

Financial Statements

JICA's balance sheet as of September 30, 2003 is shown in Table 5-3, and its income statement for the first half of fiscal 2003 is in Table 5-4 below.

Table 5-3 Balance Sheet (as of September 30, 2003)

(Unit: millions of yen)

Assets		Liabilities and capital	
Item	Amount	Item	Item
Current assets	63,511	Current liabilities	12,290
Cash and bank deposits	63,399	Amounts in arrears	8,709
Other current assets	111	Accrued expenses	373
		Other current liabilities	3,207
Fixed assets	84,482	Fixed liabilities	7,694
Development investment and financing	13,574	Allowance for retirement benefit	2,656
Loans	13,225	Property grant	1,167
Investments	1,000	Property subsidy	3,870
Allowance for bad debt	-650		
Settlement	160	(Total liabilities)	19,984
Installment principal on sales of settlement	161		
Allowance for bad debt	-0	Capital	134,793
Migration investment and financing	4,706	Governmental contribution	134,793
Loans	4,734		
Allowance for bad debt	-28	Surplus	-6,784
Tangible fixed assets	64,392	Capital surplus	425
Buildings	41,042	Retained loss	-7,210
Land	18,289	Loss carried forward	-9,529
Other tangible fixed assets	5,061	Net income	2,319
Intangible fixed assets	36		
Investments and other assets	1,611	(Total capital)	128,009
Leasehold deposits	1,611		
Other assets	0		
Total assets	147,993	Total liabilities and capital	147,993

Table 5-4 Income Statement (April 1, 2003 - September 30, 2003)

(Unit: millions of yen)

Expenses and losses		Revenues and profits	
Item	Amount	Item	Item
Ordinary expenses	78,693	Ordinary revenues	77,802
Subsidies and other operating expenses	60,651	Revenues from development investment and financing	160
Settlement operating expenses	377	Revenues from settlement operations	61
Trust operating expenses	1,887	Revenues from migration investment and financing	46
Direct management operating expenses	0	Revenues from trust operations	1,887
Facilities operating expenses	1,328	Revenues from direct management operations	0
General expenses	13,428	Revenues from facilities operations	1,112
Transfer to allowance for bad debt	680	Governmental subsidy	72,784
Non-operating expenses	340	Transfer from allowance for bad debt	688
		Transfer from property grant	19
Extraordinary loss	784	Transfer from property subsidy	785
Loss from the prior-term adjustment	58	Non-operating revenues	256
Loss from sales of fixed assets	415		
Loss from retirement of fixed assets	311	Extraordinary profits	3,995
		Profit from sales of fixed assets	3,995
Net income	2,319		
Total	81,798	Total	81,798

Note: The net income of 2,319 million yen will be transferred to Loss Carried Forward, in accordance with Sub-section 1, Section 30 of the Japan International Cooperation Agency Law (Law No. 62 of 1974).

Significant Accounting Policies

1. Criteria and methods for the valuation of securities

Cost method as determined by the total-average method

2. Standards and methods for the valuation of inventories

Livestock: cost method as determined by the specific identification method

3. Depreciation methods for fixed assets

Straight-line method is applied according to the Corporate Tax Law. The accumulated depreciation is as follows.

Tangible fixed assets: 25,281 million yen

4. Conversion methods for foreign-currency assets

JICA employs the exchange rate on the closing date for short-term money claims, and the exchange rates as of the remittance or contract execution for long-term money claims.

1) 21 million yen of installment principal on sales of settlement was translated to 8 million yen with the exchange rate on the closing date, generating a foreign exchange loss of 12 million yen.

2) The 2,224 million yen loan for migration investment and financing was translated to 1,946 million yen at the exchange rate on the closing date, generating a foreign exchange loss of 278 million yen.

5. Standards for appropriation of allowances

1) Allowance for bad debts

A. To provide for loss of development loans, JICA records, according to its internal regulations, an

allowance equivalent to 6/1000 of the outstanding balance of the loan at the end of the fiscal year.

To provide for defaults of development investment, JICA records an allowance equivalent to the estimated defaults of the investment.

B. To provide for loss of installment principal on sales of settlement, JICA records, according to its internal regulations, an allowance equivalent to 6/1000 of the outstanding balance of the principal at the end of the fiscal year.

