

Financial Summary

1 General Account

Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	97,615	86,547
Securities	84,000	98,000
Others	26,311	26,307
Total current assets	207,925	210,855
Non-current assets		
Tangible assets	41,901	41,443
Intangible assets	54	604
Investments and other assets	2,132	2,054
Total non-current assets	44,087	44,101
Total assets	252,012	254,956
Liabilities		
Current liabilities		
Operational grant liabilities	46,637	–
Funds for grant aid	130,378	145,895
Others	19,792	18,240
Total current liabilities	196,808	164,135
Non-current liabilities		
Contra-accounts for assets	2,531	4,053
Others	531	464
Total non-current liabilities	3,063	4,517
Total liabilities	199,871	168,652
Net assets		
Capital		
Government investment	63,217	62,452
Total capital	63,217	62,452
Capital surplus		
Capital surplus	(17,867)	(19,057)
Total capital surplus	(17,867)	(19,057)
Retained earnings		
Retained earnings	6,792	42,909
Total retained earnings	6,792	42,909
Total net assets	52,142	86,304
Total liabilities and net assets	252,012	254,956

(Assets)

For the business year ended March 31, 2017, total assets amounted to ¥254,956 million, increasing ¥2,943 million or 1.2% from the previous business year, primarily due to the ¥14,000 million or 16.7% increase in securities.

(Liabilities)

For the business year ended March 31, 2017, total liabilities were ¥168,652 million, decreasing ¥31,219 million or 15.6% year-on-year, primarily due to the absence of operational grant liabilities which were ¥46,637 million in the previous business year.

Statement of Income

(Unit: Millions of yen)

	April 1, 2015– March 31, 2016	April 1, 2016– March 31, 2017
Ordinary expenses		
Operating expenses		
Expenses for technical cooperation projects	73,433	80,681
Expenses for public participation-based cooperation	16,513	15,776
Expenses for assistance promotion	16,373	22,118
Expenses for operation support	28,288	28,996
Expenses for grant aid	91,152	79,246
Others	10,872	10,584
General administrative expenses	9,631	9,451
Financial expenses	324	90
Others	33	2
Total ordinary expenses	246,619	246,946
Ordinary revenues		
Revenues from operational grants	152,871	175,834
Revenues from grant aid	91,152	79,246
Others	4,230	3,838
Total ordinary revenues	248,252	258,918
Ordinary income	1,634	11,972
Extraordinary losses		
	38	45
Extraordinary income		
Settlement revenues from operational grants	–	24,128
Reversal of contra-accounts for assets funded by operational grants	39	36
Gain on sales of non-current assets	9	26
Total extraordinary income	48	24,190
Reversal of reserve fund carried over from the previous Mid-term Objective period	253	501
Total income for the current business year	1,896	36,619

(Ordinary expenses)

For the business year ended March 31, 2017, ordinary expenses amounted to ¥246,946 million, increasing ¥327 million or 0.1% from the previous business year. The major factor of the increase was the ¥7,248 million or 9.9% year-on-year increase in expenses for technical cooperation projects.

(Ordinary revenues)

For the business year ended March 31, 2017, ordinary revenues totaled ¥258,918 million, increasing ¥10,666 million or 4.3% year-on-year. The major factor of the increase was the ¥22,963 million or 15.0% increase in revenues from operational grants.

(Total income and loss for the current business year)

In addition to the ordinary income noted above, the following items were recorded in the business year under review. There was an extraordinary loss of ¥45 million, including a loss on disposal of non-current assets and other losses, and extraordinary income of ¥24,128 million as gain on settlement revenues from operational grants, a reversal of contra-accounts for assets funded by operational grants related to the loss on disposal of non-current assets of ¥36 million, and ¥26 million in gain on sales of non-current assets. Moreover, reversal of reserve fund carried over from the previous Mid-term Objective period totaled ¥501 million. As a result, total income for the current business year was ¥36,619 million, increasing ¥34,722 million or 1,831.0% from the previous business year.

Statement of Cash Flows

(Unit: Millions of yen)

	April 1, 2015– March 31, 2016	April 1, 2016– March 31, 2017
I. Cash flows from operating activities		
Payments of operating expenses	(143,413)	(150,814)
Payments for grant aid	(91,902)	(80,012)
Payments of personnel expenses	(16,273)	(16,390)
Proceeds from operational grants	154,036	155,450
Proceeds from grant aid	105,424	98,142
Other proceeds and payments	1,277	(987)
II. Cash flows from investing activities	13,285	(15,895)
III. Cash flows from financing activities	(149)	(662)
IV. Effect of exchange rate fluctuation on funds	(223)	(109)
V. Net increase in funds (decrease)	22,060	(11,277)
VI. Funds at the beginning of the business year	69,554	91,615
VII. Funds at the end of the business year	91,615	80,337

(Cash flows from operating activities)

For the business year ended March 31, 2017, cash flows from operating activities amounted to ¥5,389 million, declining ¥3,760 million or 41.1% year-on-year. The main contributor to the decrease was the ¥7,401 million or 5.2% increase in payments of operating expenses.

(Cash flows from investing activities)

For the business year ended March 31, 2017, cash flows from investing activities amounted to a cash outflow of ¥15,895 million, declining ¥29,180 million or 219.7% from the previous business year. The decrease was primarily attributed to the ¥150,000 million or 16.9% decrease in proceeds from refund of negotiable deposits.

(Cash flows from financing activities)

For the business year ended March 31, 2017, cash flows from financing activities amounted to a cash outflow of ¥662 million, decreasing ¥513 million or 343.1% from the previous business year. The major contributor to the decrease was the ¥520 million in payments to national treasury for unnecessary property which was ¥0 in the previous business year.

