7) Net reported amount on Balance Sheet 3) + 4) + 5) +6)	(30,240,708,396)
8) Prepaid pension expenses	0
9) Allowance for retirement benefits 7) - 8)	(30,240,708,396)

(2) Breakdown of pension expenses (Unit: Yen)

	FY2010
1) Working cost	1,869,179,240
2) Interest cost	547,247,168
3) Expected return on investment	0
4) Amortization of past working liabilities	0
5) Amortization of actuarial differences	388,238,071
6) Others (premiums collected for Employees' Pension Fund)	(325,333,612)

(3) Computation basis for retirement benefit obligation, etc. (Unit: Yen)

	FY2010
1) Discount rate: Retirement pension	2.0%
2) Periodic allocation method for expected retirement benefits	Periodic fixed-amount benefits method
3) Processing period for actuarial differences	1 year
4) Others (Processing period of differences upon change of accounting standards; actual return rate, etc.)	1 year

2 Estimated bonus to be provided from the management grants

¥745,906,690

3 Impaired loss on fixed assets

(1) The fixed assets for which the impairment loss was recognized

A. Outline of the usage, type, location, book value

Impairment losses were recognized in the following assets. (Unit: Yen)

Name of Asset	Usage	Location	Type	Book Value before Impairment Loss	Impairment Loss Not Included in Current Year Expenses	Accumulated Impairment Loss Not Included in Current Year Expenses
Former Thailand Office	Office	Bangkok, Thailand	Building	74,727,187	–	–
			Structures	3,995,938	–	–
			Land	183,294,939	–	–
Shimura Mitsugi-koen Haydens 107 and 25 units	Employee housing	Itabashi-ku, Tokyo, etc.	Building	245,648,329	128,417,030	128,417,030
			Land	145,403,326	36,383,117	36,383,117
Telephone subscription rights	Telephone subscription rights	–	Telephone subscription rights	4,383,250	86,900	7,893,100

B. Background relating to the recognition of impairment losses

The former Thailand Office is set for disposal in line with the Second Mid-Term Plan during the JICA Mid-term Objective Period starting from FY2007, and it was recognized this asset has an indication of impairment. In FY2009, an impairment was recognized because of the discontinued use of this facility. However, because the book value exceeded the recoverable service amount at the end of the operating year, an impairment loss was not incurred.

With regard to employee housing, based on the Second Mid-Term Plan during the JICA Mid-term Objective Period starting from FY2007, it was determined that 38 units would not be in use in the current operating year. Also, it was determined that these units would be disposed by sale in FY2011. Among these units, and excluding 12 of the units that continue to be used for employee housing, impairments were recognized for 26 units. Excluding 11 units for which the book value exceeded the recoverable service amount at the end of the operating year, the book value of 15 units was reduced to the recoverable service amount. This reduction has been recorded as a capital surplus deduction in the accumulated impairment loss not included in expenses.

With regard to an increase in the number of dormant telephone lines in the operating year, the book value of telephone subscription rights was reduced to the recoverable service amount. This reduction has been recorded as a capital surplus deduction in the accumulated impairment loss not included in expenses.

C. Breakdown of each principal fixed asset not appearing on the income statement but which is included in impairment loss and the overview of the calculation method for recoverable service amount

(Unit: Yen)

Name of Asset	Type	Impairment Loss	Calculation Method for Recoverable Service Amount
Shimura Mitsugi-koen Haydens 107 and 25 units	Building	128,417,030	*1
	Land	36,383,117	*1
Telephone subscription rights	Telephone subscription rights	86,900	*2

*1. The recoverable service amount is determined by the net sales price, which is calculated by deducting the expected cost of disposal from the appraised value by a third party.

*2. The recoverable service amount of dormant telephone subscription rights is determined by the net sales price, which is calculated based on Asset Evaluation Standards released by the National Tax Agency. The recoverable service amount of in-use telephone subscription rights is determined by the equivalent in-use value, which is calculated based on the official set price announced by NTT.

(2) Fixed assets indicating impairment losses

A. Outline of the usage, type, and location of fixed assets that indicate an impairment loss

The following assets have an indication of impairment losses. (Unit: Yen)

Name of Asset	Usage	Location	Type	Book Value
Hiroo Center	Program facility	Shibuya-ku, Tokyo	Building	1,161,019,521
			Structures	1,825,565
			Land	1,652,251,000
Osaka International Center	Accommodation facilities for training	Ibaraki City, Osaka Prefecture	Building	3,384,154,111
			Structures	23,869,693
			Land	780,478,000
Heights Sunrise 607 and 111 units	Employee housing	Nagoya City, Aichi Prefecture, etc.	Building	686,955,992
			Land	714,124,060

B. Background relating the determination of an indication of impairment loss

With regard to the Hiroo Center, payment to the national treasury from FY2012 and beyond was decided pursuant to the Cabinet decision effective December 7, 2010, and it was recognized that this asset has an indication of impairment. At the end of the operating year, however, the timing of the disposal of this asset had yet to be determined. The asset will continue to be used for programs and so impairment has not been recognized.