C. To provide for loss of the migration loan, JICA records, according to its internal regulations, an allowance equivalent to 6/1000 of the outstanding balance of the loan at the end of the fiscal year.

2) Allowance for retirement benefit

To provide for retirement benefit payment to directors and employees, JICA records, according to its internal regulations, an allowance equivalent to 20/100 of the required benefit payable to directors and employees at the end of the fiscal year in case they resign for their own reasons.

6. Other significant matters for preparing financial statements

1) Accounting for consumption taxes

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

2) Delinquent loans

Of migration investment and financing, 2,815 million yen is delinquent (the outstanding balance of loan principals whose due date has passed more than six months ago).

Administrative Cost Statement

At the end of fiscal 2002, JICA's Administrative Cost Statement was as shown in Table 5-5, Assumptive Balance Sheet on Non-Governmental Basis in Table 5-6, Assumptive Income Statement on Non-Governmental Basis in Table 5-7, Cash Flow Statement in Table 5-8, Assumptive Deficit Disposition Statement on Non-Governmental Basis in Table 5-9, and Breakdown of Cash and Bank Deposits in Table 5-10.

Table 5-5 Administrative Cost Statement (April 1, 2002 - September 30, 2003)

(Unit: yen)

I Operating expenses			
Expenses on the assumptive income statement			
Subsidies and other operating expenses	60,481,702,139		
Settlement operating expenses	377,298,193		
Trust operating expenses	1,887,280,124		
Direct management operating expenses	126,635		
Facilities operating expenses	1,294,703,774		
General expenses	15,433,046,687		
Transfer to allowance for bad debt	2,884,446,859		
Non-operating expenses	513,919,754		
Loss from sales of fixed assets	415,112,093		
Loss from retirement of fixed assets	311,599,572	83,599,235,830	
(Deduction)			
Revenues from development investment and financing	-160,626,926		
Revenues from settlement operations	-61,243,971		
Revenues from migration investment and financing	-46,059,345		
Revenues from trust operations	-1,887,280,124		
Revenues from direct management operations	-33,789		
Revenues from facilities operations	-1,112,100,009		
Non-operating revenues	-334,789,119		
Profits on sales of fixed assets	-3,995,503,067	- 7,597,636,350	
Total operating expenses			76,001,599,480
II Opportunity costs			
Governmental investments and other opportunity costs	1,861,664,996		
Increase of allowance for retirement benefits for loan employees from governments	15,095,210	1,876,760,206	
Total opportunity costs			1,876,760,206
III Administrative cost			
			77,878,359,686

Table 5-6 Assumptive Balance Sheet on Non-Governmental Basis (As of September 30, 2003)

(Unit: yen)

Assets			
I Current assets			
Cash and bank deposits		63,399,984,272	
Consignment goods		29,063,781	
Suspense payments		2,845,745	
Accrued income		40,395,371	
Accounts receivable		12,384,658	
Other current assets		25,502,480	
Total current assets			63,510,176,307
II Fixed assets			
1 Development investment and financing			
Loans		13,225,009,777	
Investment in securities		428,445,102	
Total development investment and financing		13,653,454,879	
2 Settlement			
Installment principal on sales of settlement		148,933,051	
Allowance for bad debt		-144,385,262	
Total settlement		4,547,789	
3 Migration investment and financing			
Loans		4,456,624,970	
Allowance for bad debt		-3,024,731,522	
Total migration investment and financing		1,431,893,448	
4 Tangible fixed assets			
Buildings	58,743,742,169		
Accumulated depreciation	-17,701,161,270	41,042,580,899	
Structures	3,171,345,907		
Accumulated depreciation	-1,668,941,269	1,502,404,638	
Machines and equipment	1,309,142,803		
Accumulated depreciation	-1,046,970,479	262,172,324	
Vehicles and other transportation devices	1,603,751,433		
Accumulated depreciation	- 902,541,739	701,209,694	
Tools, instruments, and fixtures	6,550,672,019		
Accumulated depreciation	-3,961,495,122	2,589,176,897	
Land		18,289,174,814	
Construction in process		6,129,500	
Total tangible fixed assets		64,392,848,766	
5 Intangible fixed assets			
Telephone subscription rights		24,807,793	
Right to use power plants and other supply facilities		11,989,040	
Total intangible fixed assets		36,796,833	
6 Investment and other assets			
Investment in securities		32,044	
Leasehold deposits		1,601,293,314	
Total investment and other assets		1,601,325,358	
Total tangible fixed assets			81,120,867,073
Total assets			144,631,043,380
Liabilities			
I Current liabilities			
Amounts in arrears		8,701,970,660	
Accrued expense		372,761,800	
Advance received		2,549,835,686	
Deposit received		658,156,970	
Allowance for bonus payable		1,115,525,006	
Total current liabilities			13,398,250,122
II Fixed liabilities			
Allowance for retirement benefits		29,298,466,168	
Property grant		1,167,249,971	
Property subsidy		3,860,451,212	
Total fixed liabilities			34,326,167,351
Total liabilities			47,724,417,473
Capital			
I Capital			
Governmental contribution		134,793,510,570	
Total capital			134,793,510,570
II Surplus			
Capital surplus		425,754,790	
Retained loss		-38,312,639,453	
Loss carried forward		- 35,911,990,865	
Net loss		-2,400,648,588	
Total surplus			- 37,886,884,663
Total capital			96,906,625,907
Total liabilities and capital			144,631,043,380