2 Finance and Investment Account

Balance Sheet (Unit: Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Loans	11,502,091	11,661,980
Allowance for loan losses	(153,208)	(165,531)
Others	177,155	282,319
Total current assets	11,526,038	11,778,767
Non-current assets		
Tangible assets	8,610	8,607
Intangible assets	236	647
Investments and other assets		
Claims probable in bankruptcy, claims probable in rehabilitation and other	63,845	87,063
Allowance for loan losses	(63,845)	(73,484)
Others	43,422	62,546
Total non-current assets	52,268	85,380
Total assets	11,578,306	11,864,147
Liabilities		
Current liabilities		
Current portion of borrowings from government fund for Fiscal Investment and Loan Program	219,212	188,060
Others	72,220	44,366
Total current liabilities	291,432	232,426
Non-current liabilities		
Bonds	477,305	590,596
Borrowings from government fund for Fiscal Investment and Loan Program	1,537,319	1,552,259
Others	5,159	6,520
Total non-current liabilities	2,019,783	2,149,375
Total liabilities	2,311,215	2,381,801
Net assets		
Capital		
Government investment	7,862,158	7,992,228
Total capital	7,862,158	7,992,228
Retained earnings		
Reserve fund	1,369,796	1,472,558
Others	102,762	74,363
Total retained earnings	1,472,558	1,546,921
Valuation and translation adjustments	(67,625)	(56,803)
Total net assets	9,267,091	9,482,347
Total liabilities and net assets	11,578,306	11,864,147

(Assets)

For the business year ended March 31, 2017, total assets amounted to ¥11,864,147 million, increasing ¥285,842 million or 2.5% from the previous business year, primarily due to the ¥159,889 million or 1.4% increase in loans.

(Liabilities)

For the business year ended March 31, 2017, total liabilities were ¥2,381,801 million, increasing ¥70,586 million or 3.1% year-on-year, primarily due to the ¥113,291 million or 23.7% increase in bonds.

Statement of Income (Unit: Millions of yen)

	April 1, 2015– March 31, 2016	April 1, 2016– March 31, 2017
Ordinary expenses		
Expenses related to operations of cooperation through finance and investment		
Interest on bonds and notes	5,751	6,116
Interest on borrowings	21,180	18,633
Interest on interest rate swaps	8,228	8,270
Operations consignment expenses	22,204	24,432
Operating and administrative expenses	12,542	12,605
Provision for allowance for loan losses	10,798	21,961
Others	9,699	7,088
Total ordinary expenses	90,402	99,105
Ordinary revenues		
Revenues from operations of cooperation through finance and investment		
Interest on loans	161,474	152,761
Dividends on investments	24,369	13,645
Others	3,423	6,270
Others	864	807
Total ordinary revenues	190,130	173,483
Ordinary income	99,728	74,378
Extraordinary losses	6	21
Extraordinary income	3,041	6
Total income for the current business year	102,762	74,363

(Ordinary expenses)

For the business year ended March 31, 2017, ordinary expenses amounted to ¥99,105 million, increasing ¥8,703 million or 9.6% from the previous business year. The major factor of the increase was the ¥11,163 million or 103.4% increase in provision for allowance for loan losses.

(Ordinary revenues)

For the business year ended March 31, 2017, ordinary revenues decreased ¥16,647 million or 8.8% to ¥173,483 million. The major factor was ¥10,724 million or 44.0% year-on-year decrease in dividends on investments.

(Total income and loss for the current business year)

In addition to the ordinary income noted above, there were extraordinary losses of ¥21 million as loss on disposal of non-current assets, and extraordinary income of ¥6 million as gain on sales of non-current assets. As a result, total income for the current business year was ¥74,363 million, declining ¥28,399 million or 27.6% from the previous business year.

Statement of Cash Flows (Unit: Millions of yen)

	April 1, 2015– March 31, 2016	April 1, 2016– March 31, 2017
I. Cash flows from operating activities	(86,921)	11,916
Payments for loans	(964,720)	(878,084)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(244,355)	(219,212)
Proceeds from collection of loans	696,469	700,863
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	297,300	203,000
Proceeds from issuance of bonds	59,671	110,389
Proceeds from interest on loans	157,425	149,643
Other operation proceeds and payments	(88,711)	(54,683)
II. Cash flows from investing activities	(763)	(21,577)
III. Cash flows from financing activities	48,165	130,038
IV. Effect of exchange rate fluctuation on funds	–	1,084
V. Net increase in funds (decrease)	(39,518)	121,461
VI. Funds at the beginning of the business year	127,050	87,531
VII. Funds at the end of the business year	87,531	208,993

(Cash flows from operating activities)

For the business year ended March 31, 2017, cash flows from operating activities amounted to ¥11,916 million, increasing ¥98,838 million or 113.7% year-on-year. The major factor of the increase was the ¥86,637 million or 9.0%, decrease in payments for loans.

(Cash flows from investing activities)

For the business year ended March 31, 2017, cash flows from investing activities amounted to a cash outflow of ¥21,577 million, declining ¥20,814 million or 2,729.6% from the previous business year. The decrease was primarily attributed to the ¥16,349 million in payments for increase of money held in trust which was ¥0 in the previous business year.

(Cash flows from financing activities)

For the business year ended March 31, 2017, cash flows from financing activities amounted to ¥130,038 million, increasing ¥81,872 million or 170.0% from the previous business year. The major contributor to the increase was the ¥81,810 million or 169.5% increase in receipt of government investment.