

Financial Statements

1 General Account

Balance Sheet (as of March 31, 2017)

Assets			
I. Current assets			
Cash and deposits		86,547,359,250	
Securities		98,000,000,000	
Inventories			
Stored goods	491,515,955	491,515,955	
Advance payments		22,793,139,404	
Prepaid expenses		386,014,938	
Accrued income		530,883	
Accounts receivable		2,576,204,673	
Short-term loans for development projects	30,317,000		
Allowance for loan losses	(619,885)	29,697,115	
Short-term loans for emigration projects	1,161,112		
Allowance for loan losses	(167,701)	993,411	
Short-term installments receivable on settlement projects		42,862	
Suspense payments		23,614,408	
Advances paid		5,728,685	
	Total current assets		210,854,841,584
II. Non-current assets			
1. Tangible assets			
Buildings	41,621,935,288		
Accumulated depreciation	(17,129,916,749)	24,492,018,539	
Structures	1,620,581,392		
Accumulated depreciation	(1,037,771,702)	582,809,690	
Machinery and equipment	174,211,830		
Accumulated depreciation	(113,118,175)	61,093,655	
Vehicles	2,030,930,984		
Accumulated depreciation	(1,177,251,699)	853,679,285	
Tools, furniture, and fixtures	2,320,412,634		
Accumulated depreciation	(1,411,976,382)	908,436,252	
Land	14,398,036,458		
Accumulated impairment loss	(8,710,639)	14,389,325,819	
Construction in progress		155,283,975	
	Total tangible assets	41,442,647,215	
2. Intangible assets			
Trademark right		1,818,077	
Telephone subscription right		1,786,900	
Software		145,417,505	
Software in progress		454,850,046	
	Total intangible assets	603,872,528	
3. Investments and other assets			
Long-term deposits		90,000,000	
Long-term loans for development projects	312,300,000		
Allowance for loan losses	(128,454,490)	183,845,510	
Long-term loans for emigration projects	30,633,064		
Allowance for loan losses	(27,090,610)	3,542,454	
Long-term installments receivable on settlement projects	281,512		
Allowance for loan losses	(281,512)	0	
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to loans for emigration projects	479,237,037		
Allowance for loan losses	(479,237,037)	0	
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to installments receivable on settlement projects	620,851		
Allowance for loan losses	(620,851)	0	
Long-term prepaid expenses		205,968,363	
Long-term guarantee deposits		1,570,965,696	
	Total investments and other assets	2,054,322,023	
	Total non-current assets		44,100,841,766
	Total assets		254,955,683,350

(Unit: Yen)

Liabilities			
I. Current liabilities			
Funds for grant aid		145,895,103,303	
Donations received		409,760,192	
Accounts payable		16,855,398,956	
Accrued expenses		237,632,593	
Lease obligations		113,471,018	
Advance payments received		1,645,976	
Deposits received		621,859,796	
Unearned revenue		47,242	
	Total current liabilities		164,134,919,076
II. Non-current liabilities			
Contra-accounts for assets			
Contra-accounts for assets funded by operational grants	4,052,889,655	4,052,889,655	
Long-term lease obligations		72,396,867	
Long-term deposits received		115,267,429	
Asset retirement obligations		276,125,850	
	Total non-current liabilities		4,516,679,801
	Total liabilities		168,651,598,877
Net assets			
I. Capital			
Government investment		62,452,442,661	
	Total capital		62,452,442,661
II. Capital surplus			
Capital surplus		(880,390,620)	
Accumulated depreciation not included in expenses		(18,159,591,791)	
Accumulated impairment loss not included in expenses		(10,201,839)	
Accumulated interest expenses not included in expenses		(7,189,037)	
	Total capital surplus		(19,057,373,287)
III. Retained earnings			
Reserve fund carried over from the previous Mid-term Objective period		1,275,765,107	
Reserve fund		5,014,447,023	
Unappropriated income for the current business year		36,618,802,969	
[Total income for the current business year]		[36,618,802,969]	
	Total retained earnings		42,909,015,099
	Total net assets		86,304,084,473
	Total liabilities and net assets		254,955,683,350

Statement of Income (April 1, 2016–March 31, 2017)

Ordinary expenses		
Operating expenses		
Expenses for technical cooperation projects	80,680,879,609	
Expenses for grant aid (operation support)	306,662,973	
Expenses for public participation-based cooperation	15,776,368,070	
Expenses for emigration projects	360,261,588	
Expenses for disaster relief activities	600,474,741	
Expenses for training and securing the personnel	1,476,575,107	
Expenses for assistance promotion	22,118,410,699	
Expenses for related to operation	7,069,769,946	
Expenses for operation support	28,996,345,250	
Expenses for grant aid	79,245,955,630	
Expenses for facilities	9,351,720	
Expenses for contracted programs	254,656,876	
Expenses for donation projects	16,856,587	
Depreciation	488,916,671	237,401,485,467
General administrative expenses		9,451,497,201
Financial expenses		
Foreign exchange losses	90,309,286	90,309,286
Miscellaneous loss		2,348,975
	Total ordinary expenses	246,945,640,929
Ordinary revenues		
Revenues from operational grants		175,833,700,975
Revenues from grant aid		79,245,955,630
Revenues from contracted programs		
Revenues from contracted programs from Japanese government and local governments	239,281,190	
Revenues from contracted programs from other parties	16,337,610	255,618,800
Revenues from interest on development projects		2,458,116
Revenues from settlement projects		26,670
Revenues from emigration projects		1,361,814
Donations		16,856,587
Revenues from subsidy for facilities		9,351,720
Reversal of allowance for loan losses		15,051,937
Reversal of contra-accounts for assets funded by operational grants		472,048,586
Financial revenues		
Interest income	11,120,677	11,120,677
Miscellaneous income		3,054,388,920
	Total ordinary revenues	258,917,940,432
	Ordinary income	11,972,299,503
Extraordinary losses		
Loss on disposal of non-current assets		41,302,842
Loss on sales of non-current assets		3,556,257
		44,859,099
Extraordinary income		
Settlement revenues from operational grants		24,127,531,623
Reversal of contra-accounts for assets funded by operational grants		36,476,968
Gain on sales of non-current assets		25,983,634
		24,189,992,225
Net income		36,117,432,629
Reversal of reserve fund carried over from the previous Mid-term Objective period		501,370,340
Total income for the current business year		36,618,802,969

Statement of Cash Flows (April 1, 2016–March 31, 2017)

