

Financial Statements

Table 5-3 Balance Sheet (as of March 31, 2007)

(Unit: ¥)

Assets		Liabilities	
Item	Amount	Item	Amount
I Current assets	44,921,312,999	I Current liabilities	23,474,026,140
Cash and bank deposits	41,292,092,488	Accrued payments	22,143,307,279
Inventories	678,708,337	Accrued expense	803,840,786
Stored goods	670,302,061	Lease liabilities	268,862,547
Livestock	8,406,276	Deposit received	254,084,051
Advance payments	1,268,479,999	Unearned revenues	19,500
Prepaid expenses	145,660,118	Suspense receipt	3,911,977
Accrued income	83,690,099		
Accrued revenues	120,987,883	II Fixed liabilities	2,103,415,236
Short-term loans of development investment and financing	1,215,727,670	Property liabilities	1,874,844,286
Allowance for bad debt	-7,204,968	Property management grants	1,802,985,295
Short-term loans of migration investment and financing	98,816,813	Property grants, etc.	71,858,991
Allowance for bad debt	-10,978,548	Long-term lease liabilities	228,555,950
Short-term installment principal on sales of settlement	558,871	Long-term unearned revenues	15,000
Allowance for bad debt	-33,253		
Suspense payments	30,374,836	Total liabilities	25,577,441,376
Advances paid	4,432,654		
II Fixed assets	67,726,682,295		
1 Tangible fixed assets	58,786,115,941		
Buildings	43,000,915,204		
Accumulated depreciation	-6,694,367,841		
Accumulated impairment loss	-579,051,861		
Structures	1,475,109,919		
Accumulated depreciation	-484,550,733		
Accumulated impairment loss	-461,505		
Machines and equipment	254,349,998		
Accumulated depreciation	-160,257,999		
Vehicles and other transportation devices	1,307,876,583		
Accumulated depreciation	-617,764,680		
Tools, instruments, and fixtures	2,638,261,626		
Accumulated depreciation	-1,248,238,372		
Land	19,822,499,867		
Construction in process	71,795,735		
2 Intangible fixed assets	15,580,318		
Trademarks	3,942,441		
Others	11,637,877		
Telephone subscription rights	7,291,850		
Right to use power plants and other supply facilities	4,346,027		
3 Investment and other assets	8,924,986,036		
Investment in securities	39,097		
Investment in affiliates	43,445,102		
Long-term loans of development investment and financing	5,614,824,779		
Allowance for bad debt	-59,027,815		
Long-term loans of migration investment and financing	4,601,577,783		
Allowance for bad debt	-2,640,247,308		
Long-term installment principal on sales of settlement	98,643,727		
Allowance for bad debt	-98,364,814		
Long-term prepaid expenses	22,193,348		
Guarantee money paid	1,341,902,137		
Total assets	112,647,995,294		
Total	112,647,995,294	Total	112,647,995,294

Capital	
Item	Amount
I Capital	88,508,041,131
Governmental investment	88,508,041,131
II Capital surplus	-9,050,279,007
Capital surplus	-100,464,109
Accumulated depreciation not included in expenses	-8,365,403,932
Accumulated impairment loss not included in expenses	-584,410,966
III Retained earnings	7,612,791,794
Reserve funds	1,819,720,740
Unappropriated income for the current year	5,793,071,054
(Total income for the current year)	(5,793,071,054)
Total capital	87,070,553,918
Total liabilities and capital	112,647,995,294

Table 5-4 Income Statement (April 1, 2006 - March 31, 2007)

(Unit: ¥)

