

# Financial Statements

## 1 General Account

### Balance Sheet (as of March 31, 2012)

Assets			
I Current assets			
Cash and bank deposits		57,339,270,090	
Marketable securities		76,000,000,000	
Inventories			
Stored goods	411,141,789	411,141,789	
Advance payments		16,676,229,116	
Prepaid expenses		189,590,727	
Accrued income		18,110,759	
Accrued revenues		1,682,082,336	
Short-term loans of development investment and financing	437,279,000		
Allowance for possible loan losses	(1,949,616)	435,329,384	
Short-term loans of migration investment and financing	266,760,215		
Allowance for possible loan losses	(2,007,541)	264,752,674	
Consignment goods		3,198,488	
Suspense payments		30,785,690	
Advances paid		5,050,640	
	Total current assets		153,055,541,693
II Fixed assets			
1 Tangible fixed assets			
Buildings	45,937,441,254		
Accumulated depreciation	(13,995,980,031)		
Accumulated impairment loss	(2,823,122,082)	29,118,339,141	
Structures	1,583,248,254		
Accumulated depreciation	(884,734,453)		
Accumulated impairment loss	(18,212,404)	680,301,397	
Machines and equipment	195,318,404		
Accumulated depreciation	(123,743,477)	71,574,927	
Vehicles and other transportation devices	1,948,092,632		
Accumulated depreciation	(1,113,985,792)	834,106,840	
Tools, instruments, and fixtures	2,051,320,160		
Accumulated depreciation	(1,188,384,097)	862,936,063	
Land	17,967,106,913		
Accumulated impairment loss	(542,214,472)	17,424,892,441	
Construction in process		17,145,498	
	Total fixed assets	49,009,296,307	
2 Intangible fixed assets			
Trademarks		1,840,254	
Telephone subscription rights		4,296,350	
	Total intangible fixed assets	6,136,604	
3 Investment and other assets			
Long-term loans of development investment and financing	1,841,868,984		
Allowance for possible loan losses	(136,982,350)	1,704,886,634	
Long-term loans of migration investment and financing	1,354,376,382		
Allowance for possible loan losses	(980,900,464)	373,475,918	
Long-term installment principal on sales of settlement	24,716,176		
Allowance for possible loan losses	(24,716,176)	0	
Long-term prepaid expenses		22,168,107	
Guarantee money paid		1,498,676,765	
	Total investment and other assets	3,599,207,424	
	Total fixed assets		52,614,640,335
	Total assets		205,670,182,028

(Unit: Yen)

<b>Liabilities</b>			
<b>I Current liabilities</b>			
Funds for grant aid projects		90,198,603,848	
Donations received		418,962,299	
Accrued payments		21,830,720,333	
Accrued expenses		291,221,104	
Lease liabilities		95,382,393	
Deposit received		372,824,316	
Deferred revenue		178,652	
	Total current liabilities		113,207,892,945
<b>II Fixed liabilities</b>			
<b>Property liabilities</b>			
Property management grants	2,058,781,796		
Property grants, etc	118,075,433	2,176,857,229	
Long-term lease liabilities		37,775,727	
Long-term deposits received		113,819,809	
Asset retirement obligation		272,752,155	
	Total fixed liabilities		2,601,204,920
	Total liabilities		115,809,097,865
<b>Net assets</b>			
<b>I Capital</b>			
Governmental investment		79,986,116,422	
	Total capital		79,986,116,422
<b>II Capital surplus</b>			
Capital surplus		(769,819,348)	
Accumulated depreciation not included in expenses		(15,495,514,437)	
Accumulated impairment loss not included in expenses		(3,376,899,961)	
Accumulated interest expense not included in expenses		(3,815,342)	
	Total capital surplus		(19,646,049,088)
<b>III Retained earnings</b>			
Carryover reserve in the midterm period		1,945,613,317	
Reserve		2,825,252,443	
Unappropriated income for the current year		24,750,151,069	
[Total income for the current year]		[24,750,151,069]	
	Total retained earnings		29,521,016,829
	Total net assets		89,861,084,163
	Total of liabilities and net assets		205,670,182,028

## Statement of Income (April 1, 2011–March 31, 2012)

(Unit: Yen)

<b>Ordinary expenses</b>		
Operating expenses		
Expenses for technical cooperation projects	76,595,006,283	
Expenses for grant aid projects	118,219,155	
Expenses for public participation based cooperation	16,847,124,478	
Expenses for emigration program	301,085,682	
Expenses for disaster relief activities	1,071,686,858	
Expenses for aid personnel recruitment and training	520,234,453	
Expenses for assistance promotion	11,843,592,234	
Expenses for operation support	6,422,520,248	
Expenses for accounting support	28,694,607,505	
Expenses for grant aid programs	83,432,778,283	
Contracted program expenses	868,044,531	
Expenses for donation projects	8,444,867	
Depreciation expenses	452,631,063	227,175,975,640
General administrative expenses		8,837,394,320
Financial expenses		
Interest expense	19,010	
Foreign exchange loss	468,052,366	468,071,376
Miscellaneous loss		21,756,874
		<u>236,503,198,210</u>
<b>Ordinary revenues</b>		
Revenues from management grants		173,619,290,743
Revenues from grant aid programs		83,432,778,283
Revenues from contracted programs		
Revenues from contracted programs from Japanese government and the local government agencies	861,449,801	
Revenues from contracted programs from the other parties	8,691,264	870,141,065
Revenues from development investment and financing		56,651,512
Revenues from settlement affairs		3,484,122
Revenues from migration investment and financing		46,923,004
Donation revenues		8,444,867
Transfer from allowance for possible loan losses		128,819,627
Transfer from liabilities for property management grants		548,978,409
Transfer from liabilities for property grants		36,827,457
Financial revenues		
Interest income	49,719,589	49,719,589
Miscellaneous profits		2,327,048,833
		<u>261,129,107,511</u>
		<u>24,625,909,301</u>
<b>Extraordinary loss</b>		
Loss on retirement of fixed assets		16,120,004
Loss on sales of fixed assets		2,368,922
Payment to national treasury		2,411,625
Impairment loss		14,542,097
		<u>35,442,648</u>
<b>Extraordinary profits</b>		
Profits on sales of fixed assets		13,190,268
		<u>13,190,268</u>
<b>Net income</b>		
		<u>24,603,656,921</u>
<b>Reversal of surplus deposits from the previous mid-term period</b>		
		<u>146,494,148</u>
<b>Total income for the current year</b>		
		<u><u>24,750,151,069</u></u>

## Statement of Cash Flows (April 1, 2011–March 31, 2012)

(Unit: Yen)

**I Cash flow from operating activities**

Payment of operating expenses	(140,438,410,024)
Payments for grant aid projects	(83,495,766,074)
Payment of contracted program expenses	(1,536,027,845)
Payment of personnel costs	(15,227,616,971)
Other operation payments	(948,446,044)
Proceeds from management grants	143,300,731,000
Proceeds from grant aid programs	106,701,522,294
Proceeds from contracted programs	1,023,921,583
Loan interest income	108,583,367
Proceeds from settlement affairs	9,318,002
Interest revenues	3,464,122
Installment principal	5,853,880
Donation revenues	27,370,243
Other operation proceeds	3,039,864,433
Subtotal	12,565,043,964
Interest received	54,061,151
Interest paid	(19,010)
Cash flow from operating activities	12,619,086,105