With regard to the Osaka International Center, integration with the Hyogo International Center from FY2011 and beyond was decided pursuant to the Cabinet decision effective December 7, 2010, and it was recognized that this asset has an indication of impairment. At the end of the operating year, however, the timing of the disposal of this asset had yet to be determined. The asset will continue to be used for programs and so impairment has not been recognized.

112 units of employee housing, including Heights Sunrise 607, are set for disposal in line with the Second Mid-Term Plan during the JICA Mid-term Objective Period starting from FY2007 and the Cabinet decision effective December 7, 2010, and it was recognized that these assets have an indication of impairment. At the end of the operating year, however, the timing of the disposal of these assets had yet to be determined. These assets will continue to be used as employee housing and so impairment has not been recognized.

4 Donated funds for grant aid

Grant aid is received in the form of funds from the Japanese government. JICA administers this grant aid based on a presentation contract with the recipient country's government. At the end of FY2010, the outstanding balance of unexecuted donation presentation contracts stood at ¥156,564,963,971.

Notes to Cash Flow Statement

The funds shown in the cash flow statements are cash, deposit accounts, and checking accounts.

(1) Breakdown of balance sheet items and ending balance of funds (as of March 31, 2011)

Cash and deposit	¥121,419,899,271
Time deposit	¥-103,500,000,000
Ending balance of funds	¥17,919,899,271

(2) Description of significant non-financial transactions

A. Assets under the finance lease

Machines and equipment	¥3,858,750
Vehicles and other transportation devices	¥4,046,500
Tools, instruments, and fixtures	¥57,240,888

B. "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) were applied from the current operating year. The resulting increase amount of assets and liabilities is as follows:

Buildings	¥232,899,280
Asset retirement obligations	¥271,316,889

Notes to Administrative Service Operation Cost Statement

Number of the loan employees from governments who are counted as opportunity costs

Of the estimated increase in retirement bonus not included in the allowance, ¥21,929,807 was recognized as the current fiscal year increase of allowance for retirement and severance for 33 loan employees according to JICA's internal regulations.

Matters concerning the state of financial instruments

The General Account's fund management is limited to short-term deposits and public and corporate bonds while fund raising consists mainly of management grants approved by the state ministers in charge. The General Account does not borrow from the government fund for Fiscal Investment and Loan Program, borrow funds from financial institutions or issue FILP agency bonds.

Matters concerning the fair value of financial instruments

Balance sheet amounts, fair value and differentials at the end of the operating year are as follows. (Unit: Yen)

	Balance sheet amount	Fair value	Differential
(1) Cash and bank deposits	121,419,899,271	121,419,899,271	0
(2) Accrued payments	(18,501,946,755)	(18,501,946,755)	0

Note: Those recorded under liabilities are shown in parentheses.

Note 1: Calculation method for fair value of financial instruments and matters concerning marketable securities

(1) Cash and bank deposits

Cash and bank deposits are short term and fair value approximates book value. Thus fair value for cash and bank deposits is calculated at book value.

(2) Accrued payments

Accrued payments are short term and fair value approximates book value. Thus fair value for accrued payments is calculated at book value.

Finance lease transactions

The amount of the finance lease transactions which influences the current year's profits and losses was ¥89,838. The current year's net profit after the deduction of this amount was ¥1,129,117,532.

Matters concerning asset retirement obligation

JICA has a building lease agreement for its head office building, and has an obligation to restore the building to its original state at the termination of the lease. Therefore, this asset retirement obligation has been recorded. The estimate for the asset retirement obligation has used the five-year lease period for the projected period of use and a discount rate of 0.529%.

In the current operating year, in line with the application of accounting standards, the amount recorded for asset retirement obligations was ¥269,889,175. The asset retirement obligation balance at the end of the operating year was ¥271,316,889–the sum of the above ¥269,889,175 and the ¥1,427,714 adjustment amount of the asset retirement obligations due to passage of time.

Matters concerning the to payment to the national treasury, etc. for unnecessary property

Transfer transactions concerning unnecessary property conducted in the current operating year are as follows.