Table 5-7 Assumptive Income Statement on Non-Governmental Basis (April 1, 2003 - September 30, 2003)

(Unit: yen)

I Ordinary revenues			
Revenues from development investment and financing		160,626,926	
Revenues from settlement operations		61,243,971	
Revenues from migration investment and financing		46,059,345	
Revenues from trust operations		1,887,280,124	
Revenues from direct management operations		33,789	
Revenues from facilities operations		1,112,100,009	
Governmental subsidy		72,784,910,399	
Transfer from property grant		19,650,022	
Transfer from property subsidy		796,390,471	
Non-operating revenues			
Interest income	18,388,391		
Profits on foreign exchange	17,984,884		
Miscellaneous revenues	298,415,844		
Total non-operating revenues		334,789,119	
Total ordinary revenues			77,203,084,175
II Ordinary expenses			
Subsidies and other operating expenses		60,481,702,139	
Settlement operating expenses		377,298,193	
Trust operating expenses		1,887,280,124	
Direct management operating expenses		126,635	
Facilities operating expenses		1,294,703,774	
General expenses			
General expenses	11,356,767,158		
Allowance for bonus payable	1,115,525,006		
Allowance for retirement benefits	1,770,799,577		
Depreciation cost	1,189,954,946		
Total general expenses		15,433,046,687	
Bad debt expense			
Transfer to allowance for bad debt		2,884,446,859	
Non-operating expenses			
Loss from write-down of investment in securities			
Loss on foreign exchange	332,248,164		
Miscellaneous losses	181,671,590		
Total non-operating expenses		513,919,754	
Total ordinary expenses			82,872,524,165
III Extraordinary profit			
Profits on sales of fixed assets		3,995,503,067	
Total extraordinary profit			3,995,503,067
IV Extraordinary loss			
Loss from sales of fixed assets		415,112,093	
Loss from retirement of fixed assets		311,599,572	
Total extraordinary loss			726,711,665
Net loss			-2,400,648,588

Table 5-8 Cash Flow Statement (April 1, 2003 - September 30, 2003)

(Unit: yen)

I Cash flow from operating activities	
Loan interest income	208,508,038
Proceeds from settlement operations	68,029,962
Interest income	4,568,134
Installment principal	63,461,828
Revenues from trust operations	3,062,389,810
Revenues from direct management operations	2,737,112
Governmental subsidy	67,995,055,000
Revenues from facilities operations	1,105,069,245
Payment of personnel costs	-7,819,536,295
Payment of operating expenses	-75,651,556,908
Payment of facilities operating expenses	-1,089,237,366
Payment of trust operating expenses	-3,457,268,660
Other operation payments	1,758,967,336
Subtotal	-13,816,842,726
Interest income	18,388,391
Cash flow from operating activities	-13,798,454,335
II Cash flow from investing activities	
Payments for purchase of fixed assets	-1,135,341,924
Proceeds from sales of fixed assets	3,995,503,067
Payments for loan granting	-414,224,281
Proceeds from loans receivable	1,527,447,927
Cash flow from investing activities	3,973,384,789
III Cash flow from financing activities	
Proceeds from acceptance of governmental investment	0
Cash flow from financing activities	0
IV Effect of exchange rate fluctuation on cash and cash equivalents	-73,233,409
V Net increase in cash and cash equivalents	-9,898,302,955
VI Transfer between accounts	0
VII Cash and cash equivalents at beginning of year	73,298,287,227
VIII Cash and cash equivalents at end of year	63,399,984,272

Note: (1) The details of cash and cash equivalents included in the Funds, as well as the breakdown by account for the consolidated balance sheet as of the fiscal year end, are as shown in the sheets.