**II Cash flow from investing activities**

Payments for purchase of fixed assets	(1,319,899,499)
Proceeds from sales of fixed assets	1,015,618,872
Proceeds from loans receivable	940,043,119
Putting money for time deposits	(450,000,000,000)
Proceeds from time deposit refund	548,500,000,000
Payments for purchase of negotiable certificates of deposit	(328,000,000,000)
Proceeds from negotiable certificates of deposit refunds	252,000,000,000
Cash flow from investing activities	23,135,762,492

**III Cash flow from financing activities**

Repayment of lease liabilities	(99,037,401)
Payment to national treasury of unnecessary property	(1,166,291,564)
Cash flow from financing activities	(1,265,328,965)

**IV Effect of exchange rate fluctuation on funds** (393,148,813)

**V Net increase in funds** 34,096,370,819

**VI Funds at the beginning of year** 17,919,899,271

**VII Funds at the end of year** 52,016,270,090

## Statement of Administrative Service Operation Costs (April 1, 2011–March 31, 2012)

(Unit: Yen)

<b>I Business expenses</b>		
(1) Expenses on income statement		
Operating expenses	227,175,975,640	
General administrative expenses	8,837,394,320	
Financial expenses	468,071,376	
Miscellaneous loss	21,756,874	
Loss on retirement of fixed assets	16,120,004	
Loss on sales of fixed assets	2,368,922	
Payment to national treasury	2,411,625	
Impairment loss	14,542,097	236,538,640,858
(2) (Deduction) Self revenues, etc.		
Revenues from contracted programs	(870,141,065)	
Revenues from development investment and financing	(56,651,512)	
Revenues from settlement affairs	(3,484,122)	
Revenues from migration investment and financing	(46,923,004)	
Donation revenues	(8,444,867)	
Transfer from allowance for possible loan losses	(128,819,627)	
Financial revenues	(49,719,589)	
Miscellaneous profits	(2,327,048,833)	
Profits on sales of fixed assets	(13,190,268)	(3,504,422,887)
Total business expenses		233,034,217,971
<b>II Accumulated depreciation not included in expenses</b>		1,569,837,580
<b>III Accumulated impairment loss not included in expenses</b>		3,369,006,861
<b>IV Accumulated interest expense not included in expenses</b>		1,435,266
<b>V Accumulated sale differential not included in expenses</b>		(316,647,755)
<b>VI Estimated bonus payment not included in allowance</b>		29,574,069
<b>VII Estimated increase in retirement benefit not included in allowance</b>		836,975,631
<b>VIII Opportunity cost</b>		
Governmental investments and other opportunity costs		612,812,691
<b>IX (Deduction) Income taxes, payment to national treasury</b>		(2,411,625)
<b>X Administrative service operation cost</b>		<u>239,134,800,689</u>

## Significant Accounting Policies

### 1 Standards for reporting revenues from the management grants

The Revenue Recognition Standard based on Accrued Expense is applied. This is attributable to the difficulties associated with the application of achievement and time-period standards, specifically, the significant amount of time required to evaluate operating results as well as other complexities.

### 2 Depreciation methods

#### (1) Tangible fixed assets

Straight-line method.

The useful lives of major assets are as follows:

Buildings:	1–50 years
Structures:	1–42 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 Incorporated Administrative Agency No. 87) and specific removal costs, etc. associated with asset retirement obligations (Accounting Standard for Incorporated Administrative Agency No. 91) 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 bonus payments

An allowance for bonus payments is not appropriated, since the financial source is secured by the management grants.

The estimated bonus payment not included in the allowance, as shown in the Administrative Service Operation Cost Statement, is reported as current fiscal year estimate of allowances in relation to bonus payments which has been calculated according to Accounting Standard No. 88.

### 4 Standard for appropriation of allowances and estimation in relation to retirement benefits

An allowance for retirement benefits is not appropriated since the financial source is secured by the management grants.

An 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 the management grants.

The estimated increase in retirement benefits not included in the allowance, as shown in the Administrative Service Operation Cost Statement, is reported as current fiscal year allowance for retirement benefits which has been calculated according to Accounting Standard No. 38.

### 5 Basis and standard for appropriation of allowances, etc.

#### Allowance for possible loan losses

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

### 6 Valuation standard and method for marketable securities

Securities held until maturity

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

### 7 Standards and methods for the valuation of inventories

Stored goods

Cost method as determined by the FIFO method

### 8 Translation standard of foreign currency assets and liabilities into yen

Foreign currency money claims and liabilities are translated into yen utilizing the spot exchange rate as of the fiscal year-end. Exchange differences are recognized as profit or loss.

### 9 Standards for computing opportunity costs in the Administrative Service Operation Cost Statement

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

0.985% taking into consideration the yield of 10-year fixed-rate JGBs as of March 31, 2012.

### 10 Accounting for lease transactions

The same accounting method applicable to ordinary transactions is applied to finance lease transactions with total lease fees of ¥3 million or more.

The same accounting method applicable to ordinary rental transactions is applied to finance lease transactions with total lease fees of less than ¥3 million.

### 11 Accounting for consumption taxes

Consumption taxes are included in financial statement amounts.

### 12 Change in principal accounting policies

The "Accounting Standards for Incorporated Administrative Agency and Guidance Notes for the Accounting Standards for Incorporated Administrative Agency" (February 16, 2000 [Amended June 28, 2011]) and "Q&A concerning the Accounting Standards for Incorporated Administrative Agency and Guidance Notes for the Accounting Standards for Incorporated Administrative Agency" (August 2000 [Final Amendment, March 2012]) have been adopted starting in the current operating year.

Due to this change, for the disposal (sale) of specified depreciable assets (Accounting Standard for Incorporated Administrative Agency No. 87), the sale differential is not recorded as a gain or loss on the statement of income and is instead included in the capital surplus. As a result, there were increases of ¥64,911,890 in net income and total income for the current year.

### 13 Change in presentation method

For ordinary expenses in the statement of income, expenses for program formulation, expenses for follow-up cooperation, expenses for project/program evaluation and research-related expenses, which were separate items in the previous fiscal year, have been combined in the expenses for assistance promotion item due to the rearrangement of budget items.