Expenses and losses		Revenues	
Item	Amount	Item	Amount
Ordinary expenses	162,212,119,770	Ordinary revenues	168,103,309,989
Operating expenses	152,110,449,651	Revenues from management grants	161,853,657,684
Expenses for program formulation	4,867,945,569	Revenues from contracted programs	2,591,133,342
Expenses for technical cooperation projects	84,297,866,175	Revenues from development investment and financing	173,140,784
Expenses for grant aid projects	4,400,446,604	Revenues from settlement operations	5,080,461
Expenses for public participation based cooperation	25,593,830,863	Revenues from migration investment and financing	80,052,794
Expenses for emigration program	527,111,387	Revenues from facilities operations	1,988,278,212
Expenses for disaster relief activities	556,799,724	Donation revenues	1,718,490
Expenses for aid-personnel recruitment and training	3,107,723,888	Transfer from allowance for bad debts	202,057,580
Expenses for project/program evaluation	713,557,996	Transfer from liabilities for property management grants	357,083,733
Expenses for operation support	8,670,655,374	Transfer from liabilities for property grants	22,952,330
Expenses for domestic offices	4,080,819,562	Financial revenues	
Expenses for overseas offices	9,716,747,759	Interest income	109,531,989
Facility operating expenses	2,527,180,881	Miscellaneous profits	718,622,590
Contracted program expenses	2,590,741,043		
Depreciation costs	459,022,826	Non-recurrent profits	714,238
General administrative expenses	9,943,283,178	Profit on sales of fixed assets	714,238
Financial expenses	38,332,678		
Interest expense	15,650,423		
Loss on foreign exchange	22,682,255		
Miscellaneous loss	120,054,263		
Non-recurrent loss	98,833,403		
Loss on retirement of fixed assets	87,540,582		
Loss on sales of fixed assets	11,292,821		
Net income	5,793,071,054		
Total	168,104,024,227	Total	168,104,024,227

Table 5-5 Cash Flow Statement (April 1, 2006 - March 31, 2007)

(Unit: ¥)

I Cash flow from operating activities	
Payment of operating expenses	-140,639,376,199
Payment of operation support expenses	-2,004,184,737
Payment of contracted program expenses	-2,952,736,169
Payment of personnel costs	-16,031,700,255
Other operation payments	-170,128,763
Revenues from management grants	157,515,689,000
Revenues from contracted programs	2,897,224,271
Loan interest income	250,497,336
Proceeds from settlement operations	14,071,799
Interest revenues	5,087,398
Installment principal	8,984,401
Revenues from facilities operations	2,470,655,535
Donation revenues	718,490
Other revenues	741,050,990
Subtotal	2,091,781,298
Interest received	80,030,591
Interest paid	-15,650,423
Cash flow from operating activities	2,156,161,466
II Cash flow from investing activities	
Payments for purchase of fixed assets	-1,204,635,944
Proceeds from sales of fixed assets	24,739,308
Payments for loan granting	0
Proceeds from long-term loans receivable	1,941,712,520
Payments for time deposits	-2,800,000,000
Payments for negotiable certificate of deposit	-1,500,000,000
Intermediate revenues from distribution of residual property due to liquidation of affiliates	35,000,000
Cash flow from investing activities	-3,503,184,116
III Cash flow from financing activities	
Repayment of lease liabilities	-252,162,389
Cash flow from financing activities	-252,162,389
IV Effect of exchange rate fluctuation on funds	-70,232,248
V Net decrease in funds	-1,669,417,287
VI Funds at beginning of year	6,861,509,775
VII Funds at end of year	5,192,092,488

Table 5-6 Schedule Concerning Profit Appropriation

(Unit: ¥)

I Unappropriated income for the current year		5,793,071,054
Total income for the current year	5,793,071,054	
II Appropriation of income		
Reserve funds	5,793,071,054	5,793,071,054

Table 5-7 Administrative Service Operation Cost Statement (April 1, 2006 - March 31, 2007)

(Unit: ¥)

I Business expenses			156,440,622,693
(1) Expenses on income statement			
Operating expenses	152,110,449,651		
General expenses	9,943,283,178		
Financial expenses	38,332,678		
Miscellaneous loss	120,054,263		
Loss on retirement of fixed assets	87,540,582		
Loss on sales of fixed assets	11,292,821	162,310,953,173	
(2) (Deduction) Self revenues, etc.			
Revenues from contracted programs	-2,591,133,342		
Revenues from development investment and financing	-173,140,784		
Revenues from settlement operations	-5,080,461		
Revenues from migration investment and financing	-80,052,794		
Revenues from facilities operations	-1,988,278,212		
Donation revenues	-1,718,490		
Transfer from allowance for bad debts	-202,057,580		
Financial revenues	-109,531,989		
Miscellaneous profits	-718,622,590		
Profit on sales of fixed assets	-714,238	-5,870,330,480	
II Accumulated depreciation not included in expenses			2,107,140,291
Accumulated depreciation not included in expenses		2,095,149,834	
Loss on retirement of fixed assets not included in expenses		11,990,457	
III Accumulated impairment loss not included in expenses			584,410,966
IV Estimated increase in retirement benefit not included in allowance			-2,599,493,616
V Opportunity cost			
Governmental investments and other opportunity costs			1,332,638,536
VI Administrative service operation cost			157,865,318,870