(Unit: Yen)

I. Cash flows from operating activities	
Payments of operating expenses	(150,814,180,614)
Payments for grant aid	(80,011,715,913)
Payments for contracted programs	(448,559,603)
Payments of personnel expenses	(16,389,700,746)
Payments for other operations	(284,297,784)
Proceeds from operational grants	155,449,678,000
Proceeds from grant aid	98,142,054,663
Proceeds from contracted programs	338,683,859
Proceeds from interest on loans	4,682,174
Proceeds from settlement projects	924,158
Interest revenues	27,264
Installments receivable	896,894
Proceeds from donations	48,065,515
Proceeds from other operations	2,880,319,914
Subtotal	8,915,953,623
Interest income received	11,131,962
Payments to national treasury	(3,537,938,819)
Net cash provided by operating activities	5,389,146,766
II. Cash flows from investing activities	
Payments for purchase of non-current assets	(2,834,485,410)
Proceeds from sales of non-current assets	571,411,163
Proceeds from subsidy for facilities	138,780,000
Proceeds from collection of loans	229,008,565
Payments into time deposits	(422,000,000,000)
Proceeds from time deposit refund	422,000,000,000
Payments for purchase of negotiable deposits	(752,000,000,000)
Proceeds from refund of negotiable deposits	738,000,000,000
Net cash used in investing activities	(15,895,285,682)
III. Cash flows from financing activities	
Repayments of lease obligations	(141,595,072)
Payments to national treasury for unnecessary property	(520,377,489)
Net cash used in financing activities	(661,972,561)
IV. Effect of exchange rate fluctuation on funds	(109,180,910)
V. Net increase in funds (decrease)	(11,277,292,387)
VI. Funds at the beginning of the business year	91,614,651,637
VII. Funds at the end of the business year	80,337,359,250

Statement of Administrative Service Operation Cost (April 1, 2016–March 31, 2017)

(Unit: Yen)

I. Operating expenses		
(1) Expenses on statement of income		
Operating expenses	237,401,485,467	
General administrative expenses	9,451,497,201	
Financial expenses	90,309,286	
Miscellaneous loss	2,348,975	
Loss on disposal of non-current assets	41,302,842	
Loss on sales of non-current assets	3,556,257	246,990,500,028
(2) (Deduction) Self-revenues, etc.		
Revenues from contracted programs	(255,618,800)	
Revenues from interest on development projects	(2,458,116)	
Revenues from settlement projects	(26,670)	
Revenues from emigration projects	(1,361,814)	
Donations	(16,856,587)	
Reversal of allowance for loan losses	(15,051,937)	
Financial revenues	(11,120,677)	
Miscellaneous income	(3,054,388,920)	
Gain on sales of non-current assets	(25,983,634)	(3,382,867,155)
Total operating expenses		243,607,632,873
II. Depreciation not included in expenses		1,288,101,504
III. Disposal and sale differential not included in expenses		345,656,256
IV. Estimated bonus payments not included in provision		52,618,880
V. Estimated increase in retirement benefits not included in provision		512,897,138
VI. Opportunity cost		
Opportunity cost of government investment		27,116,581
VII. Administrative service operation cost		<u>245,834,023,232</u>

Significant Accounting Policies

JICA adopted the "Accounting Standards for Incorporated Administrative Agencies and Notes to Accounting Standards for Incorporated Administrative Agencies" (February 16, 2000 (Revised January 27, 2015), and the Q&A on Accounting Standards for Incorporated Administrative Agencies and Notes to Accounting Standards for Incorporated Administrative Agencies (August 2000 (Finally revised February 2016)).

However, the provisions prior to the revisions have been applied regarding the disclosures of segment information in accordance with the transitional measures of the Accounting Standards for Incorporated Administrative Agencies.

1 Revenue recognition method of operational grants

Revenue from operational grants is recognized based on the level of operational achievement.

The revenue recognition method based on term is applied for administrative operations except the operations which have been specified as having a direct correlation between the operational achievement and operational grants.

The revenue from disaster relief operations, which are relief operations for unexpected disasters during the period, is recognized as the related expenses are incurred, since it is difficult to estimate the budget and terms, and specify a correlation between the operational achievement and operational grants.

(Changes in accounting policies)

Revenue from operational grants was recognized as the related expenses were incurred until the business year 2015. The revenue recognition method is changed from the business year 2016 in accordance with the amendment of Accounting Standard for Incorporated Administrative Agency and other related rules. This change has increased both ordinary revenues and net income by ¥9,799,909,305, compared to the method which was applied for the previous business year. The change does not affect the statement of administrative service operation cost.

2 Depreciation method

(1) Tangible assets (except for lease assets)

Straight-line method

The useful lives of major assets are as follows:

Buildings:	1–50 years
Structures:	1–42 years
Machinery and equipment:	1–17 years
Vehicles:	1–6 years
Tools, furniture, and fixtures:	1–15 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 indirectly deducted from capital surplus and reported as accumulated depreciation not included in expenses.

(2) Intangible assets (except for lease assets)

Straight-line method

Software used by JICA is depreciated over its useful life (5 years), which has been determined by JICA.

(3) Lease assets

Lease assets are depreciated by the straight-line method over the lease term. Depreciation for lease assets is calculated with zero residual value being assigned to the asset.

3 Standard for appropriation of provision and estimation for bonuses

A provision for bonuses is not appropriated since the financial source is secured by operational grants. The estimated bonus payments not included in the provision in the statement of administrative service operation cost is reported as a current business year estimate of the provision for

bonuses, calculated according to the Accounting Standard for Incorporated Administrative Agency No. 88.

4 Standard for appropriation of provision and estimation for retirement benefits

A provision for retirement benefits is not appropriated for retirement benefits since the financial source is secured by operational grants.

A provision for retirement benefits is not provided for pension benefits from the defined benefit corporate pension plan since the financial source for defined benefit corporate pension plan insurance fees and reserve shortfall is secured by operational grants.

The estimated increase in retirement benefits not included in the provision in the statement of administrative service operation cost is reported as the current business year increase of provision for retirement benefits regarding retirement benefits and employees' pension fund, calculated according to the Accounting Standard for Incorporated Administrative Agency No. 38.

5 Basis and standard for appropriation of allowances, etc.

Allowance for loan losses

To provide for loan losses, JICA records the estimated amount of default, taking into account the transition rate to delinquent loans for ordinary loans and specific collectibility of doubtful loans, etc.