## Notes

## Notes to the balance sheet

## 1 Estimated retirement benefits to be provided from the management grants

¥31,028,481,786

## (1) Breakdown of retirement benefit liabilities (Unit: Yen)

	FY2011
1) Retirement benefit liabilities	(41,877,411,524)
2) Plan assets	10,848,929,738
3) Not-accumulated retirement benefit liabilities 1) + 2)	(31,028,481,786)
4) Difference at the change of accounting standards	0
5) Unrecognized actuarial differences	0
6) Unrecognized past service liabilities (decrease in liabilities)	0
7) Net reported amount on Balance Sheet 3) + 4) + 5) + 6)	(31,028,481,786)
8) Prepaid pension expenses	0
9) Allowance for retirement benefits 7) - 8)	(31,028,481,786)

## (2) Breakdown of pension expenses (Unit: Yen)

	FY2011
1) Working cost	2,210,566,923
2) Interest cost	561,642,095
3) Expected return on investment	0
4) Amortization of past working liabilities	0
5) Amortization of actuarial differences	306,857,178
6) Others (premiums collected for Employees' Pension Fund)	(340,323,856)

## (3) Computation basis for retirement benefit obligation, etc. (Unit: Yen)

	FY2011
1) Discount rate: Retirement pension	2.0%
2) Periodic allocation method for expected retirement benefits	Periodic fixed-amount benefits method
3) Processing period for actuarial differences	1 year
4) Others (Processing period of differences upon change of accounting standards; actual return rate, etc.)	1 year

## 2 Estimated bonus to be provided from the management grants

¥775,480,759

## 3 Impaired loss on fixed assets

## (1) The fixed assets for which the impairment loss was recognized

## A. Outline of the usage, type, location, book value

Impairment losses were recognized in the following assets. (Unit: Yen)

Name of Asset	Usage	Location	Type	Book Value before Impairment Loss	Impairment Loss Not Included in Current Year Expenses	Accumulated Impairment Loss Not Included in Current Year Expenses
Osaka International Center	Accommodation facilities for training	Ibaraki City, Osaka Prefecture	Building	3,284,026,330	2,791,569,160	2,791,569,160
			Structures	21,425,234	18,212,404	18,212,404
			Land	780,478,000	519,548,000	519,548,000
Heights Sunrise 607 and 27 units	Employee housing	Nagoya City, Aichi Prefecture, etc.	Building	142,215,413	31,552,922	31,552,922
			Land	161,446,842	22,666,472	22,666,472

## B. Background relating to the recognition of impairment losses

Use of the Osaka International Center stopped at the end of FY2011 because payment to the national treasury for this center is planned for FY2012 in accordance with the Third Mid-term Objectives that start in FY2012.

As a result, the book value of this center has been reduced in the current fiscal year to the value of the services that can be recovered. For assets that are classified as specified assets, this reduction is treated as an accumulated impairment loss not included in expenses, which is deducted from the capital surplus. For assets that are not classified as specified assets, the reduction is treated as an impairment loss (extraordinary loss) and posted in the statement of income.

The Third Mid-term Objectives include a plan to dispose of 34 employee housing units during FY2012. Asset impairment was recognized for 28 of these units, which excludes six units that were still used for employee housing at the end of FY2011. For 15 of the 28 units, which excludes 13 units where the value of the services that can be recovered exceeded book value at the end of FY2011, book value was reduced in the current fiscal

year to the value of the services that can be recovered. This reduction was treated as an accumulated impairment loss not included in expenses, which is deducted from the capital surplus.

C. Breakdown of each principal fixed asset not appearing on the income statement but which is included in impairment loss and the overview of the calculation method for recoverable service amount (Unit: Yen)

Name of Asset	Type	Impairment Loss	Calculation Method for Recoverable Service Amount
Osaka International Center	Building	2,777,027,063	The value of services that can be recovered is measured by using the net sales price, which is a third-party valuation less the estimated expenses for disposal.
	Structures	18,212,404	
	Land	519,548,000	
Heights Sunrise 607 and 27 units	Building	31,552,922	
	Land	22,666,472	

## (2) Fixed assets indicating impairment losses

## A. Outline of the usage, type, and location of fixed assets that indicate an impairment loss

The following assets have an indication of impairment losses. (Unit: Yen)

Name of Asset	Usage	Location	Type	Book Value
Hiroo Center	Program facility	Shibuya-ku, Tokyo	Building	1,115,310,187
			Structures	1,622,390
			Land	1,652,251,000
Machiya Heim 303 and 71 units	Employee housing	Nagoya City, Aichi Prefecture, etc.	Building	448,559,563
			Land	457,062,143

## B. Background relating to the determination of an indication of impairment loss

Payment to the national treasury for the Hiroo Center is planned for FY2013 in accordance with the Third Mid-term Objectives that start in FY2012. Although an impairment loss will probably be recorded, no impairment loss has been recognized as of the end of FY2011 because the timing of the disposal of this center has not been determined and the center is still used for JICA operations.

Machiya Heim Room 303 and 71 other units are to be disposed of in accordance with the Mid-term Objectives. Although an impairment loss will probably be recorded, no impairment loss has been recognized as of the end of FY2011 because the timing of the disposal of these units has not been determined and the units are still used as employee housing.

## 4 Donated funds for grant aid

Grant aid is received in the form of funds from the Japanese government. JICA administers this grant aid based on a presentation contract with the recipient country's government. At the end of FY2011, the outstanding balance of unexecuted donation presentation contracts stood at ¥155,131,464,507.

## Notes to Cash Flow Statement

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

## (1) Breakdown of balance sheet items and ending balance of funds (as of March 31, 2012)

Cash and deposit	¥57,339,270,090
Time deposit	¥(5,323,000,000)
Ending balance of funds	¥52,016,270,090

## (2) Description of significant non-financial transactions

## A. Assets under the finance lease

Tools, instruments, and fixtures ¥18,185,764

## Notes to Administrative Service Operation Cost Statement

Number of the loan employees from governments who are counted as opportunity costs

Of the estimated increase in retirement bonus not included in the allowance, ¥49,202,241 was recognized as the current fiscal year increase of allowance for retirement and severance for 35 loan employees according to JICA's internal regulations.

### Matters concerning the state 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 management grants approved by the state ministers in charge. The General Account does not borrow from the government fund for Fiscal Investment and Loan Program, borrow funds from financial institutions or issue FILP agency bonds.

### Matters concerning the fair value of financial instruments

Balance sheet amounts, fair value and differentials at the end of the operating year are as follows. (Unit: Yen)

	Balance sheet amount	Fair value	Differential
(1) Cash and bank deposits	57,339,270,090	57,339,270,090	0
(2) Marketable securities	76,000,000,000	76,000,000,000	0
(3) Accrued payments	(21,830,720,333)	(21,830,720,333)	0

Note 1: Calculation method for fair value of financial instruments and matters concerning marketable securities

#### (1) Cash and bank deposits

Cash and bank deposits are short term and fair value approximates book value. Thus fair value for cash and bank deposits is calculated at book value.

#### (2) Marketable securities (negotiable certificates of deposit)

Negotiable certificates of deposit are valued at book value because fair values are almost the same as book values due to the short-term nature of these instruments.

#### (3) Accrued payments

Accrued payments are short term and fair value approximates book value. Thus fair value for accrued payments is calculated at book value.

### Finance lease transactions

The amount of the finance lease transactions which influences the current year's profits and losses was ¥277,198. The current year's net profit after the deduction of this amount was ¥24,750,428,267.

### Matters concerning asset retirement obligation

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. Therefore, this asset retirement obligation has been recorded. The estimate for the asset retirement obligation has used the five-year lease period for the projected period of use and a discount rate of 0.529%.

At the end of the previous operating year, in line with the application of accounting standards, the amount recorded for asset retirement obligations was ¥271,316,889. The asset retirement obligation balance at the end of the operating year was ¥272,752,155—the sum of the above ¥271,316,889 and the ¥1,435,266 adjustment amount of the asset retirement obligations due to passage of time.

### Matters concerning payments to the national treasury, etc. for unnecessary property

For payments to the national treasury for unnecessary property, payments for property that was transferred in FY2010 and FY2011 were made in FY2011. These transfer transactions were as follows.