Feature

Part 1

Part 2

Part 3

Part 4

Reference
Section

Financial Statements

Significant Accounting Policies

1. Standards for reporting revenues from management grants

Revenue Recognition Standard Based on Accrued Expense is applied.

2. Depreciation methods

1) Tangible fixed asset

Straight-line method.

The useful lives of major assets are as follows:

Buildings: 2 - 50 years

Structures: 1 - 39 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 Independent Administrative Institution No.86) 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 retirement benefits

The allowance for retirement benefits is not provided for lump-sum severance, since the financial source is secured by management grants.

The 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 management grants.

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 the Accounting standard No. 38.

4. Basis and standard for appropriation of allowances, etc.

Allowance for bad debts

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

5. Standards and methods for the valuation of securities

1) Investment in associated companies

Cost method as determined by the total-average cost

2) Other securities (non-marketable)

Cost method as determined by the total-average cost

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 the yen with the spot exchange rate as of the fiscal year end, and the exchange differences are recognized as profit or loss.

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

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

1.650% in reference to the yield of 10-year fixed-rate JGB as of March 31, 2007

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. Accounting for consumption taxes

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

11. Change in accounting procedures

The Accounting Standards for Independent Administrative Institutions pertaining to Impairment Loss on Fixed Assets "Revision of the Accounting Standards for Independent Administrative Institutions pertaining to Impairment Loss on Fixed Assets" (Study Group on the Accounting Standards for Independent Administrative Institutions, Financial Systems Committee Financial Systems Sectional Committee Legal System/Public Accounting Panel Public Corporation Accounting Subcommittee June 29, 2005), and "Q & A concerning "the Accounting Standards for Independent Administrative Institutions pertaining to Impairment Loss on Fixed Assets" and "the Guidance Notes for the Accounting Standards for Independent Administrative Institutions pertaining to Impairment Loss on Fixed Assets" (Administrative Management Bureau of the Ministry of Internal Affairs and Communications, Budget Bureau of the Ministry of Finance, and the Japanese Institute of Certified Public Accountant, Final revision in August 2005) has been adopted starting this fiscal year. As a result, the capital surplus has decreased by ¥584,410,966. This is not liable to affect profits or losses.

Notes

Notes to the Balance Sheet

1. Estimated retirement benefits to be provided from management grants

¥25,847,919,306

(1) Breakdown of retirement benefit costs

	FY2006
1) Retirement benefit obligation	-38,795,681,499
2) Plan assets	12,947,762,193
3) Accrued retirement benefit costs 1) + 2)	-25,847,919,306
4) Difference at the change of accounting standards	0
5) Unrecognized actuarial differences	0
6) Unrecognized past service obligation (decrease in liabilities)	0
7) Net reported amount on Balance Sheet 3) + 4) + 5) + 6)	-25,847,919,306
8) Prepaid pension costs	0
9) Allowance for retirement benefits 7) - 8)	-25,847,919,306

(2) Breakdown of pension expenses

	FY2006
1) Service cost	926,459,000
2) Interest cost	501,994,000
3) Expected return on plan assets	0
4) Amortization of past service obligation	0
5) Amortization of actuarial differences	-1,709,255,689
6) Others (premiums collected for Employees' Pension Fund)	-326,484,231

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

	FY2006
1) Discount rate	2.0%
2) Periodic allocation method for expected retirement	Periodic fixed-amount benefits method
3) Amortization period for actuarial differences	1
4) Others (Amortization period of differences at the change of accounting standards; actual return rate, etc.)	1

2. Impairment loss on fixed assets

(1) Impaired fixed assets

A. Outline of the usage, type, location, book value of impaired fixed assets

Impairment of losses were recognized in the following assets.