Table 5-9 Assumptive Deficit Disposition Statement on Non-Governmental Basis

(Unit: yen)

I Unappropriated deficit for the current year		
Loss brought forward from the prior term	-35,911,990,865	
Net loss for the current year	-2,400,648,588	-38,312,639,453
II Loss carried forward to the following term		-38,312,639,453

Table 5-10 Breakdown of Cash and Bank Deposits

(Unit: yen)

Category	Beginning balance	Increase	Decrease	Ending balance	Remarks
(General accounts)					
Cash	1,572,906	53,352,210	53,260,895	1,664,221	
Deposit account	3,439,816,550	617,187,885,165	558,723,429,636	61,904,272,079	
Negotiable deposit	68,100,000,000	98,600,000,000	166,700,000,000	0	
Funds for overseas offices	1,756,897,771	11,550,403,869	11,813,253,668	1,494,047,972	
Total	73,298,287,227	727,391,641,244	737,289,944,199	63,399,984,272	

Significant Accounting Policies

1. Standards and methods for the valuation of securities

- 1) **Stock of affiliated companies**
Cost method as determined by the total-average method
- 2) **Other securities (non-marketable)**
Cost method as determined by the total-average method

2. Standards and methods for the valuation of inventories

Livestock: cost method as determined by the specific identification method

3. Depreciation methods for fixed assets

- 1) **Tangible fixed assets**
Straight-line method is applied. The service life and the residual value are defined according to the same rules as stipulated in the Corporate Tax Law.
- 2) **Intangible fixed assets**
Straight-line method is applied. The service life and the residual value are defined according to the same rules as stipulated in the Corporate Tax Law.

4. Standards for appropriation of allowances

- 1) **Allowance for bad debts**
To provide for loan loss, JICA records the estimated default amount, taking account of the actual loss rate for ordinary loans and specific collectibility of doubtful loans, etc.
 - 2) **Allowance for retirement benefit**
JICA has adopted a defined-benefit pension plan in combination of lump-sum severance and Employees' Pension Fund. JICA has participated in Employees' Pension Fund for special corporations concerning international trade and industry.
- A. Breakdown of retirement benefit obligation (FY2003)
- A) Retirement benefit obligation: 29,298,466,168
 - B) Plan assets: 0
 - C) Accrued retirement benefit costs: 29,298,466,168
 - D) Difference at the change of accounting standards: 0
 - E) Unrecognized actuarial differences: 0
 - F) Unrecognized past service obligation (decrease in liabilities): 0
 - G) Net reported amount on Balance Sheet:
29,298,466,168
 - H) Prepaid pension costs: 0
 - I) Allowance for retirement benefits: 29,298,466,168
To provide for retirement benefits payable to directors and employees (excluding loan employees from central and local governments), JICA records the accrued amount for the year, as allowance for retirement benefits, based on the retirement benefit obligation as of the year end. In addition, to provide for the future pension payment, JICA records as allowance for retirement benefits the amount to be borne by JICA in the reserve shortfall of the fund (the amount computed by distributing the reserve shortfall for the entire fund in proportion to the total average revenue). Thus, the estimated pension amount JICA contributes to Employees' Pension Fund is not recorded.
- B. Breakdown of Pension expenses (FY 2003)
- A) Service cost: 909,402,814
 - B) Interest cost: 362,850,572
 - C) Expected return on plan assets: 0
 - D) Amortization of past service obligation: 0
 - E) Amortization of actuarial differences: 638,117,919

F) Others (premiums collected for Employees' Pension Fund): -139,571,728

C. Computation basis for retirement benefit obligation, etc. (FY 2003)

A) Discount rate : Lump-sum severance 2.0%

: Retirement pension 2.0%

B) Periodic allocation method for expected retirement benefits: Periodic fixed-amount method

C) Amortization period of past service obligations: —

D) Amortization period for actuarial differences: 1

E) Others (Amortization period of differences at the change of accounting standards; actual return rate, etc.): 1

3) Allowance for bonus payable

To provide for bonuses payable to directors and employees, JICA records part of the estimated payment corresponding to the current year's service.