Among the transfer transactions, the transfer balance of the transactions which were designated as "transfer transactions whose transfer balance shall not be recorded in the profit and loss for calculating profits and losses" of Article 13-2 of the Ministerial Ordinance for the Operations and Finances and Accounting of the Japan International Cooperation Agency (Ministry of Foreign Affairs Ordinance No. 22 of September 30, 2003 [Final Amendment, November 26, 2010]) and the costs required for the transfer were not recorded in the profit and loss for calculating profits and losses and were deducted from the capital surplus by applying ASBJ Statement No. 99.

(1) Outline of the type, book value, etc. of assets which were transferred, etc. as unnecessary property

Fiscal year	Name of Asset	Type	Book Value at Time of Transfer
FY2010	Tokyo International Center Annex (Hachioji)	Building	0
		Structures	0
		Tools, instruments, and fixtures	492,797
		Land	145,212,000
	Hakone Training Center	Building	183,551,889
		Structures	8,534,276
		Machines and equipment	634,528
		Land	36,896,097
	Employee housing (51 units) and recreational facility (3 units) with sectional ownership	Building	80,740,043
		Land	213,829,337
FY2011	Employee housing (38 units)	Building	172,118,285
		Land	204,635,284

#### (2) Reason for unnecessary property

Based on the Mid-Term Plan, etc., it was decided that unnecessary property will be disposed by sale, ahead of the enforcement of the Act for the Partial Amendment of the Act on General Rules for Independent Administrative Agency (Act No. 37 of 2010). The Act sets forth provisions on payments to the national treasury, etc. for the unnecessary property of incorporated administrative agencies.

#### (3) Method of payment to national treasury

According to transfer income pursuant to paragraph 2, Article 46-2 of the Act on General Rules for Independent Administrative Agency.

#### (4) Transfer income from unnecessary property

Property sold in FY2010	¥785,355,819 (excluding tax)
Property sold in FY2011	¥408,106,135 (excluding tax)
Total	¥1,193,461,954 (excluding tax)

#### (5) Costs deducted from transfer income

Property sold in FY2010	¥27,870,198 (excluding tax)
Property sold in FY2011	¥13,996,183 (excluding tax)
Total	¥41,866,381 (excluding tax)

#### (6) National treasury payment amount and payment date

Property sold in FY2010	¥757,485,621; June 10, 2011
Property sold in FY2011	¥394,109,952; February 22, 2012
Total	¥1,151,595,573

#### (7) Capital reduction

Property sold in FY2010	¥2,705,068,809
Property sold in FY2011	¥641,681,619
Total	¥3,346,750,428

### Significant debt burden

N/A

### Significant subsequent events

N/A

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, 2012)

<b>Assets</b>			
<b>I Current assets</b>			
Cash and bank deposits		74,880,164,480	
Loans	11,032,404,261,842		
Allowance for possible loan losses	<u>(131,589,282,758)</u>	10,900,814,979,084	
Advance payments		4,700,710,593	
Prepaid expenses		74,222,421	
Accrued income			
Accrued interest on loans receivable	46,169,712,784		
Accrued commitment charges	816,185,298		
Accrued interest receivable	<u>1,525,201</u>	46,987,423,283	
Accrued revenues		410,354,918	
Consignment goods		801,622	
Suspense payments		3,465,469	
Advances paid		68,262	
Emission reduction assets		302,840,931	
Guarantee money paid		<u>7,621,000,000</u>	
	Total current assets		11,035,796,031,063
<b>II Fixed assets</b>			
<b>1 Tangible fixed assets</b>			
Buildings	3,149,774,812		
Accumulated depreciation	(496,329,719)		
Accumulated impairment loss	<u>(675,214,797)</u>	1,978,230,296	
Structures	50,328,065		
Accumulated depreciation	(11,599,874)		
Accumulated impairment loss	<u>(11,670,468)</u>	27,057,723	
Machines and equipment	194,040,596		
Accumulated depreciation	(47,949,392)		
Accumulated impairment loss	<u>(102,287,680)</u>	43,803,524	
Vehicles and other transportation devices	293,602,164		
Accumulated depreciation	<u>(125,705,415)</u>	167,896,749	
Tools, instruments, and fixtures	547,147,567		
Accumulated depreciation	<u>(156,755,046)</u>	390,392,521	
Land	12,703,270,000		
Accumulated impairment loss	<u>(6,091,196,973)</u>	6,612,073,027	
Construction in process		3,022,101	
	Total fixed assets	9,222,475,941	
<b>2 Intangible fixed assets</b>			
Trademarks		133,429	
	Total intangible fixed assets	133,429	
<b>3 Investment and other assets</b>			
Investment securities		5,502,411,788	
Affiliated companies stock		97,311,546,428	
Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	24,557,275,808		
Allowance for possible loan losses	<u>(24,557,275,808)</u>	0	
Long-term prepaid expenses		5,357,190	
Guarantee money paid		<u>807,075,455</u>	
	Total investment and other assets	103,626,390,861	
	Total fixed assets		112,849,000,231
	Total assets		<u>11,148,645,031,294</u>

(Unit: Yen)

<b>Liabilities</b>			
<b>I Current liabilities</b>			
Borrowings from government fund for Fiscal Investment and Loan Program due within one year	323,204,130,000		
Accrued payments	7,470,664,874		
Accrued expenses	10,576,300,423		
Derivatives	9,201,780,777		
Lease liabilities	85,710,045		
Deposit received	45,675,496		
Allowance for bonuses	206,673,918		
Suspense receipt	723,193,893		
Total current liabilities		351,514,129,426	
<b>II Fixed liabilities</b>			
Bonds	200,000,000,000		
Borrowings from government fund for Fiscal Investment and Loan Program	1,896,770,524,000		
Long-term lease liabilities	193,787,810		
Allowance for retirement benefits	7,776,522,950		
Asset retirement obligation	69,514,322		
Total fixed liabilities		2,104,810,349,082	
Total liabilities			2,456,324,478,508
<b>Net assets</b>			
<b>I Capital</b>			
Governmental investment	7,664,455,785,510		
Total capital		7,664,455,785,510	
<b>II Retained earnings</b>			
Reserve	942,223,309,638		
Unappropriated income for the current year	94,068,154,211		
[Total income for the current year]	[94,068,154,211]		
Total retained earnings		1,036,291,463,849	
<b>III Valuation and translation adjustments</b>			
Net unrealized gains on other securities	(44,631,271)		
Deferred gains or losses on hedges	(8,382,065,302)		
Total valuation and translation adjustments		(8,426,696,573)	
Total net assets			8,692,320,552,786
Total of liabilities and net assets			11,148,645,031,294

## Statement of Income (April 1, 2011–March 31, 2012)

(Unit: Yen)