Name of Asset	Usage	Location	Type	Book Value
Former Hachioji International Center	Accommodation facility for training participants	Hachioji City, Tokyo	Land	522,376,000
			Buildings	579,051,861
			Structures	461,505
Telephone subscription right	Telephone subscription right	Shibuya-ku, Tokyo	Telephone subscription right	12,189,450

B. Background of the recognition of impairment losses

Based on the results of the Survey on Assistance targeting all domestic offices, termination of the Hachioji International Center was decided on in fiscal 2004, and it was thereby closed in March 2007. As a result, the book value was reduced to the recoverable service amount and the reduced amount was recorded as accumulated impairment loss not included in expenses, shown as a deduction of Capital Surplus.

The market value of the telephone subscription right has been considerably reduced and it is not expected to recover. Thus, the book value was reduced to the recoverable service amount and the reduced amount was recorded as accumulated impairment loss not included in expenses, shown as a deduction of Capital Surplus.

C. Details of major impaired fixed assets that are not recorded in the income statement and outline of calculation method of the recoverable service amount

Name of Asset	Type	Impairment loss amount	Calculation method of recoverable service amount
Former Hachioji International Center	Buildings	579,051,861	*1
	Structures	461,505	*1
Telephone subscription right	Telephone subscription right	4,897,600	*2

*1 Recoverable service amount is measured by net sales amount and the net sales amount is calculated based on the real-estate appraisal values.

*2 Recoverable service amount of the telephone subscription rights in suspension is measured by the net sales amount and the net sales amount is calculated based on the inheritance tax appraisal values. Recoverable service amount of the telephone subscription rights in use is measured by use-value or its equivalent and use-value, or its equivalent is calculated based on the official price set by NTT.

(2) Fixed assets indicating impairment losses

A. Outline of usage, type, and location of fixed assets whose termination was decided on

Following assets have an indication of impairment losses.

Name of Asset	Usage	Location	Type	Book Value
Chubu International Center	Accommodation facility for training participants	Nagoya City, Aichi Prefecture	Land	452,715,000
			Buildings	136,146,419
			Structures	1,921,664

B. Time of termination

Fiscal 2008 (scheduled)

C. Background and reasons for termination

Termination of the Chubu International Center was decided on after the reconstruction of the facility was adopted in the Mid-term Plan during the mid-term objective period, which started from fiscal 2003, to take on the role as a center for training and participatory cooperation projects in the Chubu region.

D. Estimated book value, recoverable service amount, and impairment loss amount on the scheduled time of termination

Name of Asset	Type	Book value on the time of termination	Recoverable service amount (estimate) *	Impairment loss (estimate)
Chubu International Center	Land	452,715,000	452,715,000	0
	Buildings	119,117,923	119,117,923	0
	Structures	1,519,055	1,519,055	0

*Recoverable service amount is estimated based on the book value on the time of termination.

Notes to Cash Flow Statement

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

(1) Relation between the BOY balance of funds and the amounts of balance sheet accounts

(Unit: ¥)

	(as of March 31, 2007)
Cash and deposit	41,292,092,488
Time deposit	-34,600,000,000
Negotiable certificate of deposit	-1,500,000,000
Ending balance of funds	5,192,092,488

(2) Description of significant non-financial transactions

(Unit: ¥)

Assets granted under finance lease	
Vehicles and other transportation devices	10,312,109
Tools, instruments, and fixtures	96,815,238
Total	107,127,347

Notes to 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, ¥35,470,269 was recognized as the current-year increase of allowance for retirement and severance for 37 loan employees according to JICA's internal regulations.

Profit and loss on equity method, etc.

JICA does not prepare consolidated financial statements since it has no subsidiaries. Japan-Brasil Agricultural Development Corporation (JADECO), the only affiliate of JICA, decided to dissolve on October 20, 2005, and is in the process of liquidation as of the end of the current fiscal year. Since JADECO no longer operates regular business activities, profit and loss on the equity method, etc., concerning the company are not recorded. The financial condition of the company as of the nearest preceding date (as of March 31, 2007) is as follows.

(Unit: ¥)

Net assets	105,748,857
JICA's equity	52,874,429
Book value of investment in stock of JADECO	43,445,102

Significant debt burden

N/A

Significant subsequent events

N/A