5. Other significant matters

Accounting for consumption taxes

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

6. Range of funds on cash flow statements, etc.

The funds (cash and cash equivalents) shown in the cash flow statements are cash, deposit accounts, negotiable deposits, and overseas office funds.

1) Relation between the beginning balance of cash and cash equivalents, and the amounts of balance sheet accounts (as of September 30)

Cash and deposit:	61,905,936,300
Cash:	1,664,221
Deposit accounts:	61,904,272,079
Overseas office funds:	1,494,047,972
Cash and cash equivalents:	63,399,984,272

2) Description of significant non-fund transactions

There is no non-fund transaction that may magnificently affect the cash flow after the fiscal year end.

7. Standards for reporting opportunity costs

1) Interest rate used for computation of opportunity costs concerning governmental investments, etc.

The opportunity costs concerning governmental investments, etc. are calculated by multiplying the outstanding balance of governmental investments and capital surplus as of the year end by the interest rate of 10-year JGB (newly issued), 1.38%. (Note: The capital surplus does not include anything other than the contributions from municipal governments.)

2) Loan employees from governments who are counted for opportunity costs

The current-year increase of allowance for retirement benefits for 48 loan employees were recognized as opportunity costs according to JICA's internal regulations.

8. Profit and loss on equity method, etc.

JICA doesn't prepare consolidated financial statements since it has no subsidiaries. The profit and loss on equity method concerning its affiliated companies are as follows (Unit: thousands of yen).

1) Investment in affiliated companies: 1,000,000

2) Investment on equity method: 428,445

3) Return on investment on equity method: -594,045

Financial Statements

Table 5-11 Balance Sheet (as of March 31, 2004)

(Unit: yen)

Assets		Liabilities and capital	
Item	Amount	Item	Amount
I Current assets	37,280,236,292	I Current liabilities	25,686,309,666
1 Cash and bank deposits	32,225,694,324	Operational-expense subsidy liabilities	10,377,087,535
2 Accrued revenues	17,865,674	Amounts in arrears	13,069,635,997
3 Inventories	873,113,720	Accrued expense	592,524,539
Stored goods	861,347,425	Lease liabilities	85,041,206
Livestock	11,766,295	Deposit received	1,556,642,779
4 Prepaid expenses	2,182,861,022	Others	5,377,610
5 Prepaid payment	5,139,840	Suspense receipt	5,377,610
6 Accrued income	43,685,263		
7 Others	1,931,876,449	II Fixed liabilities	127,277,815
Suspended payments	4,925,723	Property liabilities	127,277,815
Advances paid	3,056,649	Property operational-expense subsidy	127,277,815
Short-term loans of development investment and financing	1,879,471,726	Total liabilities	25,813,587,481
Allowance for bad debt	-70,774,623		
Short-term loans of migration investment and financing	133,997,054	I Capital	88,508,041,131
Allowance for bad debt	-19,679,722	Governmental investment	88,508,041,131
Short-term installment principal on sales of settlement	950,522		
Allowance for bad debt	-70,880	II Capital surplus	-1,371,938,041
II Fixed assets	75,996,288,955	Capital surplus	738,738
1 Tangible fixed assets	62,811,314,798	Accumulated depreciation not included in expenses	-1,372,676,779
Buildings	40,602,601,693		
Accumulated depreciation	-997,475,779	III Retained earnings	326,834,676
Structures	1,467,341,503	Unappropriated income for the current year	326,834,676
Accumulated depreciation	-81,647,464	Total capital	87,462,937,766
Machines and equipment	216,044,495		
Accumulated depreciation	-38,188,503	Total liabilities and capital	113,276,525,247
Vehicles and other transportation devices	737,605,806		
Accumulated depreciation	-96,090,611		
Tools, instruments, and fixtures	1,324,060,718		
Accumulated depreciation	-160,754,448		
Land	19,825,550,836		
Construction in process	12,266,552		
2 Intangible fixed assets	18,333,833		
Others	18,333,833		
Telephone subscription rights	12,189,450		
Right to use power plants and other supply facilities	6,144,383		
3 Investment and other assets	13,166,640,324		
Investment in securities	32,044		
Investment in affiliates	428,445,102		
Long-term loans	11,129,452,283		
Long-term loans of development investment and financing	10,153,940,885		
Allowance for bad debt	-378,738,517		
Long-term loans of migration investment and financing	4,189,529,963		
Allowance for bad debt	-2,835,280,048		
Long-term prepaid payments	4,711,520		
Others	1,603,999,375		
Guarantee money paid	1,601,254,184		
Long-term installment principal on sales of settlement	135,488,139		
Allowance for bad debt	-132,742,948		
Total assets	113,276,525,247		
Total	113,276,525,247	Total	113,276,525,247

