

Summary of the Financial Statements for the Fiscal Year ending September 2008  
(In accordance with the pre-amendment/pre-abolishment JBIC Law)

Japan International Cooperation Agency  
Japan Finance Corporation

Pursuant to Article 40 of the pre-amendment/pre-abolishment Japan Bank for International Cooperation Law (“JBIC Law”), Japan International Cooperation Agency and Japan Finance Corporation (former Japan Bank for International Cooperation, “the Bank”) prepared its financial statements for the fiscal year 2008 (April 1, 2008 - September 30, 2008) and published them in an official gazette on December 26, 2008. The highlights of the financial statements are shown below. The financial statements were prepared in accordance with JBIC Law, the regulations thereunder and the accounting principles for special public corporations (Report dated October 2, 1987 from the Sub-Committee on the Accounting Practices for Public Corporations under the Fiscal System Council).

1. Overview

The Bank posted a profit of 21.1 billion yen from the International Financial Account (decreased 10.4 billion yen from the previous fiscal year), a profit of 9.8 billion yen from the Overseas Economic Cooperation Account (decreased 89.0 billion yen from the previous fiscal year), and a total profit of 30.9 billion yen (decreased 99.4 billion yen from the previous fiscal year) in FY 2008.

As of the end of FY 2008, the International Financial Account had total assets of 9,130.4 billion yen (decreased 195.6 billion yen from the end of the previous fiscal year), total liabilities of 7,294.5 billion yen (decreased 207.9 billion yen from the end of the previous fiscal year), and total net assets of 1,835.8 billion yen (increased 12.3 billion yen from the end of the previous fiscal year). The Overseas Economic Cooperation Account had total assets of 11,082.1 billion yen (decreased 116.9 billion yen from the end of the previous fiscal year), total liabilities of 3,127.7 billion yen (decreased 192.9 billion yen from the end of the previous fiscal year), and total net assets of 7,954.4 billion yen (increased 76.0 billion yen from the end of the previous fiscal year). Overall, the Bank had total assets of 20,212.4 billion yen (decreased 312.6 billion yen from the end of the previous fiscal year), total liabilities of 10,422.2 billion yen (decreased 400.9 billion yen from the end of the previous fiscal year), and total net assets of 9,790.2 billion yen (increased 88.3 billion yen from the end of the previous fiscal year).

## 2. Statement of Earnings

### The Bank

(Unit: hundred millions of yen)

	the first half of FY 2007 (A)	the second half of FY 2007 (B)	FY 2008 (C)	(C)-(A)
The Bank	1,303	1,096	309	994
International Financial Account	315	262	211	104
Overseas Economic Cooperation Account	989	835	98	890

### International Financial Account

(Unit: hundred millions of yen)

	the first half of FY 2007 (A)	the second half of FY 2007 (B)	FY 2008 (C)	(C)-(A)
Ordinary Income	1,708	1,554	1,137	571
Interest on Loans	1,708	1,554	1,137	571
Interest on Loans in Japanese Yen	332	306	282	50
Interest on Loans in Foreign Currency	1,376	1,247	855	521
Guarantee Commissions	25	27	26	1
Interest on Securities	1	1	1	0
Interest on Deposits in Banks	43	79	23	20
Interest on Swaps and Miscellaneous Interest Received	41	50	91	50
Commissions	7	6	5	2
Foreign Exchange Gains	20	2	1	19
Other Income	19	29	9	10
Total	1,863	1,748	1,292	571
Ordinary Expenses	336	307	256	80
Interest on Borrowings	336	307	256	80
Interest on Bonds and Notes	345	341	314	31
Interest on Swaps and Miscellaneous Interest Payment	756	671	332	424
Administrative Expenses	79	87	99	20
Depreciation of Premises and Equipment	4	4	4	0
Commissions	4	16	8	4
Foreign Exchange Losses	12	64	69	57
Write-off of Loans	4	4	121	117
Amortization of Deferred Accounts	6	7	4	2
Other Expenses	0	1	1	1
Total	1,546	1,503	1,208	338
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses	317	245	85	233
Reversal of Allowance for Possible Loan and Investment Losses	550	552	536	14
Provision of Allowance for Possible Loan and Investment Losses	*1 552	*2 536	*3 409	143
Net Earnings	315	262	211	104

- \*1 Allowance for Possible Loan Losses: 236 (Article 15, No. 1 of the regulation of Ministry of Finance)  
 Specific Allowance for Possible Loan Losses: 145 (Article 15, No. 4 or No. 5 of the regulation of Ministry of Finance)  
 170 (Article 15, No. 6 of the regulation of Ministry of Finance)
- \*2 Allowance for Possible Loan Losses: 219 (Article 15, No. 1 of the regulation of Ministry of Finance)  
 Specific Allowance for Possible Loan Losses: 142 (Article 15, No. 4 or No. 5 of the regulation of Ministry of Finance)  
 175 (Article 15, No. 6 of the regulation of Ministry of Finance)
- \*3 Allowance for Possible Loan Losses: 208 (Article 15, No. 1 of the regulation of Ministry of Finance)  
 Specific Allowance for Possible Loan Losses: 21 (Article 15, No. 4 or No. 5 of the regulation of Ministry of Finance)  
 180 (Article 15, No. 6 of the regulation of Ministry of Finance)

## Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		the first half of FY 2007 (A)	the second half of FY 2007 (B)	FY 2008 (C)	(C)-(A)
Ordinary Income	Interest on Loans	1,170	1,149	1,123	47
	Dividends on Investments	53	97	43	10
	Grant from General Account	100	100	68	33
	Interest on Deposits in Banks	2	1	1	0
	Miscellaneous Interest Received	0	0	0	0
	Commissions	2	4	2	0
	Foreign Exchange Gains	0	-	-	0
	Gain on Disposal of Investments	143	-	-	143
	Other Income	2	0	3	1
Total		1,473	1,352	1,240	233
Ordinary Expenses	Interest on Borrowings	327	356	289	38
	Administrative Expenses	48	53	60	12
	Depreciation of Premises and Equipment	2	2	2	0
	Commissions	10	32	17	7
	Foreign Exchange Losses	0	1	0	0
	Write-off of Loans	100	77	771	670
	Other Expenses	0	0	1	1
Total		488	520	1,139	652
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses		985	832	101	884
Reversal of Allowance for Possible Loan and Investment Losses		3,941	3,937	3,934	6
Provision of Allowance for Possible Loan and Investment Losses		*4 3,937	*5 3,934	*6 3,937	0
Net Earnings		989	835	98	890

- \*4 Allowance for Possible Loan Losses (ODA loans): 11 (Article 16, No. 1 of the regulation of Ministry of Finance)  
Allowance for Possible Loan Losses (Private-sector Investment Finance): 1 (Article 16, No. 1 of the regulation of Ministry of Finance)  
Specific Allowance for Possible Loan Losses: 3,634 (Article 16, No. 3 of the regulation of Ministry of Finance)  
Allowance for Possible Investment Losses: 291 (Article 16, No. 2 of the regulation of Ministry of Finance)
- \*5 Allowance for Possible Loan Losses (ODA loans): 11 (Article 16, No. 1 of the regulation of Ministry of Finance)  
Allowance for Possible Loan Losses (Private-sector Investment Finance): 1 (Article 16, No. 1 of the regulation of Ministry of Finance)  
Specific Allowance for Possible Loan Losses: 3,633 (Article 16, No. 3 of the regulation of Ministry of Finance)  
Allowance for Possible Investment Losses: 289 (Article 16, No. 2 of the regulation of Ministry of Finance)
- \*6 Allowance for Possible Loan Losses (ODA loans): 11 (Article 16, No. 1 of the regulation of Ministry of Finance)  
Allowance for Possible Loan Losses (Private-sector Investment Finance): 1 (Article 16, No. 1 of the regulation of Ministry of Finance)  
Specific Allowance for Possible Loan Losses: 3,633 (Article 16, No. 3 of the regulation of Ministry of Finance)  
Allowance for Possible Investment Losses: 292 (Article 16, No. 2 of the regulation of Ministry of Finance)

### 3. Balance Sheets

#### International Financial Account

(Unit: hundred millions of yen)

		the first half of FY 2007 (A)	the second half of FY 2007 (B)	FY 2008 (C)	(C)-(B)	
Assets	Loans	78,755	73,058	69,487	3,571	
	Loans in Japanese Yen	27,276	25,602	24,144	1,458	
	Loans in Foreign Currency	51,479	47,456	45,343	2,113	
	Investments	8	9	109	100	
	Securities	78	69	54	15	
	Cash and Cash Equivalents	3,030	3,242	2,443	799	
	Accrued Interest Incomes	929	749	678	72	
	Miscellaneous Assets	125	276	2,855	2,579	
	Premises and Equipment	186	184	182	2	
	Deferred Charges	28	34	8	26	
	Customers' Liabilities for Acceptance and Guarantee	16,212	16,175	15,896	279	
	Allowance for Possible Loan and Investment Losses	552	536	409	127	
	Total		98,799	93,260	91,304	1,956
Liabilities and Net Assets	Long-term Borrowings, including Borrowings Due within One Year	43,214	36,655	34,421	2,234	
	Bonds and Notes, including Borrowings Due within One Year	19,993	21,309	22,096	787	
	Discount on Bond Premium	-	-	28	28	
	Accrued Interest Expenses	783	592	480	112	
	Miscellaneous Liabilities	623	294	81	213	
	Acceptances and Guarantee	16,212	16,175	15,896	279	
	(Total liabilities)	80,825	75,025	72,945	2,079	
	Capital	9,855	9,855	10,055	200	
	Reserves	7,804	7,804	8,092	288	
	Net Earnings	315	577	211	365	
	(Total net assets)	17,974	18,235	18,358	123	
	Total		98,799	93,260	91,304	1,956

#### Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		the first half of FY 2007 (A)	the second half of FY 2007 (B)	FY 2008 (C)	(C)-(B)
Assets	Loans	112,976	113,871	112,684	1,187
	ODA Loans	112,940	113,837	112,652	1,185
	Private-Sector Investment Finance	36	34	32	2
	Investments	1,352	1,346	1,348	2
	Cash and Cash Equivalents	958	15	40	24
	Accrued Interest Income	635	618	607	10
	Miscellaneous Assets	7	7	11	3
	Premises and Equipment	67	67	68	1
	Allowance for Possible Loan and Investment Losses	3,937	3,934	3,937	3
	Total		112,056	111,990	110,821
Liabilities and Net Assets	Long-term Borrowings, including Borrowings Due within One Year	35,519	33,067	31,143	1,924
	Accrued Interest Expenses	176	136	133	3
	Miscellaneous Liabilities	3	3	1	2
	(Total liabilities)	35,698	33,206	31,277	1,929
	Capital	72,315	73,906	74,568	662
	Reserves	3,055	3,055	4,878	1,823
	Net Earnings	989	1,823	98	1,725
	(Total net assets)	76,358	78,784	79,544	760
Total		112,056	111,990	110,821	1,169

The Bank

(Unit: hundred millions of yen)

		the first half of FY 2007 (A)	the second half of FY 2007 (B)	FY 2008 (C)	(C)-(B)
Assets	Loans	191,731	186,929	182,171	4,758
	Investments	1,360	1,355	1,458	102
	Securities	78	69	54	15
	Cash and Cash Equivalents	3,988	3,257	2,483	774
	Accrued Interest Income	1,564	1,367	1,285	82
	Miscellaneous Assets	132	283	2,866	2,583
	Premises and Equipment	253	251	250	1
	Deferred Charges	28	34	8	26
	Customers' Liabilities for Acceptance and Guarantee	16,212	16,175	15,896	279
	Allowance for Possible Loan and Investment Losses	4,489	4,470	4,346	124
	Total		210,855	205,250	202,124
Liabilities and Net Assets	Long-term Borrowings, including Borrowings Due within One Year	78,733	69,722	65,563	4,158
	Bonds and Notes, including Borrowings Due within One Year	19,993	21,309	22,096	787
	Discount on Bond Premium	-	-	28	28
	Accrued Interest Expenses	959	728	613	115
	Miscellaneous Liabilities	627	297	82	216
	Acceptances and Guarantee	16,212	16,175	15,896	279
	(Total liabilities)	116,523	108,231	104,222	4,009
	Capital of the International Financial Account	9,855	9,855	10,055	200
	Capital of the Overseas Economic Cooperation Account	72,315	73,906	74,568	662
	Reserve of the International Financial Account	7,804	7,804	8,092	288
	Net Earnings of the International Financial Account	315	577	211	365
	Reserve of the Overseas Economic Cooperation Account	3,055	3,055	4,878	1,823
	Net Earnings of the Overseas Economic Cooperation Account	989	1,823	98	1,725
	(Total net assets)	94,332	97,019	97,902	883
	Total		210,855	205,250	202,124

(Unit: hundred millions of yen)

		the first half of FY 2007 (A)	the second half of FY 2007 (B)	FY 2008 (C)	(C)-(B)
International Financial Account					
Total Assets		98,799	93,260	91,304	1,956
Total Net Assets		17,974	18,235	18,358	123
Total Net Assets / Total Assets		18.19%	18.63%	20.11%	0.44%
Overseas Economic Cooperation Account					
Total Assets		112,056	111,990	110,821	1,169
Total Net Assets		76,358	78,784	79,544	760
Total Net Assets / Total Assets		68.14%	66.90%	71.78%	1.24%
The Bank					
Total Assets		210,855	205,250	202,124	3,126
Total Net Assets		94,332	97,019	97,902	883
Total Net Assets / Total Assets		44.74%	44.61%	48.44%	0.13%

#### 4. Loans Past Due\*

\*(Note) "Loans Past Due" are loans which are placed on non-accrual status if they are past due for more than six months.

International Financial Account (Unit: hundred millions of yen)

	the first half of FY 2007 (A)	FY 2008 (B)	(B)-(A)
Loans Past Due - 1	947	914	34
Loans - 2	78,755	69,487	9,268
1 / 2 (%)	1.20%	1.31%	0.11%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club is 4.5 billion yen as of the end of FY 2008.

Overseas Economic Cooperation Account (Unit: hundred millions of yen)

	the first half of FY 2007 (A)	FY 2008 (B)	(B)-(A)
Loans Past Due - 1	3,392	3,294	98
Loans - 2	112,976	112,684	292
1 / 2 (%)	3.00%	2.92%	0.08%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club is 8.6 billion yen as of the end of FY 2008. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government is 48.0 billion yen as of the end of FY 2008.