<b>Ordinary expenses</b>			
Expenses related to operations of cooperation through finance and investment			
Interest on bonds and notes	3,627,165,520		
Interest on borrowings	35,646,479,872		
Interest on interest swaps	6,126,274,892		
Outsourcing expenses	22,564,069,904		
Bond issuance expenses	345,537,321		
Foreign exchange loss	39,133,983		
Personnel expenses	3,350,982,761		
Provision for allowance for bonuses	5,736,339		
Retirement benefit expenses	543,331,474		
Property expenses	11,749,211,304		
Depreciation expenses	405,394,155		
Taxes	119,661,715		
Loss on valuation of investment securities	313,679,590		
Loss on valuation of affiliated companies stock	4,184,252,752		
Interest expenses	365,796		
Provision of allowance for possible loan losses	35,535,314,432		
Other ordinary expenses	427,948	124,557,019,758	
	<b>Total ordinary expenses</b>		<b>124,557,019,758</b>
<b>Ordinary revenues</b>			
Revenues from operations of cooperation through finance and investment			
Interest on loans	196,680,036,363		
Interest on government bonds, etc.	21,607,556		
Dividends on investments	19,964,422,800		
Commissions	2,123,858,611		
Other ordinary revenues	245,481,048	219,035,406,378	
Financial revenues			
Interest income	13,049,325	13,049,325	
Miscellaneous profits		478,935,049	
	<b>Total ordinary revenues</b>		<b>219,527,390,752</b>
	<b>Ordinary profits</b>		<b>94,970,370,994</b>
<b>Extraordinary loss</b>			
Loss on retirement of fixed assets		988,760	
Loss on sales of fixed assets		902,751,787	903,740,547
<b>Extraordinary profits</b>			
Profits on sales of fixed assets		1,523,764	1,523,764
<b>Net income</b>			<b>94,068,154,211</b>
<b>Total income for the current year</b>			<b>94,068,154,211</b>

## Statement of Cash Flows (April 1, 2011–March 31, 2012)

(Unit: Yen)

<b>I Cash flow from operating activities</b>		
Payments for loans		(609,733,698,286)
Repayment of borrowings from the private sector		(31,000,000,000)
Repayment of borrowings from government fund for Fiscal Investment and Loan Program		(318,066,664,000)
Interest paid		(45,835,100,821)
Payment of personnel costs		(3,817,127,843)
Other operation payments		(48,068,525,931)
Proceeds from collection of loans receivable		629,000,110,465
Proceeds from borrowings from the private sector		31,000,000,000
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program		78,200,000,000
Proceeds from issuance of bonds		59,654,462,679
Loan interest income		198,162,767,960
Other operation proceeds		11,289,203,657
Subtotal		(49,214,572,120)
Interest and dividend income		19,999,116,651
Cash flow from operating activities		(29,215,455,469)
<b>II Cash flow from investing activities</b>		
Payments for purchase of fixed assets		(72,150,589)
Proceeds from sales of fixed assets		412,185,231
Payments for purchase of investment securities		(11,025,286)
Proceeds from the collection of investment securities		142,602,015
Proceeds from the collection of affiliated companies stock		10,538,553,614
Payments for purchase of negotiable certificates of deposit		(658,300,000,000)
Proceeds from negotiable certificates of deposit refunds		658,300,000,000
Cash flow from investing activities		11,010,164,985
<b>III Cash flow from financing activities</b>		
Repayment of lease liabilities		(207,709,691)
Proceeds from government investment		41,900,000,000
Cash flow from financing activities		41,692,290,309
<b>IV Net increase in funds</b>		23,486,999,825
<b>V Funds at the beginning of year</b>		51,393,164,655
<b>VI Funds at the end of year</b>		74,880,164,480

## Statement of Administrative Service Operation Costs (April 1, 2011–March 31, 2012)

(Unit: Yen)

<b>I Business expenses</b>			
(1) Expenses on income statement			
Operating expenses	124,557,019,758		
Loss on retirement of fixed assets	988,760		
Loss on sales of fixed assets	902,751,787		
		125,460,760,305	
(2) (Deduction) Self revenues, etc.			
Operational revenues	(219,035,406,378)		
Financial revenues	(13,049,325)		
Miscellaneous profits	(478,935,049)		
Profits on sales of fixed assets	(1,523,764)		
Total business expenses		(219,528,914,516)	(94,068,154,211)
<b>II Estimated increase in retirement benefit not included in allowance</b>			12,331,329
<b>III Opportunity cost</b>			
Governmental investments and other opportunity costs			75,288,531,987
<b>IV Administrative service operation cost</b>			(18,767,290,895)

## Significant Accounting Policies

### 1 Depreciation methods

#### (1) Tangible fixed assets

Straight-line method is adopted.

The useful lives of major assets are as follows:

Buildings:	2–50 years
Structures:	2–46 years
Machines and equipment:	2–17 years
Vehicles and other transportation devices:	2–6 years
Tools, instruments and fixtures:	2–15 years

#### (2) Intangible fixed assets

Straight-line method is adopted.

### 2 Standard for appropriation of allowances and estimation in relation to bonus payments

The allowance for bonus payments is calculated and provided for based on estimated amounts of future payments attributable to the services that have been rendered by executive directors and employees applicable to the fiscal year under review.

### 3 Standard for appropriation of allowances and estimation in relation to retirement benefits

The allowance for retirement benefits is calculated and provided for based on estimated amounts of future payments attributable to the retirement of executive directors and employees, and is accrued in line with the projected benefit obligations and estimated pension plan assets applicable to the fiscal year under review. The profit and loss appropriation method for actuarial differences is presented as follows.

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

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 Accounting Standard No. 38.

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

#### Allowance for possible 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 and the deductions of the amount expected to be collected through the disposal of collateral and execution of guarantees. 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 assessment of the overall solvency or the debtors after deducting the amount expected to be collected through the disposal of collateral and the execution of guarantees. 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.

All claims are assessed initially by the operational departments and secondly by risk evaluation departments based on internal rules for self-assessment of asset quality. The internal audit department, which is independent from the operational departments, reviews these self-assessments, and the allowance is provided based on the results of the assessments.

### 5 Standards and methods for the evaluation of securities

#### (1) Affiliated companies

Cost method as determined by the moving average method.

However, when the equity equivalent has fallen below the cost at acquisition, the equity equivalent price is used.

#### (2) Other investment securities (non-marketable)

Cost method as determined by the moving average method.

### 6 Standards and methods for the valuation of derivative transactions

Market value method.

### 7 Translation standard of foreign currency assets and liabilities into yen

Foreign currency money claims and liabilities are translated into yen using the spot exchange rate as of the fiscal year-end, with exchange differences recognized as profit or loss.

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

The interest rate used to compute opportunity costs concerning central and local governments’ investments, etc.:

0.985% with reference to yields applicable to 10-year fixed-rate JGBs as of March 31, 2012.

### 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 Method of hedge accounting

Deferral hedge accounting is used for the method of hedge accounting. Hedge effectiveness is assessed first by identifying hedged loans and hedging instruments which offset market fluctuations. Then it is examined to see if there are any discrepancies of maturity and notional principal between the two.

### 11 Accounting for consumption taxes

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

### 12 Change in principal accounting policies

The “Accounting Standards for Incorporated Administrative Agency and Guidance Notes for the Accounting Standards for Incorporated Administrative Agency” (February 16, 2000 [Amended June 28, 2011]) and “Q&A concerning the Accounting Standards for Incorporated Administrative Agency and Guidance Notes for the Accounting Standards for Incorporated Administrative Agency” (August 2000 [Final Amendment, March 2012]) have been adopted starting in the current operating year. There is no effect on financial statements.