Table 5-12 Income Statement (October 1, 2003 - March 31, 2004)

(Unit: yen)

Expenses and losses		Revenues	
Item	Amount	Item	Amount
Ordinary expenses		Ordinary revenues	
Operating expenses		Revenues from operational-expense subsidy	83,782,556,394
Expenses for program formulation	3,269,178,981	Revenues from governmental subsidy	1,293,013,709
Expenses for technical cooperation projects	44,703,930,696	Revenues from trust operations	2,540,754,133
Expenses for grant aid projects	2,125,826,383	Revenues from development investment and financing	148,325,529
Expenses for public participation-based cooperation	14,773,811,798	Revenues from settlement operations	786,153
Expenses for emigration program	345,489,276	Revenues from migration investment and financing	29,725,806
Expenses for disaster relief activities	350,488,138	Revenues from facilities operations	1,062,452,245
Expenses for aid-personnel recruitment and training	1,756,544,469	Transfer from allowance for bad debt	216,284,622
Expenses for project/program evaluation	407,595,119	Property operational-expense subsidy surplus	1,187,761
Expenses for operation support	3,491,710,023	Financial revenues	
Expenses for domestic offices	2,017,563,833	Interest income	11,074,917
Expenses for overseas offices	4,476,176,241	Miscellaneous profits	399,508,758
Facility operating expenses	1,319,538,692		
Subsidies and other operating expenses	1,234,114,558		
Trust expenses	2,540,754,133	Non-recurrent profits	
(including personnel expenses)	(4,428,804,637)	Profit on sales of fixed assets	804,000
Depreciation costs	1,779,752		
General expenses			
General expenses	6,112,818,309		
(including personnel expenses)	(4,230,124,096)		
Financial expenses			
Interest expense	1,364,405		
Loss on foreign exchange	199,614,900		
Miscellaneous loss	30,970,459		
Non-recurrent loss			
Loss on sales of fixed assets	369,186		
Net income	326,834,676		
Total	89,486,474,027	Total	89,486,474,027

Table 5-13 Cash Flow Statement (October 1, 2003 - March 31, 2004)

(Unit: yen)

I Cash flow from operating activities	
Loan interest income	173,903,266
Proceeds from settlement operations	8,971,681
Interest income	894,605
Installment principal	8,077,076
Revenues from trust operations	2,758,965,158
Revenues from operational-expense subsidy	94,291,489,000
Revenues from facilities operations	1,071,419,813
Payment of personnel costs	-8,658,928,733
Payment of operating expenses	-73,062,933,318
Payment of operation support expenses	-1,092,507,928
Payment of trust operating expenses	-1,635,589,837
Other operation payments	-2,231,609,578
Subtotal	11,623,179,524
Interest received	11,074,917
Interest paid	-1,364,405
Cash flow from operating activities	11,632,890,036
II Cash flow from investing activities	
Payments for purchase of fixed assets	-405,511,644
Proceeds from sales of fixed assets	3,643,636
Payments for loan granting	-376,279,506
Proceeds from long-term loans receivable	1,497,250,202
Payments for purchase of negotiable certificates of deposit	-26,600,000,000
Cash flow from investing activities	-25,880,897,312
III Cash flow from financing activities	
Repayment of lease liabilities	-28,649,653
Cash flow from financing activities	-28,649,653
IV Effect of exchange rate fluctuation on cash and cash equivalents	-9,698,830
V Net increase in cash and cash equivalents	-14,286,355,759
VI Cash and cash equivalents at beginning of year	19,912,050,083
VII Cash and cash equivalents at end of year	5,625,694,324