6 Standard and method for the valuation of securities

Held-to-maturity securities

Valued using the amortized cost method (straight-line method)

7 Standard and method for the valuation of inventories

Stored goods

Stored goods valuation is based on the lower of cost or market using the first-in, first-out (FIFO) method.

8 Translation standard for foreign currency-denominated assets and liabilities into yen

Foreign currency money claims and liabilities are translated into Japanese yen at the spot exchange rate at the balance sheet date. Exchange differences are recognized as profit or loss.

9 Method for computing opportunity cost in the Statement of Administrative Service Operation Cost

Interest rate used to compute opportunity cost of government investment: 0.065% with reference to the yield of 10-year fixed-rate Japanese government bonds at the end of March 2017.

10 Accounting treatment for consumption taxes

Consumption taxes and local consumption taxes are included in transaction amounts.

Notes to the financial statements

(Balance Sheet)

1 Estimated retirement benefits to be provided from the operational grants

¥16,443,709,215

2 Estimated bonus to be provided from the operational grants

¥1,077,714,200

3 Impairment loss on non-current assets

Non-current assets indicating impairment loss

(1) Outline of usage, type, location, book value of non-current assets that indicated an impairment loss

(Unit: Yen)

Name of asset	Usage	Location	Type	Book value
Soubudai Jutaku	Employee housing	Zama city, Kanagawa prefecture	Building	480,287,919

(2) Background and reason for the indication of impairment loss

The asset presented an impairment indicator since occupancy ratio was less than 50% at the end of business year 2016. However, impairment loss has not been recognized because the building continued to be utilized for employee housing.

4 Donated funds for grant aid

Grant aid is received in the form of donated funds from the government of Japan. JICA administers this grant aid based on Grant Agreements with the government of the recipient country. At the end of business year 2016, the outstanding balance of unexecuted Grant Agreements stood at ¥246,539,615,319.

(Statement of Cash Flows)

The funds shown in the statement of cash flows are cash, deposit accounts, and checking accounts.

1 Breakdown of balance sheet items and ending balance of funds

(as of March 31, 2017)

Cash and deposits	¥86,547,359,250
Time deposits	¥(6,210,000,000)
Ending balance of funds	¥80,337,359,250

2 Description of significant non-cash transactions

Assets granted under finance lease

Tools, furniture, and fixtures	¥59,476,037
--------------------------------	-------------

(Statement of Administrative Service Operation Cost)

Number of public officers temporarily transferred to JICA and accounted for as opportunity cost

Of the estimated increase in retirement benefits not included in the provision, ¥16,418,302 was recognized as the current-business-year increase in provision for retirement benefits for 29 public officers temporarily transferred to JICA according to JICA's internal rules.

(Financial Instrument)

1 Status 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 operational grants approved by the competent minister. The General Account does not borrow from the government fund for Fiscal Investment and Loan Program (FILP), nor does it borrow funds from financial institutions or issue FILP Agency Bonds.

2 Fair value of financial instruments

Balance sheet amounts, fair value, and difference at the balance sheet date are as follows:

(Unit: Yen)

	Balance sheet amount	Fair value	Difference
(1) Cash and deposits	86,547,359,250	86,547,359,250	0
(2) Securities	98,000,000,000	98,000,000,000	0
(3) Accounts payable	(16,855,398,956)	(16,855,398,956)	0

(Note) Liabilities are shown in parentheses.

(Note 1) Calculation method for fair value of financial instruments and matters concerning securities

[1] Cash and deposits

Cash and deposits are valued at book value because fair value approximates book value due to the short-term nature of these instruments.

[2] Securities (negotiable deposits)

Negotiable deposits are valued at book value because fair value approximates book value due to the short-term nature of these instruments.

[3] Accounts payable

Accounts payable are valued at book value because fair value approximates book value due to the short-term nature of these instruments.

(Retirement benefits)

1 Overview of retirement benefit plans

To provide retirement benefits for employees, JICA has a defined benefit pension plan comprised of a defined benefit corporate pension plan and a lump-sum severance indemnity plan, and a defined contribution plan comprised of a defined contribution pension plan.

2 Defined benefit pension plan**(1) The changes in the retirement benefit obligation are as follows:**

(Unit: Yen)

Retirement benefit obligation at the beginning of the business year	30,519,521,235
Current service cost	1,091,166,461
Interest cost	138,793,057
Actuarial difference	(13,209,817)
Retirement benefit paid	(889,936,752)
Past service cost	0
Contribution by the employee	65,471,664
Retirement benefit obligation at the end of the business year	30,911,805,848

(2) The changes in the plan assets are as follows:

(Unit: Yen)

Plan assets at the beginning of the business year	14,867,199,924
Expected return on plan assets	0
Actuarial difference	(320,107,733)
Contribution by the company	445,350,914
Retirement benefit paid	(294,909,068)
Contribution by the employee	65,471,664
Plan assets at the end of the business year	14,763,005,701

(Note) Plan assets include ¥ 6,226,859,000 paid in advance to the National Treasury in relation to the return of the substitutional portion of the Employees' Pension Funds.

(3) Reconciliation of the projected benefit obligations and plan assets and provision for retirement benefits and prepaid pension expenses in the balance sheets

(Unit: Yen)

Funded retirement benefit obligation	17,058,217,138
Plan assets	(14,763,005,701)
Unfunded benefit obligations of funded pension plan	2,295,211,437
Unfunded benefit obligations of unfunded pension plan	13,853,588,710
Subtotal	16,148,800,147
Unrecognized actuarial differences	0
Unrecognized past service cost	0
Net amount of assets and liabilities in the balance sheets	0
Provision for retirement benefits	0
Prepaid pension expenses	0
Net amount of assets and liabilities in the balance sheets	0

(Note) A provision for retirement benefits is not appropriated for the difference between retirement benefit obligations and plan assets and net amount of assets and liabilities in the balance sheet, ¥ 16,148,800,147, since the financial source is secured by operational grants.

(4) Profit or loss regarding retirement benefits

	(Unit: Yen)
Current service cost	1,091,166,461
Interest cost	138,793,057
Expected return on plans assets	0
Realized actuarial differences	306,897,916
Amortization of past service cost	0
Extraordinary additional retirement payments	0
Total	1,536,857,434

(5) Major components of plan assets

Percentages of components to the total (excluding plan assets paid in advance) are as follows:

Bonds	36%
Stocks	34%
General account of life insurance company	20%
Others	10%
Total	100%

(6) Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on components of plan assets, its performance and market condition, etc.