## Notes

## Notes to the balance sheet

## 1 Joint obligations

JICA is a joint debtor in connection with existing bonds issued by Japan Bank for International Cooperation which were succeeded by the Japan Finance Corporation (Japan Bank for International Cooperation which was separated from Japan Finance Corporation on April 1, 2012).

FILP (Fiscal Investment and Loan Program) Agency Bonds	¥800,000,000,000	
Government Guaranteed Foreign Debt	4,150,000,000	USD
	1,250,000,000	Euro

## 2 Outstanding balance of undisbursed loans

A large portion of JICA loans cover a long term. Ordinarily, when receiving a request of disbursement of loan from a customer, which corresponds to the intended use of funds as stipulated by the loan agreement, upon confirming the fulfillment of conditions prescribed under the loan contract, JICA promises to loan a certain amount of funds within a certain range of the amount required by the customers, with the outstanding balance up to the limit of the agreed amount. The outstanding balance of undisbursed loans related to these contracts was ¥4,134,223,714,465.

## Notes to the statement of income

Loss on sales of fixed assets

A loss on the sale of the Azabu Training Center, ¥902,420,930, is the main component of this loss.

## Notes to the cash flow statement

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

(1) Breakdown of balance sheet items and ending balance of funds (as of March 31, 2012)

Cash and deposits	¥74,880,164,480
Ending balance of funds	¥74,880,164,480

(2) Description of significant non-financial transactions

A. Assets granted under finance lease

Tools, instruments and fixtures	¥297,348,424
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## Notes to the 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, ¥12,331,329 was recognized as the current-year increase of allowance for retirement and severance for 35 loan employees according to JICA's internal regulations.

## Matters concerning the state of financial instruments

## 1 Policy regarding financial instruments

The Finance and Investment Account undertakes financial cooperation operations by providing debt and equity financing. To undertake these operations, it raises funds by borrowing from the Japanese government under the Fiscal Investment and Loan Program, borrowing from financial institutions, issuing FILP agency bonds, and receiving capital investment from the Japanese government. From the perspective of asset liability management (ALM), derivative transactions are conducted for the purpose of mitigating adverse impact caused by interest rate 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. Marketable securities, investment securities and affiliated companies' stocks are held for policy-oriented purposes, and are exposed to credit risk of issuers, interest rate risk and market price volatility risk.

Borrowings and FILP agency bonds are exposed to liquidity risk in the way that their payments/repayments cannot be duly serviced in such a situation where the Account is unable to have access to markets for certain reasons.

## 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, and guarantee and collateral setting, problem loan management, etc., in accordance with integrated risk management regulations and various credit-risk monitoring regulations. This credit management is carried out by the respective department responsible for each region in addition to the Credit Risk Analysis and Environmental Review Department and General Affairs Department. Additionally, the Risk Management Committee and Board of Directors are convened on a regular basis for the purpose of deliberating or reporting. Moreover, the Office of Audit checks on the state of credit management.

Credit risk of issuers of investment securities and affiliated companies' stocks are monitored by the Office for Private Sector Partnership which regularly confirms their credit information and fair values.

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 those methods prescribed by laws or business and service documents. Interest swap transactions are conducted to hedge against the risk of interest rate fluctuations in light of their possible adverse impact.

(ii) Price volatility risk management

Stocks are held for policy-oriented purposes and changes in the values of these stocks associated with the market environment or financial condition of portfolio companies, exchange rate movements and other factors are monitored. This information is reported on a regular basis to the Board of Directors by the General Affairs Department.

(3) Liquidity risk management related to fundraising

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

(4) Derivative transactions management

Pursuant to regulations concerning swaps, interest swap transactions are implemented and managed by separating the sections related to transactions enforcement, assessment of hedge effectiveness, and logistics management, respectively, based on a mechanism with an established internal check-and-balance system.

**Matters concerning fair value of financial instruments**

The following table summarizes the amount stated in the balance sheet and the fair value of financial instruments as of March 31, 2012 together with their differences.

(Unit: Yen)

	Balance sheet amount	Fair value	Differential
(1) Loans	11,032,404,261,842		
Allowance for possible loan losses	-131,589,282,758		
	10,900,814,979,084	10,827,367,137,524	-73,447,841,560
(2) Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	24,557,275,808		
Allowance for possible loan losses	-24,557,275,808		
	0	0	0
(3) Borrowings from government fund for Fiscal Investment and Loan Program (including borrowings due within one year)	(2,219,974,654,000)	(2,302,767,206,370)	(82,792,552,370)
(4) Derivative transactions	(9,201,780,777)	(9,201,780,777)	0

Note: Those recorded under liabilities are shown in parentheses.

**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 respective borrowers' credit risk.

**2) Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims**

Regarding claims in bankruptcy, rehabilitation, reorganization or other equivalent claims, the estimated uncollectible amount is calculated based on the expected recoverable amount through collateral and guarantees. Therefore, fair value approximates an amount listed on the balance sheet at the settlement date, less the current estimated uncollectible amount and hence is calculated accordingly.

**3) Borrowings from the government under the Fiscal Investment and Loan Program (including borrowings due within one year)**

Fair value of borrowings from the government under the Fiscal Investment and Loan Program (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 borrowing for the same total amount.

**4) Derivative transactions**

Derivative transactions are interest-related transactions (interest swaps), and fair value approximates the present discounted value.

Note 2: The following are financial instruments for which the calculation of fair values is deemed extremely difficult. They are not included in the financial instruments' fair value information.

(Unit: Yen)

	Balance sheet amount
Investment securities	5,502,411,788
Affiliated companies stock	97,311,546,428

These financial instruments have no market prices, and the calculation of their fair values is deemed extremely difficult.

**Notes to retirement benefits****(1) Breakdown of retirement benefit liabilities**

(Unit: Yen)

	FY2011
1) Retirement benefit liabilities	(10,495,539,357)
2) Plan assets	2,719,016,407
3) Non-accumulated retirement benefit costs 1) + 2)	(7,776,522,950)
4) Difference at the change of accounting standards	0
5) Unrecognized actuarial differences	0
6) Unrecognized past service liabilities (decrease in liabilities)	0
7) Net reported amount on balance sheet 3) + 4) + 5) + 6)	(7,776,522,950)
8) Prepaid pension expenses	0
9) Allowance for retirement benefits 7) - 8)	(7,776,522,950)

**(2) Breakdown of retirement benefit expenses**

(Unit: Yen)

	FY2011
1) Working cost	499,314,672
2) Interest cost	140,761,726
3) Expected return on investments	0
4) Amortization of past working liabilities	0
5) Amortization of actuarial differences	(17,626,855)
6) Others (premiums collected for employees' pension fund)	(79,118,069)

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

	FY2011
1) Discount rate: Retirement pension	2.0%
2) Periodic allocation method for expected retirement benefits	Periodic fixed-amount benefits method
3) Processing period for actuarial differences	1 year
4) Others (Processing period of differences upon change of accounting standards; actual return rate, etc.)	1 year

**Matters concerning asset retirement obligation**

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. Therefore, this asset retirement obligation has been recorded. The estimate for the asset retirement obligation has used the five-year lease period for the projected period of use and a discount rate of 0.529%.