Among the transfer transactions, the transfer balance of the transactions which were designated as "transfer transactions whose transfer balance shall not be recorded in the profit and loss for calculating profits and losses" of Article 13-2 of the Ministerial Ordinance for the Operations and Finances and Accounting of the Japan International Cooperation Agency (Ministry of Foreign Affairs Ordinance No. 22 of September 30, 2003 [Final Amendment, November 26, 2010]) and the costs required for the transfer were not recorded in the profit and loss for calculating profits and losses and were deducted from the capital surplus by applying ASBJ Statement No. 99.

(1)Outline of the type, book value, etc. of assets which were transferred, etc. as unnecessary property (Unit: Yen)

Name of Asset	Type	Book Value at Time of Transfer
Tokyo International Center Annex (Hachioji)	Building	0
	Structures	0
	Tools, instruments, and fixtures	492,797
	Land	145,212,000
Hakone Training Center	Building	183,551,889
	Structures	8,534,276
	Machines and equipment	634,528
	Land	36,896,097
Employee housing (51 units) and recreational facility (3 units) with sectional ownership	Building	80,740,043
	Land	213,829,337

(2)Reason for unnecessary property

Based on the Mid-Term Plan, etc., it was decided that unnecessary property will be disposed by sale, ahead of the enforcement of the Act for the Partial Amendment of the Act on General Rules for Independent Administrative Agency (Act No. 37 of 2010). The Act sets forth provisions on payments to the national treasury, etc. for the unnecessary property of incorporated administrative agencies.

(3)Method of payment to national treasury

According to transfer income pursuant to paragraph 2, Article 46-2 of the Act on General Rules for Independent Administrative Agency.

(4)Transfer income from unnecessary property

¥785,355,819 (excluding tax)

(5)Costs deducted from transfer income

¥27,870,198 (excluding tax)

(6)National treasury payment amount and payment date

¥757,485,621; June 10, 2011

(7)Capital reduction

¥2,705,068,809

Significant debt burden

N/A

Significant subsequent events

N/A

2 Finance and Investment Account

Balance Sheet (as of March 31, 2011)

Assets				
Ⅰ Current assets				
Cash and bank deposits		51,393,164,655		
Loans	11,051,139,214,728			
Allowance for possible loan losses	(96,053,968,326)	10,955,085,246,402		
Advance payments		4,567,508,844		
Prepaid expenses		73,661,043		
Accrued income				
Accrued interest on loans receivable	47,652,444,381			
Accrued commitment charges	672,738,881			
Accrued interest receivable	1,562,171	48,326,745,433		
Accrued revenues		432,264,875		
Consignment goods		2,699,808		
Suspense payments		3,729,895		
Advances paid		94,750		
Emission reduction assets		174,139,738		
Derivatives		4,022,340,050		
Total current assets			11,064,081,595,493	
Ⅱ Fixed assets				
1 Tangible fixed assets				
Buildings	3,298,498,956			
Accumulated depreciation	(390,829,334)			
Accumulated impairment loss	(675,214,797)	2,232,454,825		
Structures	59,484,145			
Accumulated depreciation	(10,673,183)			
Accumulated impairment loss	(11,670,468)	37,140,494		
Machines and equipment	193,505,050			
Accumulated depreciation	(41,360,515)			
Accumulated impairment loss	(102,287,680)	49,856,855		
Vehicles and other transportation devices	248,523,827			
Accumulated depreciation	(83,821,519)	164,702,308		
Tools, instruments, and fixtures	725,541,398			
Accumulated depreciation	(417,048,521)	308,492,877		
Land	13,873,270,000			
Accumulated impairment loss	(6,091,196,973)	7,782,073,027		
Construction in process		157,985		
Total fixed assets		10,574,878,371		
2 Intangible fixed assets				
Trademarks		150,107		
Total intangible fixed assets		150,107		
3 Investment and other assets				
Investment securities		5,989,825,631		
Affiliated companies stock		112,034,352,794		
Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	25,088,735,101			
Allowance for possible loan losses	(24,802,756,856)	285,978,245		
Guarantee money paid		832,260,785		
Total investment and other assets		119,142,417,455		
Total fixed assets			129,717,445,933	
Total assets				11,193,799,041,426

(Unit: Yen)