(7) Assumptions used

Principal assumptions used in actuarial calculations at the end of the business year

Discount rate	Defined benefit corporate pension plan	0.23%
	Retirement benefits	0.74%
Long-term expected rate of return on plan assets		0.00%

3 Defined contribution plan

The amount of contribution required to be made to the defined contribution plan is ¥48,991,626.

(Lease transactions)**1. Future minimum lease payments related to operating lease transactions**

Future minimum lease payments due within one year of the balance sheet date	¥41,902,154
Future minimum lease payments corresponding to periods more than one year from the balance sheet date	¥98,891,826

2. The amount of the finance lease transactions that influenced the current business year's profits and losses was ¥257,872. Total income for the current business year after the deduction of this amount was ¥36,619,060,841.

(Asset retirement obligations)

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

The balance of the asset retirement obligations at the end of the current business year was ¥276,125,850.

(Payments to the National Treasury, etc., for unnecessary property)

A summary of payments to the National Treasury for unnecessary property in the current business year is as follows (such payment can be executed by selling unnecessary property to a third party and paying to the National Treasury the difference between the considerations received and the property's book value (the "transfer balance")):

Regarding the transfer of employee housing units, the transfer balance of the transactions designated as "transfer transactions whose transfer balance shall not be included as the profit and loss in the calculation of profits and losses" as per Article 13-2 of the Ordinance of the Ministry for the Operations, Finances and Accounting of the Japan International Cooperation Agency

(Ordinance of Ministry of Foreign Affairs No. 22 of September 30, 2003 (final amendment, November 30, 2016)) and the expenses related to the transfer were not included in the profits and losses on the Statement of Income but are deducted from capital surplus by applying the Accounting Standard for Incorporated Administrative Agency No. 99.

Employee housing

Outline of the type and book value, etc., of assets subject to the payment to the National Treasury as unnecessary property

[1] Type	Building and Land	Building and Land	Building, Structure, and Land	Building and Land	
[2] Name of assets	Tokorozawa Jutaku	Komagane-kougai Jutaku	Tukubakougai Jutaku	Shinoharacho Jutaku	
[3] Book value	(1)Acquisition cost	¥231,488,482	¥32,971,882	¥444,213,838	¥56,095,000
	(2)Depreciation	¥35,590,520	¥7,797,453	¥57,755,550	¥1,931,400
	(3)Impairment loss	¥121,121,661	¥21,746,555	¥121,163,091	¥8,767,600
	(4)Book value	¥74,776,301	¥3,427,874	¥265,295,197	¥45,396,000
[4] Reason for unnecessary property	Based on the Mid-term Plan, etc., it was decided that unnecessary property would be disposed of by payments to the National Treasury, in accordance with the enhancement of the Act for partial revision to the Act on General Rules for Incorporated Administrative Agencies (Act No. 37 of 2010), which prescribed returns of unnecessary property to the National Treasury by Incorporated Administrative Agencies.				
[5] Method of the payment to the National Treasury	Payment of the transfer balance net of the related expense pursuant to Paragraph 2 of Article 46-2 of the Act on General Rules for Incorporated Administrative Agencies.				
[6] Amount of the transfer balance of unnecessary property (excluding tax)	¥144,638,387		¥347,383,374	¥30,750,423	
[7] Deducted expenses (excluding tax)	¥8,407,831				
[8] Amount and date of payment to national treasury	Amount	¥514,364,353			
	Date	February 16, 2017			
[9] Capital reduction	¥764,769,202				
[10] Remarks	Tokorozawa Jutaku and Komagane-kougai Jutaku are sold as a package				

(Significant Contractual Liabilities)

Contractual liabilities JICA is obligated to pay during the next business year and thereafter are ¥4,641,100,841.

(Significant subsequent events)

Not applicable

The financial statements have been audited by an accounting auditor as prescribed in Article 39 of the Act on General Rules for Incorporated Administrative Agencies.

2 Finance and Investment Account

Balance Sheet (as of March 31, 2017)

Assets			
I. Current assets			
Cash and deposits		208,992,616,064	
Securities		2,000,000,000	
Loans	11,661,979,711,338		
Allowance for loan losses	(165,531,067,974)	11,496,448,643,364	
Advance payments		19,942,883,275	
Prepaid expenses		118,182,761	
Accrued income			
Accrued interest on loans	31,939,716,128		
Accrued commitment charges	705,371,585		
Accrued interest	179,892	32,645,267,605	
Accounts receivable		908,050,122	
Suspense payments		4,657,033	
Advances paid		848,152	
Short-term guarantee deposits		17,706,000,000	
	Total current assets		11,778,767,148,376
II. Non-current assets			
1. Tangible assets			
Buildings	3,266,812,548		
Accumulated depreciation	(985,260,874)		
Accumulated impairment loss	(680,161,972)	1,601,389,702	
Structures	50,286,752		
Accumulated depreciation	(22,192,322)		
Accumulated impairment loss	(11,670,468)	16,423,962	
Machinery and equipment	194,594,251		
Accumulated depreciation	(65,221,187)		
Accumulated impairment loss	(102,287,680)	27,085,384	
Vehicles	408,074,789		
Accumulated depreciation	(205,851,045)	202,223,744	
Tools, furniture and fixtures	370,686,607		
Accumulated depreciation	(245,034,615)	125,651,992	
Land	12,703,270,000		
Accumulated impairment loss	(6,091,196,973)	6,612,073,027	
Construction in progress		22,521,084	
	Total tangible assets	8,607,368,895	
2. Intangible assets			
Trademark right		452,906	
Software		115,519,055	
Software in progress		531,519,518	
	Total intangible assets	647,491,479	
3. Investments and other assets			
Investment securities		2,645,877,928	
Shares of affiliated companies		43,634,338,940	
Money held in trust		15,511,130,579	
Claims probable in bankruptcy, claims probable in rehabilitation, and other	87,062,884,239		
Allowance for loan losses	(73,483,682,562)	13,579,201,677	
Long-term prepaid expenses		53,955,665	
Long-term guarantee deposits		700,941,263	
	Total investments and other assets	76,125,446,052	
	Total non-current assets		85,380,306,426
	Total assets		11,864,147,454,802

(Unit: Yen)