At the end of the previous operating year, in line with the application of accounting standards, the amount recorded for asset retirement obligations was ¥69,148,526. The asset retirement obligation balance at the end of the current operating year was ¥69,514,322 – the sum of the above ¥69,148,526 and the ¥365,796 adjustment amount of the asset retirement obligations due to passage of time.

**Profit and loss under the equity method**

JICA does not maintain any specific affiliated companies, and so does not prepare consolidated financial statements. However, profit and loss under the equity method as it relates to affiliated companies is as follows:

(1) Investment amount in affiliated companies	¥98,772,173,856
(2) Investment amount when applying the equity method	¥109,963,861,803
(3) Capital gains amount from investments when applying the equity method	¥25,103,912,560

**Significant debt burden**

N/A

**Significant subsequent events**

N/A

## Details of Loans

(Unit: Millions of yen)

Classification	Balance as of the Beginning of the Period	Current Term Increase	Current Term Decrease		Balance as of the End of the Period	Remarks
			Collection	Write-off		
Loans	11,051,139	610,265	629,000	0	11,032,404	
Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	25,089	0	531	0	24,557	
Total	11,076,228	610,265	629,532	0	11,056,962	

\* Current term increase and collection in current term decrease in FY2011 includes reclassifications between "Loans" and "Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims."

## Details of Borrowings

(Unit: Millions of yen)

Classification	Balance as of the Beginning of the Period	Current Term Increase	Current Term Decrease	Balance as of the End of the Period	Average Rate (%)	Repayment	Remarks
Borrowings from government fund for Fiscal Investment and Loan Program	2,459,841	78,200	318,067	2,219,975 (323,204)	1.529	Dec.2012- Jan.2037	

\* Figure in parenthesis indicates the amount of borrowings repayable within one year.

## Details of Bonds

(Unit: Millions of yen)

Name of Bonds	Balance as of the Beginning of the Period	Current Term Increase	Current Term Decrease	Balance as of the End of the Period	Rate (%)	Redemption	Remarks
JICA Bonds	140,000	60,000	0	200,000 (0)	0.380- 2.470	Dec.2015- Sep.2041	

\* Figure in parenthesis indicates the amount of bonds redeemable within one year.

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.



# Financial Conditions

## 1 Two-Year Financial Statements

### 1-1 General Account

#### Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2011	As of March 31, 2012		As of March 31, 2011	As of March 31, 2012
<b>Assets</b>			<b>Liabilities</b>		
I Current assets			I Current liabilities		
Cash and bank deposits	121,420	57,339	Management grant liabilities	30,906	—
Marketable securities	—	76,000	Funds for grant aid projects	66,918	90,199
Inventories			Donations received	392	419
Stored goods	448	411	Accrued payments	18,502	21,831
Advance payments	7,712	16,676	Accrued expenses	214	291
Prepaid expenses	188	190	Lease liabilities	95	95
Accrued income	28	18	Deposit received	250	373
Accrued revenues	1,838	1,682	Deferred revenue	0	0
Short-term loans of development investment and financing	509	437	<b>Total current liabilities</b>	<b>117,277</b>	<b>113,208</b>
Allowance for possible loan losses	(10)	(2)			
Short-term loans of migration investment and financing	210	267	II Fixed liabilities		
Allowance for possible loan losses	(2)	(2)	Property liabilities		
Consignment goods	11	3	Property management grants	2,036	2,059
Suspense payments	32	31	Property grants, etc	70	118
Advances paid	5	5	Long-term lease liabilities	119	38
<b>Total current assets</b>	<b>132,389</b>	<b>153,056</b>	Long-term deposits received	—	114
			Asset retirement obligation	271	273
II Fixed assets			<b>Total fixed liabilities</b>	<b>2,496</b>	<b>2,601</b>
1 Tangible fixed assets			<b>Total liabilities</b>	<b>119,773</b>	<b>115,809</b>
Buildings	45,669	45,937			
Accumulated depreciation	(12,726)	(13,996)	<b>Net assets</b>		
Accumulated impairment loss	(128)	(2,823)	I Capital		
Structures	1,576	1,583	Governmental investment	83,333	79,986
Accumulated depreciation	(818)	(885)	<b>Total capital</b>	<b>83,333</b>	<b>79,986</b>
Accumulated impairment loss	—	(18)			
Machines and equipment	200	195	II Capital surplus		
Accumulated depreciation	(131)	(124)	Capital surplus	(2,610)	(770)
Vehicles and other transportation devices	1,861	1,948	Accumulated depreciation not included in expenses	(14,334)	(15,496)
Accumulated depreciation	(1,055)	(1,114)	Accumulated impairment loss not included in expenses	(173)	(3,377)
Tools, instruments, and fixtures	2,091	2,051	Accumulated interest expense not included in expenses	(2)	(4)
Accumulated depreciation	(1,132)	(1,188)	<b>Total capital surplus</b>	<b>(17,119)</b>	<b>(19,646)</b>
Land	18,391	17,967			
Accumulated impairment loss	(36)	(542)	III Retained earnings		
Construction in process	24	17	Carryover reserve in the midterm period	2,092	1,946
<b>Total fixed assets</b>	<b>53,788</b>	<b>49,009</b>	Reserve	1,696	2,825
			Unappropriated income for the current year	1,129	24,750
2 Intangible fixed assets			[Total income for the current year]	1,129	24,750
Trademarks	2	2	<b>Total retained earnings</b>	<b>4,917</b>	<b>29,521</b>
Telephone subscription rights	4	4			
<b>Total intangible fixed assets</b>	<b>7</b>	<b>6</b>	<b>Total net assets</b>	<b>71,131</b>	<b>89,861</b>
3 Investment and other assets			<b>Total of liabilities and net assets</b>	<b>190,904</b>	<b>205,670</b>
Long-term deposit	323	—			
Long-term loans of development investment and financing	2,379	1,842			
Allowance for possible loan losses	(152)	(137)			
Long-term loans of migration investment and financing	1,762	1,354			
Allowance for possible loan losses	(1,088)	(981)			
Long-term installment principal on sales of settlement	31	25			
Allowance for possible loan losses	(31)	(25)			
Long-term prepaid expenses	1	22			
Guarantee money paid	1,495	1,499			
<b>Total investment and other assets</b>	<b>4,720</b>	<b>3,599</b>			
<b>Total fixed assets</b>	<b>58,515</b>	<b>52,615</b>			
<b>Total assets</b>	<b>190,904</b>	<b>205,670</b>			