Liabilities			
Ⅰ Current liabilities			
Borrowings from government fund for Fiscal Investment and Loan Program due within one year	318,066,664,000		
Accrued payments	4,844,958,516		
Accrued expense	11,419,872,925		
Lease liabilities	160,777,094		
Deposit received	441,393,374		
Allowance for bonuses	200,937,579		
Suspense receipt	16,463,346		
Total current liabilities		335,151,066,834	
Ⅱ Fixed liabilities			
Bonds	140,000,000,000		
Borrowings from government fund for Fiscal Investment and Loan Program	2,141,774,654,000		
Long-term lease liabilities	29,082,028		
Allowance for retirement benefits	7,707,225,341		
Asset retirement obligation	69,148,526		
Total fixed liabilities		2,289,580,109,895	
Total liabilities			2,624,731,176,729
Net assets			
Ⅰ Capital			
Governmental investment	7,622,555,785,510		
Total capital		7,622,555,785,510	
Ⅱ Retained earnings			
Reserve	779,251,583,517		
Unappropriated income for the current year	162,971,726,121		
［Total income for the current year］	［162,971,726,121］		
Total retained earnings		942,223,309,638	
Ⅲ Valuation and translation adjustments			
Net unrealized gains on other securities	(131,562,152)		
Deferred gains or losses on hedges	4,420,331,701		
Total valuation and translation adjustments		4,288,769,549	
Total net assets			8,569,067,864,697
Total of liabilities and net assets			11,193,799,041,426

Data and Information

Statement of Income (April 1, 2010–March 31, 2011)

(Unit: Yen)

Ordinary expenses			
Expenses related to operations of cooperation through finance and investment			
Interest on bonds and notes	2,523,284,990		
Interest on borrowings	42,818,995,849		
Interest on interest swaps	2,029,168,733		
Outsourcing expenses	15,875,842,336		
Bond issuance expenses	296,953,873		
Foreign exchange loss	29,655,889		
Personnel expenses	3,324,947,651		
Provision for allowance for bonuses	1,451,073		
Retirement benefit expenses	736,643,669		
Property expenses	13,217,922,111		
Depreciation expenses	402,332,158		
Taxes	109,813,688		
Loss on valuation of investment securities	30,157,638		
Loss on valuation of affiliated companies stock	487,068,467		
Interest expenses	363,871		
Other ordinary expenses	249,990,425	82,134,592,421	
Total ordinary expenses			82,134,592,421
Ordinary revenues			
Revenues from operations of cooperation through finance and investment			
Interest on loans	206,369,587,561		
Interest on government bonds, etc.	15,669,327		
Dividends on investments	7,604,404,000		
Commissions	1,821,281,202		
Transfer from allowance for possible loan losses	35,361,114,463	251,172,056,553	
Financial revenues			
Interest income	10,181,547	10,181,547	
Miscellaneous profits		495,590,480	
Recoveries of written-off claims		371,570,104	
Total ordinary revenues			252,049,398,684
Ordinary profits			169,914,806,263
Extraordinary loss			
Loss on retirement of fixed assets		2,460,207	
Loss on sales of fixed assets		1,560,286	
Impairment loss		6,929,933,328	
Impact of application of accounting standards for asset retirement obligations		9,427,341	6,943,381,162
Extraordinary profits			
Profits on sales of fixed assets		301,020	301,020
Net income			162,971,726,121
Total income for the current year			162,971,726,121

Statement of Cash Flows (April 1, 2010–March 31, 2011)

(Unit: Yen)

Ⅰ Cash flow from operating activities	
Payments for loans	(677,747,559,298)
Repayment of borrowings from the private sector	(40,800,000,000)
Repayment of borrowings from government fund for Fiscal Investment and Loan Program	(462,529,164,000)
Interest paid	(47,534,690,369)
Payment of personnel costs	(3,727,898,974)
Other operation payments	(30,575,319,379)
Proceeds from collection of loans receivable	680,388,871,884
Proceeds from borrowings from the private sector	40,800,000,000
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	192,200,000,000
Proceeds from issuance of bonds	59,703,046,127
Loan interest income	209,986,564,884
Other operation proceeds	4,452,133,140
Subtotal	(75,384,015,985)
Interest and dividend income	7,630,381,691
Cash flow from operating activities	(67,753,634,294)
Ⅱ Cash flow from investing activities	
Payments for purchase of fixed assets	(118,740,360)
Proceeds from sales of fixed assets	213,086,316
Proceeds from the collection of investment securities	127,279,960
Payments for purchase of negotiable certificates of deposit	(368,300,000,000)
Proceeds from negotiable certificates of deposit refunds	368,300,000,000
Cash flow from investing activities	221,625,916
Ⅲ Cash flow from financing activities	
Repayment of lease liabilities	(166,072,841)
Proceeds from government investment	104,400,000,000
Cash flow from financing activities	104,233,927,159
Ⅳ Net increase in funds	36,701,918,781
Ⅴ Funds at the beginning of year	14,691,245,874
Ⅵ Funds at the end of year	51,393,164,655

Statement of Administrative Service Operation Costs (April 1, 2010–March 31, 2011)

(Unit: Yen)