Liabilities			
I. Current liabilities			
Current portion of borrowings from government fund for Fiscal Investment and Loan Program		188,059,967,000	
Accounts payable		5,762,648,946	
Accrued expenses		6,127,855,016	
Derivatives		17,597,957,963	
Lease obligations		25,768,610	
Deposits received		1,161,305,036	
Unearned revenue		5,299,704	
Provision			
Provision for bonuses	284,404,876		
Provision for contingent losses	13,148,734,498	13,433,139,374	
Suspense receipt		252,219,442	
	Total current liabilities		232,426,161,091
II. Non-current liabilities			
Bonds		590,595,600,000	
Discounts on bonds payable		(334,612,737)	
Borrowings from government fund for Fiscal Investment and Loan Program		1,552,258,964,000	
Long-term lease obligations		7,339,303	
Long-term deposits received		2,484,168,000	
Provision for retirement benefits		4,292,719,026	
Asset retirement obligations		70,374,150	
	Total non-current liabilities		2,149,374,551,742
	Total liabilities		2,381,800,712,833
Net assets			
I. Capital			
Government investment		7,992,227,840,510	
	Total capital		7,992,227,840,510
II. Retained earnings			
Reserve fund		1,472,558,065,095	
Unappropriated income for the current business year		74,363,358,892	
[Total income for the current business year]		[74,363,358,892]	
	Total retained earnings		1,546,921,423,987
III. Valuation and translation adjustments			
Valuation difference on available-for-sale securities		(40,138,542)	
Deferred gains or losses on hedges		(56,762,383,986)	
	Total valuation and translation adjustments		(56,802,522,528)
	Total net assets		9,482,346,741,969
	Total liabilities and net assets		11,864,147,454,802

Statement of Income (April 1, 2016–March 31, 2017)

Ordinary expenses				
Expenses related to operations of cooperation through finance and investment				
Interest on bonds and notes		6,116,009,487		
Interest on borrowings		18,632,507,425		
Interest on interest rate swaps		8,270,000,628		
Other Interest expenses		417,817		
Operations consignment expenses		24,432,167,675		
Bond issuance cost		591,326,417		
Personnel expenses		3,812,418,036		
Provision for bonuses		284,404,876		
Retirement benefit expenses		514,441,745		
Operating and administrative expenses		12,605,057,490		
Depreciation		186,574,310		
Taxes		80,633,707		
Loss on valuation of investment securities		548,496,821		
Loss on valuation of shares of affiliated companies		126,468,265		
Loss on investment in money held in trust		837,524,554		
Provision for allowance for loan losses		21,961,138,899		
Other operating expenses		104,866,631		
Other ordinary expenses		352,574	99,104,807,357	
	Total ordinary expenses			99,104,807,357
Ordinary revenues				
Revenues from operations of cooperation through finance and investment				
Interest on loans		152,760,592,741		
Interest on bonds		4,053		
Dividends on investments		13,645,224,178		
Commissions		2,920,154,750		
Foreign exchange gains		750,242,268		
Reversal of provision for allowance for contingent losses		2,600,035,337	172,676,253,327	
Financial revenues				
Interest income		18,147,240	18,147,240	
Miscellaneous income			768,768,354	
Recoveries of written-off claims			19,932,577	
	Total ordinary revenues			173,483,101,498
	Ordinary income			74,378,294,141
Extraordinary losses				
Loss on disposal of non-current assets			5,497,831	
Loss on sales of non-current assets			518,192	
Impairment loss			15,311,316	21,327,339
Extraordinary income				
Gain on sales of non-current assets			6,392,090	6,392,090
Net income				74,363,358,892
Total income for the current business year				<u>74,363,358,892</u>

Statement of Cash Flows (April 1, 2016–March 31, 2017)

(Unit: Yen)

I. Cash flows from operating activities	
Payments for loans	(878,083,539,065)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(219,211,646,000)
Interest expenses paid	(48,600,561,680)
Payments for personnel expenses	(4,356,193,739)
Payments for other operations	(85,256,752,991)
Proceeds from collection of loans	700,862,732,004
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	203,000,000,000
Proceeds from issuance of bonds	110,388,853,743
Proceeds from interest on loans	149,643,395,588
Proceeds from commissions	3,520,151,151
Proceeds from other operations	66,346,728,588
Subtotal	(1,746,832,401)
Interest and dividend income received	13,663,283,655
Net cash provided by operating activities	11,916,451,254
II. Cash flows from investing activities	
Payments for purchase of non-current assets	(651,311,361)
Proceeds from sales of non-current assets	23,354,663
Payments for purchase of investment securities	(2,328,255,822)
Proceeds from sales and collection of investment securities	9,938,391
Payments for purchase of shares of affiliated companies	(2,061,950,000)
Payments for increase of money held in trust	(16,348,655,133)
Payments into time deposits	(14,770,878,000)
Proceeds from time deposit refund	16,550,862,000
Payments for purchase of negotiable deposits	(5,000,000,000)
Proceeds from refund of negotiable deposits	3,000,000,000
Net cash used in investing activities	(21,576,895,262)
III. Cash flows from financing activities	
Repayments of lease obligations	(32,333,135)
Receipt of government investment	130,070,000,000
Net cash provided by financing activities	130,037,666,865
IV. Effect of exchange rate fluctuation on funds	1,084,168,241
V. Net increase in funds (decrease)	121,461,391,098
VI. Funds at the beginning of the business year	87,531,224,966
VII. Funds at the end of the business year	208,992,616,064

Statement of Administrative Service Operation Cost (April 1, 2016–March 31, 2017)

(Unit: Yen)

I. Operating expenses	
(1) Expenses in the statement of income	
Expenses related to operations of cooperation through finance and investment	99,104,807,357
Loss on disposal of non-current assets	5,497,831
Loss on sales of non-current assets	518,192
Impairment loss	15,311,316
	99,126,134,696
(2) (Deduction) Self-revenues, etc.	
Revenues from operations of cooperation through finance and investment	(172,676,253,327)
Financial revenues	(18,147,240)
Miscellaneous income	(768,768,354)
Recoveries of written-off claims	(19,932,577)
Gain on sales of non-current assets	(6,392,090)
	(173,489,493,588)
Total operating expenses	(74,363,358,892)
II. Estimated increase in retirement benefits not included in provision	4,364,363
III. Opportunity cost	
Opportunity cost of government investment	5,152,675,346
IV. Administrative service operation cost	(69,206,319,183)

Significant Accounting Policies

1 Depreciation method

(1) Tangible assets (except for lease assets)

Straight-line method

The useful lives of major assets are as follows:

Buildings:	2–50 years
Structures:	2–46 years
Machinery and equipment:	2–17 years
Vehicles:	2–6 years
Tools, furniture and fixtures:	2–15 years

(2) Intangible assets (except for lease assets)

Straight-line method

Software used by JICA is depreciated over its useful life (5 years), which has been determined by JICA.