Table 5-14 Schedule Concerning Profit Appropriation

(Unit: yen)

I Unappropriated income for the current year		326,834,676
Total income for the current year	326,834,676	
II Appropriation of income		
Reserve funds	326,834,676	
	326,834,676	326,834,676

Table 5-15 Administrative Service Operation Cost Statement (October 1, 2003 - March 31, 2004)

(Unit: yen)

I Business expenses			84,749,923,188
Expenses on income statement			
Operating expenses	82,814,502,092		
General expenses	6,112,818,309		
Financial expenses	1,364,405		
Loss on foreign exchange	199,614,900		
Miscellaneous loss	30,970,459		
Loss on sales of fixed assets	369,186	89,159,639,351	
(Deduction) Self revenues, etc.			
Revenues from trust operations	-2,540,754,133		
Revenues from development investment and financing	-148,325,529		
Revenues from settlement operations	-786,153		
Revenues from migration investment and financing	-29,725,806		
Revenues from facilities operations	-1,062,452,245		
Transfer from allowance for bad debt	-216,284,622		
Financial revenues	-11,074,917		
Miscellaneous profits	-399,508,758		
Profit on sales of fixed assets	-804,000	-4,409,716,163	
II Accumulated depreciation not included in expenses			1,372,676,779
III Estimated increase in retirement benefit not included in allowance			-2,044,105,055
IV Opportunity cost			
Governmental investments and other opportunity costs			630,123,367
V Administrative service operation cost			84,708,618,279

Significant Accounting Policies

1. Standards for reporting revenues from operational-expense subsidy

Percentage-of-completion method

2. Depreciation methods

1) Tangible fixed assets

Straight-line method.

The service 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 operational-expense subsidies.

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 short-fall is secured by operational-expense subsidies.

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 concerning the lump-sum severance, 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 account of the actual loss rate for ordinary loans and specific collectibility of doubtful loans, etc.

5. Standards and methods for the valuation for 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.

1.435% in reference to the yield of 10-year fixed-rate JGB as of March 31, 2004

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 yen 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 yen.

10. Accounting for consumption taxes

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

Notes

Notes to the Balance Sheet

Estimated retirement benefits to be provided from operational-expense subsidy

27,813,093,465 yen

A Breakdown of retirement benefit costs

	FY2004
1) Retirement benefit obligation	27,813,093,465
2) Plan assets	0
3) Accrued retirement benefit costs	27,813,093,465
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	27,813,093,465
8) Prepaid pension costs	0
9) Allowance for retirement benefits	27,813,093,465

B Breakdown of pension expenses

	FY2004
1) Service cost	932,680,814
2) Interest cost	368,666,325
3) Expected return on plan assets	0
4) Amortization of past service obligation	71,522,037
5) Amortization of actuarial differences	-1,198,012,307
6) Others (premiums collected for Employees' Pension Fund)	-139,069,517

C. Computation basis for retirement benefit obligation, etc.

	FY2004
1) Discount rate Lump-sum severance Retirement pension	2.0% 2.0%
2) Periodic allocation method for expected retirement benefits	Periodic fixed-amount method
3) Amortization period of past service obligations	—
4) Amortization period for actuarial differences	1
5) Others (Amortization period of differences at the change of accounting standards; actual return rate, etc.)	1

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: yen)

	(as of March 31, 2004)
Cash and deposit	32,225,694,324
Certificate deposit	-26,600,000,000
BOY balance of funds	5,625,694,324

2) Description of significant non-financial transactions

There is no no-fund transaction that may significantly affect the cash flow after the fiscal year ends.

Notes to Administrative Service Operation Cost Statement

1) Loan employees from governments who are counted for opportunity costs

Of the estimated increase in retirement bonus not included in the allowance, 10,415,950 yen was recognized as the current-year increase of allowance for retirement and severance for 38 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. The profit and loss on equity method, etc. concerning its affiliated companies are as follows (Unit: thousands of yen).

- 1) Investment in affiliated companies: 428,445
- 2) Investment on equity method: 469,008
- 3) Return on investment on equity method: 40,563

Significant debt burden

N/A

Significant subsequent events

N/A