Ⅰ Business expenses			
(1) Expenses on income statement			
Operating expenses	82,134,592,421		
Loss on retirement of fixed assets	2,460,207		
Loss on sales of fixed assets	1,560,286		
Impairment loss	6,929,933,328		
Impact of application of accounting standards for asset retirement obligations	9,427,341	89,077,973,583	
(2) (Deduction) Self revenues, etc.			
Operational revenues	(251,172,056,553)		
Financial revenues	(10,181,547)		
Miscellaneous profits	(495,590,480)		
Recoveries of written-off claims	(371,570,104)		
Profits on sales of fixed assets	(301,020)	(252,049,699,704)	
Total business expenses			(162,971,726,121)
Ⅱ Estimated increase in retirement benefit not included in allowance			5,589,083
Ⅲ Opportunity cost			
Governmental investments and other opportunity costs			95,007,965,108
Ⅳ Administrative service operation cost			(67,958,171,930)

Significant Accounting Policies

1 Depreciation methods

(1) Tangible fixed assets

Straight-line method is adopted.

The useful lives of major assets are as follows:

Buildings:	2–50 years
Structures:	2–46 years
Machines and equipment:	2–17 years
Vehicles and other transportation devices:	2–6 years
Tools, instruments and fixtures:	2–15 years

(2) Intangible fixed assets

Straight-line method is adopted.

2 Standard for appropriation of allowances and estimation in relation to bonus payments

The allowance for bonus payments is calculated and provided for based on estimated amounts of future payments attributable to the services that have been rendered by executive directors and employees applicable to the fiscal year under review.

3 Standard for appropriation of allowances and estimation in relation to retirement benefits

The allowance for retirement benefits is calculated and provided for based on estimated amounts of future payments attributable to the retirement of executive directors and employees, and is accrued in line with the projected benefit obligations and estimated pension plan assets applicable to the fiscal year under review. The profit and loss appropriation method for actuarial differences is presented as follows.

Actuarial differences are recognized as a lump-sum gain or loss in the fiscal year in which they occur.

The estimated increase in retirement benefits not included in allowance, as shown in the Administrative Service Operation Cost Statement, is reported as current-year allowance for retirement benefits which has been calculated according to Accounting Standard No. 38.

4 Basis and standard for appropriation of allowances, etc.

Allowance for possible loan losses

The allowance for claims on debtors who are legally bankrupt ("Bankrupt borrowers") or substantially bankrupt ("Substantially bankrupt borrowers") is provided based on the outstanding balance and the deductions of the amount expected to be collected through the disposal of collateral and execution of guarantees. The allowance for claims on debtors who are not legally bankrupt but are likely to become bankrupt ("Potentially bankrupt borrowers") is provided based on an assessment of the overall solvency or the debtors after deducting the amount expected to be collected through the disposal of collateral and the execution of guarantees. The allowance for claims on debtors other than Bankrupt borrowers, Substantially bankrupt borrowers and Potentially bankrupt borrowers is provided primarily based on the default rate, which is calculated based on the actual defaults during a certain period in the past.

All claims are assessed initially by the operational departments and secondly by risk evaluation departments based on internal rules for self-assessment of asset quality. The internal audit department, which is independent from the operational departments, reviews these self-assessments, and the allowance is provided based on the results of the assessments.

5 Standards and methods for the evaluation of securities

(1) Affiliated companies

Cost method as determined by the moving average method.

However, when the equity equivalent has fallen below the cost at acquisition, the equity equivalent price is used.

(2) Other investment securities (non-marketable)

Cost method as determined by the moving average method.

6 Standards and methods for the valuation of derivative transactions

Market value method.

7 Translation standard of foreign currency assets and liabilities into yen

Foreign currency money claims and liabilities are translated into yen using the spot exchange rate as of the fiscal year-end, with exchange differences recognized as profit or loss.

8 Standards for computing opportunity costs in the Administrative Service Operation Cost Statement

The interest rate used to compute opportunity costs concerning central and local governments' investments, etc.:

1.255% with reference to yields applicable to 10-year fixed-rate JGBs as of March 31, 2011.

9 Accounting for lease transactions

The same accounting method as ordinary transactions is applied to the finance lease transactions with a total lease fee of ¥3 million or more.

The same accounting method as ordinary rental transactions is applied to the finance lease transactions with a total lease fee of less than ¥3 million.

10 Method of hedge accounting

Deferral hedge accounting is used for the method of hedge accounting. Hedge effectiveness is assessed first by identifying hedged loans and hedging instruments which offset market fluctuations. Then it is examined to see if there are any discrepancies of maturity and notional principal between the two.

11 Accounting for consumption taxes

Consumption taxes are included in the amounts on the financial statements.