(3) Lease assets

Lease assets are depreciated by the straight-line method over the lease term. Depreciation for lease assets is calculated with zero residual value being assigned to the asset.

2 Standard for appropriation of provision and estimation for bonuses

The provision for bonuses is calculated and provided for based on estimated amounts of future payments attributable to the services that have been rendered by officers and employees applicable to the current business year.

3 Standard for appropriation of provision and estimation for retirement benefits

The provision for retirement benefits is calculated and provided for based on estimated amounts of future payments attributable to the retirement of employees, and is accrued in line with the retirement benefit obligations and estimated plan assets applicable to the business year ended March 31, 2017. In calculating the retirement benefit obligations, the estimated amount of retirement benefit payments is attributed to the period based on the straight-line basis. The profit and loss appropriation method for actuarial differences and past service costs are presented as follows:

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

Past service costs are recognized as a lump-sum gain or loss in the business year in which they occur.

The estimated increase in retirement benefits not included in provision in the statement of administrative service operation cost is reported as the current-year increase of provision for retirement benefits, calculated according to the Accounting Standard for Incorporated Administrative Agency No. 38.

4 Basis and standard for appropriation of allowance, etc.

(1) Allowance for 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 of loan claims after the deductions of the amount expected to be collected through the disposal of collateral and execution of guarantees, or the same amount is written off directly. 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 overall assessment of the solvency of the debtors after the deductions of the amount expected to be collected through the disposal of collateral and the execution of guarantees, or the same amount is written off directly. There were no write-offs from the above-mentioned outstanding balance of loan claims for the business year 2016.

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. The allowance for possible losses on specific overseas loans is provided based on the expected loss amount taking into consideration the political and economic situation of these countries.

All claims are assessed initially by the operational departments (including regional departments) based on internal rules for self-assessment of asset

quality. Internal audit department, which is independent from the operational departments, reviews these self-assessments, and an allowance is provided based on the results of the assessments.

(2) Provision for contingent losses

Provision for contingent losses is provided to prepare for the occurrence of contingent losses for a portion of the undisbursed balance of loan commitments, which JICA is absolutely obligated to extend. The amount of the provision is estimated based on the possibility of losses in the future.

5 Standard and method for the valuation of securities

(1) Held-to-maturity securities

Applied using the amortized cost method (straight-line method).

(2) Shares of affiliated companies

Shares of affiliated companies are stated at cost, determined using the moving-average method.

However, when the amount corresponding to the equity holding has fallen below the cost at acquisition, the amount corresponding to the equity holding is used.

(3) Other investment securities (whose fair value is extremely difficult to determine)

Other investment securities are stated at cost, determined using the moving-average method.

Investments in limited partnerships and other similar partnerships, which are regarded as securities under Article 2, Clause 2 of the Japanese Financial Instruments and Exchange Law, Act No. 25 of 1948, are recognized at an amount equivalent to JICA's percentage share of the net assets of such partnerships, based upon the most recent financial statements available depending on the report date stipulated in the partnership agreement.

6 Standard and method for the valuation of derivative transactions

All derivative financial instruments are carried at fair value.

7 Method for amortization of discount on bonds payable

Discount on bonds payable is amortized over the duration of the bonds.

8 Translation standard for foreign currency-denominated assets and liabilities into yen

Foreign currency money claims and liabilities are translated into Japanese yen mainly at the spot exchange rate at the balance sheet date. Exchange differences are recognized as profit or loss.

9 Method for computing opportunity cost in the statement of administrative service operation cost

Interest rate used to compute opportunity cost concerning government investment:

0.065% with reference to the yield of 10-year fixed-rate Japanese government bonds at the end of March 2017.

10 Method of hedge accounting

(1) Method of hedge accounting

Interest rate swaps are accounted for using the deferral hedge accounting method or the accrual method. Currency swaps are accounted for by the assignment method. As for interest rate and currency swaps, the interest rate part is accounted for using the accrual method and the currency part is accounted for by the assignment method.

(2) Hedging instruments and hedged items

- [1] Hedging instruments...Interest rate swaps
Hedged items...Loans, bonds and foreign currency bonds
- [2] Hedging instruments...Currency swaps
Hedged items...Foreign currency bonds
- [3] Hedging instruments...Interest rate and currency swaps
Hedged items...Foreign currency bonds

(3) Hedging policy

JICA engages in interest rate swaps, currency swaps, or interest rate

and currency swaps for the purpose of hedging interest rate or currency fluctuation risks.

(4) Method of evaluation of hedge effectiveness

Hedges that offset market fluctuations of loans are assessed based on discrepancies with regard to maturity and notional principal and others between hedged loans and hedging instruments.

Hedges that offset market fluctuations of bonds are assessed by measuring and comparing the change in fair value of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date. As for interest rate swaps that satisfy the requirements of the accrual method, currency swaps that satisfy the requirements of the assignment method, and interest rate and currency swaps that satisfy the requirements of the accrual method and the assignment method, JICA is not required to periodically evaluate hedge effectiveness.

11 Accounting treatment for consumption taxes

Consumption taxes and local consumption taxes are included in transaction amounts.

Notes to the financial statements

(Balance Sheet)

1 Joint obligations

JICA is jointly liable for obligations arising from the following bonds issued by the former Japan Bank for International Cooperation which was succeeded by the Japan Bank for International Cooperation:

Fiscal Investment and Loan Program (FILP) Agency Bonds
200,000,000,000 Yen

2 Impairment loss on non-current assets

Non-current assets for which impairment loss was recognized

(1) Outline of the usage, type, location, book value, etc. of a non-current asset for which an impairment loss was recognized.

Impairment loss was recognized for the following asset:

(Unit: Yen)

Name of asset	Usage	Location	Type	Book value before impairment loss	Impairment loss during the period	Accumulated impairment loss at the end of the period
Chofu Jutaku	Employee housing	Chofu city, Tokyo	Building	15,311,316	15,311,316	15,311,316

(2) Background relating to the recognition of impairment loss

The asset was considered impaired because there were no residents and no plans to utilize the asset in the future.