12 Change in principal accounting policies

The "Accounting Standards for Incorporated Administrative Agency and Guidance Notes for the Accounting Standards for Incorporated Administrative Agency" (February 16, 2000 [Amended October 25, 2010]) and "Q&A concerning the Accounting Standards for Incorporated Administrative Agency and Guidance Notes for the Accounting Standards for Incorporated Administrative Agency" (August 2000 [Final Amendment, November 2010]) have been adopted starting in the current operating year.

(1)Accounting standards concerning equity

In addition to the above revisions, "Accounting Standard for Equity Method" (ASBJ Statement No. 16, March 10, 2008) and "Provisional Accounting Policies Applied to Affiliated Companies Accounted for Using the Equity Method" (Practical Issue Task Force No. 24, March 10, 2008) were applied from the current operating year. This had no effect on profit or loss.

(2)Accounting standards concerning asset retirement obligation

In addition to the above revisions, "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) were applied from the current operating year.

As a result, ordinary profits and net income decreased by ¥14,072,258 and ¥23,499,599, respectively. The change in asset retirement obligation due to the start of the application of the accounting standards, etc. was ¥68,784,655.

Notes

Notes to the balance sheet

1 Joint obligations

JICA is a joint debtor in connection with existing bonds issued by Japan Bank for International Cooperation which were succeeded by the Japan Finance Corporation.

FILP (Fiscal Investment and Loan Program) Agency Bonds ¥950,000,000,000

Government Guaranteed Foreign Debt 5,900,000,000 USD

1,250,000,000 Euro

2 Impairment loss on fixed assets

(1) The fixed assets for which the impairment loss was recognized

A. Outline of the usage, type, location, book value

Impairment losses were recognized in the following assets in the first half of this operating year.

(Unit: Yen)

Name of Asset	Usage	Location	Type	Book Value before Impairment Loss	Accumulated Impairment Loss in Current Year Expenses
Takebashi Godo Building	Office	Chiyoda-ku, Tokyo	Building	849,195,195	675,214,797
			Structures	14,677,560	11,670,468
			Machines and equipment	128,643,813	102,287,680
			Land	10,671,270,000	6,091,196,973
			Construction in process	49,563,410	49,563,410
			Total	11,713,349,978	6,929,933,328

B. Background relating to the recognition of impairment losses

The Takebashi Godo Building was recognized as having an indication of impairment as its use as an "regular office" shifted to "provisional usage acompanying relocation" in FY2009. However, impairment was not recognized as the building continued to be used for the latter use at the end of FY2009. Due to the termination of the building's "provisional use for relocation" in the first half of the fiscal year, the book value of the building, structures, machines and equipment, land, and construction in process was reduced to the recoverable service amount. This reduction has been recorded as impairment loss.

C. Overview of the calculation method for recoverable service amount

The recoverable service amount is determined by the net sales price, which is calculated by deducting the expected cost of disposal from the appraised value by a third party.

(2) Fixed assets indicating impairment losses

A. Outline of the usage, type, and location of fixed assets indicating an impairment loss

The following assets have an indication of impairment losses. (Unit: Yen)

Name of Asset	Usage	Location	Type	Book Value
Azabu Institute	Training Center	Minato-ku, Tokyo	Building	142,303,743
			Structures	8,746,155
			Land	1,170,000,000

B. Background and reason for determining the indication of impairment loss

The Azabu Institute is set for sale in FY2011 pursuant to the Cabinet decision effective December 7, 2010, and it was recognized that this asset has an indication of impairment. At the end of the operating year, however, the office will continue to be used as a training center and so impairment has not been recognized.

3 Collateral financial assets

The fair value of collateral financial assets with the right of free disposal at the end of the operating year was ¥840,017,580.

4 Outstanding balance of undrawn loans

A large portion of JICA loans cover a long term. Ordinarily, when receiving a loan draw-down proposal from a customer, which corresponds to the intended use of funds as stipulated by the loan agreement, upon confirming the fulfillment of conditions prescribed under the loan contract, JICA promises to loan a certain amount of funds within a certain range of the amount required by the customers, with the outstanding balance up to the limit of the agreed amount. The outstanding balance of undrawn loans related to these contracts is ¥3,851,283,550,535.

Notes to the cash flow statement

The funds shown in the cash flow statements are ordinary accounts and checking accounts.

(1) Breakdown of balance sheet items and ending balance of funds (as of March 31, 2011)

Cash and deposits	¥51,393,164,655
Ending balance of funds	¥51,393,164,655

(2) Description of significant non-financial transactions

A. Assets granted under finance lease

Vehicles and other transportation devices	¥1,031,300
Tools, instruments and fixtures	¥14,588,562

B. "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) were applied from the current operating year. The resulting increase amount of assets and liabilities is as follows:

Buildings	¥59,357,314
Asset retirement obligations	¥69,148,526

Notes to the administrative service operation cost statement

Loan employees from governments who are counted for opportunity costs

Of the estimated increase in retirement bonus not included in the allowance, ¥5,589,083 was recognized as the current-year increase of allowance for retirement and severance for 33 loan employees according to JICA's internal regulations.

Matters concerning the state of financial instruments

1 Policy regarding financial instruments

The Finance and Investment Account undertakes financial cooperation operations by providing debt and equity financing. To undertake these operations, it raises funds by borrowing from the Japanese government under the Fiscal Investment and Loan Program, borrowing from financial institutions, issuing FILP agency bonds, and receiving capital investment from the Japanese government. From the perspective of asset liability management (ALM), derivative transactions are conducted for the purpose of mitigating adverse impact caused by interest rate fluctuations.

2 Details of financial instruments and related risks

The financial assets held in the Finance and Investment Account are loans to developing regions and are exposed to credit risk attributed to defaults by its borrowers. Marketable securities, investment securities and affiliated companies' stocks also held in the Account are primarily bonds and stocks which are held to maturity or held for policy-oriented purposes. These are exposed to credit risk of issuers, interest rate risk and market price volatility risk.

Borrowings and FILP agency bonds are exposed to liquidity risk in the way that their payments/repayments cannot be duly serviced in such a situation where the Account is unable to have access to markets for certain reasons.

3 Risk management system for financial instruments

(1) Credit risk management

The Finance and Investment Account has established and operates a system for credit management. This system encompasses credit appraisal, credit limit setting, credit information monitoring, internal rating, and guarantee and collateral setting, problem loan management, etc., in accordance with integrated risk management regulations and various credit-risk monitoring regulations. This credit management is carried out by the respective department responsible for each region in addition to the Credit Risk Analysis and Environmental Review Department and Information Policy Department. Additionally, the Risk Management Committee and board of directors are convened on a regular basis for the purpose of deliberating or reporting. Moreover, the Office of Audit checks on the state of credit management.

Credit risk of issuers of investment securities and affiliated companies' stocks are monitored by the Office for Private Sector Partnership which regularly confirms their credit information and fair values.

Counterparty risk in derivative transactions is monitored by regularly confirming the exposure and credit standing of counterparties and by securing collateral as necessary.

(2) Market risk management

(i) Interest rate risk management

Interest rates are determined in accordance with those methods prescribed by laws or business and service documents. Interest swap transactions are conducted to hedge against the risk of interest rate fluctuations in light of their possible adverse impact.

(ii) Price volatility risk management

Stocks are held for policy-oriented purposes, and the market environment and financial conditions of the investees are monitored. This information is reported on a regular basis at the board of directors by the Information Policy Department.

(3) Liquidity risk management related to fundraising

The Finance and Investment Account prepares a funding plan and executes fundraising based on the government-affiliated agencies' budgets as resolved by the National Diet.

(4) Derivative transactions management

Pursuant to regulations concerning swaps, interest swap transactions are implemented and managed by separating the sections related to transactions enforcement, assessment of hedge effectiveness, and logistics management, respectively, based on a mechanism with an established internal check-and-balance system.

Matters concerning fair value of financial instruments

The following table summarizes the amount stated in the balance sheet and the fair value of financial instruments as of March 31, 2011 together with their differences.

(Unit: Yen)

	Balance sheet amount	Fair value	Differential
(1) Loans	11,051,139,214,728		
Allowance for possible loan losses	-96,053,968,326		
	10,955,085,246,402	10,689,648,688,947	-265,436,557,455
(2) Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	25,088,735,101		
Allowance for possible loan losses	-24,802,756,856		
	285,978,245	285,978,245	0
(3) Borrowings from government fund for Fiscal Investment and Loan Program (including borrowings due within one year)	(2,459,841,318,000)	(2,529,685,913,187)	(69,844,595,187)
(4) Derivative transactions	4,022,340,050	4,022,340,050	0

Note: Those recorded under liabilities are shown in parentheses.

Note 1: Method for calculating fair values of financial instruments

1) Loans

Fair values of loans with floating interest rates are calculated at their book values, as policy interest rates (bank rates) are immediately reflected in their floating interest rates and therefore fair value approximates book value. On the other hand, fair values of loans with fixed interest rates are calculated by discounting the total amount of the principal and interest using a rate that combines a risk-free rate with respective borrowers' credit risk.

2) Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims

Regarding claims in bankruptcy, rehabilitation, reorganization or other equivalent claims, the estimated uncollectible amount is calculated based on the expected recoverable amount through collateral and guarantees. Therefore, fair value approximates an amount listed on the balance sheet at the settlement date, less the current estimated uncollectible amount and hence is calculated accordingly.

3) Borrowings from the government under the Fiscal Investment and Loan Program (including borrowings due within one year)

Fair value of borrowings from the government under the Fiscal Investment and Loan Program (including borrowings due within one year) is calculated by discounting the total amount of principal and interest using interest rates expected to be applied to new borrowing for the same total amount.

4) Derivative transactions

Derivative transactions are interest-related transactions (interest swaps), and fair value approximates the present discounted value.

Note 2: The following are financial instruments for which the calculation of fair values is deemed extremely difficult. They are not included in the financial instruments' fair value information.

(Unit: Yen)

	Balance sheet amount
Investment securities	5,989,825,631
Affiliated companies stock	112,034,352,794

These financial instruments have no market prices, and the calculation of their fair values is deemed extremely difficult.

Notes to retirement benefits

(1) Breakdown of retirement benefit liabilities (Unit: Yen)

	FY2010
1) Retirement benefit liabilities	(10,423,552,088)
2) Plan assets	2,716,326,747
3) Non-accumulated retirement benefit costs 1) + 2)	(7,707,225,341)
4) Difference at the change of accounting standards	0
5) Unrecognized actuarial differences	0
6) Unrecognized past service liabilities (decrease in liabilities)	0
7) Net reported amount on balance sheet 3) + 4) + 5) +6)	(7,707,225,341)
8) Prepaid pension expenses	0
9) Allowance for retirement benefits 7) - 8)	(7,707,225,341)

(2) Breakdown of retirement benefit expenses (Unit: Yen)

	FY2010
1) Working cost	528,874,202
2) Interest cost	139,472,832
3) Expected return on investments	0
4) Amortization of past working liabilities	0
5) Amortization of actuarial differences	144,992,781
6) Others (premiums collected for employees' pension fund)	(76,696,146)

(3) Computation basis for retirement benefit obligation, etc.

	FY2010
1) Discount rate: Retirement pension	2.0%
2) Periodic allocation method for expected retirement benefits	Periodic fixed-amount benefits method
3) Processing period for actuarial differences	1 year
4) Others (Processing period of differences upon change of accounting standards; actual return rate, etc.)	1 year

Matters concerning asset retirement obligation

JICA has a building lease agreement for its head office building, and has an obligation to restore the building to its original state at the termination of the lease. Therefore, this asset retirement obligation has been recorded. The estimate for the asset retirement obligation has used the five-year lease period for the projected period of use and a discount rate of 0.529%.

In the current operating year, in line with the application of accounting standards, the amount recorded for asset retirement obligations was ¥68,784,655. The asset retirement obligation balance at the end of the operating year was ¥69,148,526 – the sum of the above ¥68,784,655 and the ¥363,871 adjustment amount of the asset retirement obligations due to passage of time.

Profit and loss under the equity method

JICA does not maintain any specific affiliated companies, and so does not prepare consolidated financial statements. However, profit and loss under the equity method as it relates to affiliated companies is as follows:

(1) Investment amount in affiliated companies ¥113,313,206,157

(2) Investment amount when applying the equity method ¥115,255,321,104

(3) Capital gains amount from investments when applying the equity method ¥9,164,252,086

Significant debt burden

N/A

Significant subsequent events

N/A

Details of Loans

(Unit: Millions of yen)

Classification	Balance as of the Beginning of the Period	Current Term Increase	Current Term Decrease		Balance as of the End of the Period	Remarks
			Collection	Write-off		
Loans	11,054,312	677,216	680,389	0	11,051,139	
Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	24,557	531	0	0	25,089	
Total	11,078,869	677,748	680,389	0	11,076,228	

Details of Borrowings

(Unit: Millions of yen)

Classification	Balance as of the Beginning of the Period	Current Term Increase	Current Term Decrease	Balance as of the End of the Period	Average Rate (%)	Repayment	Remarks
Borrowings from government fund for Fiscal Investment and Loan Program	2,730,170	192,200	462,529	2,459,841 (318,067)	1.544	Dec.2012– Feb.2036	

* Figure in parenthesis indicates the amount of borrowings repayable within one year.

Details of Bonds

(Unit: Millions of yen)

Name of Bonds	Balance as of the Beginning of the Period	Current Term Increase	Current Term Decrease	Balance as of the End of the Period	Rate (%)	Redemption	Remarks
JICA Bonds	80,000	60,000	0	140,000 (0)	1.918– 2.470	Sep.2028– Dec.2030	

* Figure in parenthesis indicates the amount of bonds redeemable within one year.