3 Undisbursed balance of loan commitments

Most of JICA's loans are long term. Ordinarily, when receiving a request for disbursement of a loan from a borrower, corresponding to the intended use of funds as stipulated by the loan agreement, and upon confirming the fulfillment of conditions prescribed under the loan agreement, JICA promises to loan a certain amount of funds within a certain range of the amount required by the borrower, with an outstanding balance within the limit of loan commitments. The undisbursed balance of loan commitments as of March 31, 2017 was ¥6,163,278,043,046.

(Statement of Income)

1 Gain (loss) on valuation of investment securities and gain (loss) on valuation of shares of affiliated companies

Gain (loss) on valuation of investment securities and gain (loss) on valuation of shares of affiliated companies include gain and loss resulting from valuations, sales and collections of these securities.

2 Recoveries of written-off claims

Recoveries of written-off claims include the amount recovered in excess of book value of the loans transferred to JICA on October 1, 2008, that are associated with the Overseas Economic Cooperation Account of the former Japan Bank for International Cooperation.

(Statement of Cash Flows)

The funds shown in the statement of cash flows are deposit accounts and checking accounts.

1 Breakdown of balance sheet items and ending balance of funds

(as of March 31, 2017)

Cash and deposits	¥208,992,616,064
Ending balance of funds	¥208,992,616,064

2 Description of significant non-cash transactions

Assets granted under finance lease	
Tools, furniture and fixtures	¥362,767

(Statement of Administrative Service Operation Cost)

Number of public officers temporarily transferred to JICA and accounted for as opportunity cost

Of the estimated increase in retirement benefits not included in the provision, ¥4,364,363 was recognized as the current-business-year increase of provision for retirement benefits for 29 public officers temporarily transferred to JICA according to JICA's internal rules.

(Financial instruments)

1 Status of financial instruments**(1) Policy regarding financial instruments**

The Finance and Investment Account undertakes financial cooperation operations by providing debt and equity financing. In undertaking these operations, it raises funds by borrowing from the Japanese Government under the FILP, borrowing from financial institutions, issuing bonds, and receiving capital investment from the Japanese Government. From the perspective of asset-liability management (ALM), derivative transactions are conducted for mitigating the adverse impact caused by interest rate and foreign exchange fluctuations.

(2) Details of financial instruments and related risks

The financial assets held in the Finance and Investment Account are loans mainly to developing regions, and are exposed to credit risk attributed to defaults by its borrowers and interest rate risk. Securities, investment securities, and shares of affiliated companies are held for policy-oriented purposes, and are exposed to credit risk of issuers, interest rate risk, and market price volatility risk.

Borrowings and bonds are exposed to liquidity risk as their payments or repayments cannot be duly serviced in such a situation where the account is unable to have access to markets for certain reasons.

In addition to the above, foreign currency claims and liabilities are exposed to foreign exchange fluctuation risk.

(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, guarantee and collateral setting, problem loan management, etc., in accordance with integrated risk management rules and various credit risk-monitoring rules. This credit management is carried out by the operational departments (including region department), in addition to the Credit Risk Analysis and Environmental Review Department and General Affairs Department. Additionally, the Risk Management Committee of the Finance and Investment Account and Board Meeting convene on a regular basis for the purpose of deliberating or reporting. Moreover, the Office of Audit monitors the status of credit management.

The credit risks of issuers of investment securities and shares of affiliated companies are monitored by the Private Sector Partnership and Finance Department, which regularly confirms their credit information, etc.

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 the methods prescribed by laws or statements of operational procedures. Interest rate swap transactions are conducted to hedge against the risk of interest rate fluctuations in light of their possible adverse impact.

(ii) Foreign exchange risk management

Foreign currency claims and liabilities are exposed to foreign exchange fluctuation risk; as such, foreign currency claims are funded by foreign currency liabilities, and currency swaps and other approaches are employed to avert or reduce foreign exchange risk.

(iii) Price volatility risk management

Stocks and other securities that are held for policy-oriented purposes are monitored for changes in value affected by the market environment or financial condition of the companies, exchange rates, and other factors.

This information is reported on a regular basis to the Risk Management Committee of the Finance and Investment Account and Board Meeting.

[3] Liquidity risk management related to fund raising

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

[4] Derivative transaction management

Pursuant to rules concerning swaps, derivative transactions are implemented and managed by separating the sections related to execution of transactions, assessment of hedge effectiveness, and logistics management based on a mechanism with an established internal system of checks and balances.

2 Fair value of financial instruments

Balance sheet amount, fair value, and difference at the balance sheet date are as follows:

	(Unit: Yen)		
	Balance sheet amount	Fair value	Difference
(1) Loans	11,661,979,711,338		
Allowance for loan losses	(165,531,067,974)		
	11,496,448,643,364	11,946,907,411,217	450,458,767,853
(2) Claims probable in bankruptcy, claims probable in rehabilitation, and other	87,062,884,239		
Allowance for loan losses	(73,483,682,562)		
	13,579,201,677	13,579,201,677	0
(3) Borrowings from government fund for FILP (including borrowings due within one year)	[1,740,318,931,000]	[1,828,055,191,697]	[87,736,260,697]
(4) Derivative transactions	[17,597,957,963]	[17,597,957,963]	0

* Liabilities are shown in brackets [].

(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 the respective borrowers' credit risk.

[2] Claims probable in bankruptcy, claims probable in rehabilitation, and other

Regarding claims probable in bankruptcy, claims probable in rehabilitation, and other, the estimated uncollectible amount is calculated based on the expected recoverable amount through collateral and guarantees. Therefore, fair value approximates the balance sheet amount, less the current estimated uncollectible amount, and hence is calculated accordingly.

[3] Borrowings from government fund for FILP (including borrowings due within one year)

Fair value of borrowings from government fund for FILP (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 borrowings for the same total amount.

[4] Derivative transactions

Derivative transactions are interest rate-related transactions (interest rate swaps), and fair values are based on discounted present values.

(Note 2) The following are financial instruments whose fair values are deemed to be extremely difficult to determine. They are not included in the fair value information of financial instruments.

(Unit: Yen)

	Balance sheet amount
Investment securities *1	2,645,877,928
Shares of affiliated companies *1	43,634,338,940
Money held in trust *2	15,511,130,579
Undisbursed balance of loan commitments *3	0

*1 These financial instruments have no market prices, and the calculation of their fair values is deemed to be impractical.

*2 The money held in trust is composed of the assets in trust that are deemed to be extremely difficult to determine the fair value.

*3 The fair values of the undisbursed balances of loan commitments are deemed to be extremely difficult to determine. The main reason is the difficulty of reasonably estimating future extensions of loans, because of the extremely diverse range of implementation formats for projects in the developing countries where these loans are provided.

(Money held in trust)

1 Money held in trust for the purpose of investment

Not applicable.

2 Money held in trust for the purpose of investment and held-to-maturity

Not applicable.

3 Other (other than for the purpose of investment and held-to-maturity)

(Unit: Yen)

	Balance sheet amount	Acquisition cost	Difference	The amount by which the balance sheet amount exceeds the acquisition cost	The amount by which the balance sheet amount does not exceed the acquisition cost
Money held in trust for others	15,511,130,579	16,348,655,133	837,524,554	0	837,524,554

(Note) "The amount by which the balance sheet amount exceeds the acquisition cost" and "The amount by which the balance sheet amount does not exceed the acquisition cost" are the breakdown of "Difference".

(Retirement benefits)

1 Overview of retirement benefit plans

To provide retirement benefits for employees, JICA has a defined benefit pension plan comprised of a defined benefit corporate pension plan and a lump-sum severance indemnity plan, and a defined contribution plan comprised of a defined contribution pension plan.

2 Defined benefit pension plan

(1) The changes in the retirement benefit obligation are as follows:

(Unit: Yen)

Retirement benefit obligation at the beginning of the business year	7,923,004,567
Current service cost	290,464,273
Interest cost	36,894,357
Actuarial differences	186,268,087
Retirement benefit paid	(236,565,466)
Past service cost	0
Contribution by the employee	16,996,495
Retirement benefit obligation at the end of the business year	8,217,062,313

(2) The changes in the plan assets are as follows:

(Unit: Yen)

Plan assets at the beginning of the business year	3,859,591,768
Expected return on plan assets	0
Actuarial differences	11,996,826
Contribution by the company	114,151,748
Retirement benefit paid	(78,393,550)
Contribution by the employee	16,996,495
Plan assets at the end of the business year	3,924,343,287

(Note) Plan assets include ¥1,655,241,000 paid in advance to the National Treasury in relation to the return of the substitutional portion of the Employees' Pension Funds.

(3) Reconciliation of the retirement benefit obligations and plan assets and provision for retirement benefits and prepaid pension expenses in the balance sheets

	(Unit: Yen)
Funded retirement benefit obligation	4,534,462,783
Plan assets	(3,924,343,287)
Unfunded benefit obligations of funded pension plan	610,119,496
Unfunded benefit obligations of unfunded pension plan	3,682,599,530
Subtotal	4,292,719,026
Unrecognized actuarial differences	0
Unrecognized past service cost	0
Net amount of assets and liabilities in the balance sheets	4,292,719,026
Provision for retirement benefits	4,292,719,026
Prepaid pension expenses	0
Net amount of assets and liabilities in the balance sheets	4,292,719,026

(4) Profit or loss regarding retirement benefits

	(Unit: Yen)
Current service cost	290,464,273
Interest cost	36,894,357
Expected return on plans assets	0
Realized actuarial differences	174,271,261
Amortization of past service cost	0
Extraordinary additional retirement payments	0
Total	501,629,891

(5) Major components of plan assets

Percentages of components to the total (excluding plan assets paid in advance) are as follows:

Bonds	36%
Stocks	34%
General account of life insurance company	20%
Others	10%
Total	100%

(6) Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on components of plan assets, its performance and market condition, etc.

(7) Assumptions used

Principal assumptions used in actuarial calculations at the end of the business year

Discount rate	Defined benefit corporate pension plan	0.23%
	Retirement benefits	0.74%
Long-term expected rate of return on plan assets		0.00%

3 Defined contribution plan

The amount of contribution required to be made to the defined contribution plan is ¥12,811,854.

(Lease transactions)

Future minimum lease payments related to operating lease transactions

Future minimum lease payments due within one year of the balance sheet date	¥381,024
Future minimum lease payments corresponding to periods more than one year from the balance sheet date	¥1,268,920

(Asset retirement obligations)

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 period. Therefore, the asset retirement obligations have been recorded. The estimate for the asset retirement obligations assumes a five-year lease period for the projected period of use and a discount rate of 0.529%.

The balance of the asset retirement obligations at the end of the current business year was ¥70,374,150.

(Profit and loss under the equity method)

JICA does not maintain any specific affiliated companies and, as such, does not prepare consolidated financial statements. However, profit and loss under the equity method related to affiliated companies are as follows:

Investment amount in affiliated companies	¥43,634,338,940
Investment amount when applying the equity method	¥58,497,246,893
Capital gain amount from investments when applying the equity method	¥19,798,244,949

(Significant contractual liabilities)

Contract liabilities JICA is obliged to pay during the next business year and thereafter are ¥16,722,117,576.

(Significant subsequent events)

Not applicable.

Details of loans

(Unit: Millions of Yen)

Classification	Balance at the beginning of the period	Increase during the period	Decrease during the period		Balance at the end of the period	Remarks
			Collection, etc.	Write-off		
Loans	11,502,091	884,053	724,164	—	11,661,980	
Claims probable in bankruptcy, claims probable in rehabilitation, and other	63,845	23,225	8	—	87,063	
Total	11,565,936	907,278	724,172	—	11,749,043	

* Increase during the period and decrease during the period by collection in the current business year include reclassifications between "Loans" and "Claims probable in bankruptcy, claims probable in rehabilitation and other".

Details of borrowings

(Unit: Millions of Yen)

Classification	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Average interest rate (%)	Maturity date	Remarks
Borrowings from government fund for Fiscal Investment and Loan Program	1,756,531	203,000	219,212	1,740,319 (188,060)	1.010	June 2017– January 2042	

* Figures in parentheses indicate the amount of borrowings repayable within one year.

Details of bonds

(Unit: Millions of Yen, Thousands of US\$)

Security name	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Coupon (%)	Maturity date	Remarks
FILP Agency Bonds	420,000	60,000	—	480,000 (—)	0.080– 2.470	December 2018– September 2046	
Japan International Cooperation Agency Government-guaranteed Bonds	57,305 [\$500,000]	54,550 [\$500,000]	1,260 [—]	110,596 [\$1,000,000] (—)	1.875– 2.125	November 2019– October 2026	

* Figures in parentheses indicate the amount of bonds redeemable within one year. The amount in [] is denominated in a foreign currency.

The financial statements have been audited by an accounting auditor as prescribed in Article 39 of the Act on General Rules for Incorporated Administrative Agencies.