**Statement of Income** (Unit: Millions of yen)

	April 1, 2010– March 31, 2011	April 1, 2011– March 31, 2012
<b>Ordinary expenses</b>		
Operating expenses		
Expenses for program formulation	6,700	—
Expenses for technical cooperation projects	70,636	76,595
Expenses for grant aid projects	149	118
Expenses for public participation based cooperation	19,619	16,847
Expenses for emigration program	342	301
Expenses for disaster relief activities	917	1,072
Expenses for aid personnel recruitment and training	708	520
Expenses for assistance promotion	—	11,844
Expenses for follow-up cooperation	1,199	—
Expenses for project/program evaluation	326	—
Research-related expenses	501	—
Expenses for operation support	7,427	6,423
Expenses for accounting support	27,735	28,695
Expenses for grant aid programs	90,587	83,433
Contracted program expenses	1,881	868
Expenses for donation projects	12	8
Depreciation expenses	448	453
General administrative expenses	8,788	8,837
Financial expenses		
Interest expense	0	0
Foreign exchange loss	658	468
Miscellaneous loss	19	22
<b>Total ordinary expenses</b>	<b>238,652</b>	<b>236,503</b>
<b>Ordinary revenues</b>		
Revenues from management grants	144,254	173,619
Revenues from grant aid programs	90,587	83,433
Revenues from contracted programs		
Revenues from contracted programs from Japanese government and the local government agencies	1,881	861
Revenues from contracted programs from the other parties	1	9
Revenues from development investment and financing	73	57
Revenues from settlement affairs	4	3
Revenues from migration investment and financing	54	47
Donation revenues	12	8
Transfer from allowance for possible loan losses	79	129
Transfer from liabilities for property management grants	485	549
Transfer from liabilities for property grants	22	37
Financial revenues		
Interest income	83	50
Miscellaneous profits	2,272	2,327
<b>Total ordinary revenues</b>	<b>239,805</b>	<b>261,129</b>
<b>Ordinary profits</b>	<b>1,153</b>	<b>24,626</b>
<b>Extraordinary loss</b>		
Loss on retirement of fixed assets	22	16
Loss on sales of fixed assets	15	2
Payment to national treasury	—	2
Impairment loss	—	15
<b>Extraordinary profits</b>		
Profits on sales of fixed assets	2	13
<b>Net income</b>	<b>1,117</b>	<b>24,604</b>
<b>Reversal of surplus deposits from the previous mid-term period</b>	<b>12</b>	<b>146</b>
<b>Total income for the current year</b>	<b>1,129</b>	<b>24,750</b>

**Statement of Cash Flows** (Unit: Millions of yen)

	April 1, 2010– March 31, 2011	April 1, 2011– March 31, 2012
<b>I Cash flow from operating activities</b>		
Payment of operating expenses	(133,722)	(140,438)
Payments for grant aid projects	(89,377)	(83,496)
Payment of contracted program expenses	(1,975)	(1,536)
Payment of personnel costs	(14,628)	(15,228)
Other operation payments	(1,400)	(948)
Proceeds from management grants	151,726	143,301
Proceeds from grant aid programs	99,680	106,702
Proceeds from contracted programs	2,011	1,024
Loan interest income	138	109
Proceeds from settlement affairs		
Interest revenues	6	3
Installment principal	7	6
Donation revenues	41	27
Other operation proceeds	2,632	3,040
<b>Subtotal</b>	<b>15,139</b>	<b>12,565</b>
Interest received	93	54
Interest paid	(0)	(0)
<b>Cash flow from operating activities</b>	<b>15,232</b>	<b>12,619</b>
<b>II Cash flow from investing activities</b>		
Payments for purchase of fixed assets	(598)	(1,320)
Proceeds from sales of fixed assets	1,242	1,016
Proceeds from loans receivable	1,136	940
Putting money for time deposits	(511,000)	(450,000)
Proceeds from time deposit refund	448,500	548,500
Payments for purchase of negotiable certificates of deposit	—	(328,000)
Proceeds from negotiable certificates of deposit refunds	—	252,000
<b>Cash flow from investing activities</b>	<b>(60,719)</b>	<b>23,136</b>
<b>III Cash flow from financing activities</b>		
Repayment of lease liabilities	(110)	(99)
Payment to national treasury of unnecessary property	—	(1,166)
<b>Cash flow from financing activities</b>	<b>(110)</b>	<b>(1,265)</b>
<b>IV Effect of exchange rate fluctuation on fund</b>	<b>(426)</b>	<b>(393)</b>
<b>V Net decrease in funds</b>	<b>(46,024)</b>	<b>—</b>
<b>VI Net increase in funds</b>	<b>—</b>	<b>34,096</b>
<b>VII Funds at the beginning of year</b>	<b>63,944</b>	<b>17,920</b>
<b>VIII Funds at the end of year</b>	<b>17,920</b>	<b>52,016</b>

## 1-2 Finance and Investment Account

## Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2011	As of March 31, 2012		As of March 31, 2011	As of March 31, 2012
<b>Assets</b>			<b>Liabilities</b>		
I Current assets			I Current liabilities		
Cash and bank deposits	51,393	74,880	Borrowings from government fund for Fiscal Investment and Loan Program due within one year	318,067	323,204
Loans	11,051,139	11,032,404	Accrued payments	4,845	7,471
Allowance for possible loan losses	(96,054)	(131,589)	Accrued expenses	11,420	10,576
Advance payments	4,568	4,701	Derivatives	—	9,202
Prepaid expenses	74	74	Lease liabilities	161	86
Accrued income			Deposit received	441	46
Accrued interest on loans receivable	47,652	46,170	Allowance for bonuses	201	207
Accrued commitment charges	673	816	Suspense receipt	16	723
Accrued interest receivable	2	2	<b>Total current liabilities</b>	<b>335,151</b>	<b>351,514</b>
Accrued revenues	432	410			
Consignment goods	3	1	II Fixed liabilities		
Suspense payments	4	3	Bonds	140,000	200,000
Advances paid	0	0	Borrowings from government fund for Fiscal Investment and Loan Program	2,141,775	1,896,771
Emission reduction assets	174	303	Long-term lease liabilities	29	194
Derivatives	4,022	—	Allowance for retirement benefits	7,707	7,777
Guarantee money paid	—	7,621	Asset retirement obligation	69	70
<b>Total current assets</b>	<b>11,064,082</b>	<b>11,035,796</b>	<b>Total fixed liabilities</b>	<b>2,289,580</b>	<b>2,104,810</b>
			<b>Total liabilities</b>	<b>2,624,731</b>	<b>2,456,324</b>
II Fixed assets					
1 Tangible fixed assets			<b>Net assets</b>		
Buildings	3,298	3,150	I Capital		
Accumulated depreciation	(391)	(496)	Governmental investment	7,622,556	7,664,456
Accumulated impairment loss	(675)	(675)	<b>Total capital</b>	<b>7,622,556</b>	<b>7,664,456</b>
Structures	59	50			
Accumulated depreciation	(11)	(12)	II Retained earnings		
Accumulated impairment loss	(12)	(12)	Reserve	779,252	942,223
Machines and equipment	194	194	Unappropriated income for the current year	162,972	94,068
Accumulated depreciation	(41)	(48)	[Total income for the current year]	162,972	94,068
Accumulated impairment loss	(102)	(102)	<b>Total retained earnings</b>	<b>942,223</b>	<b>1,036,291</b>
Vehicles and other transportation devices	249	294			
Accumulated depreciation	(84)	(126)	III Valuation and translation adjustments		
Tools, instruments, and fixtures	726	547	Net unrealized gains on other securities	(132)	(45)
Accumulated depreciation	(417)	(157)	Deferred gains or losses on hedges	4,420	(8,382)
Land	13,873	12,703	<b>Total valuation and translation adjustments</b>	<b>4,289</b>	<b>(8,427)</b>
Accumulated impairment loss	(6,091)	(6,091)			
Construction in process	0	3	<b>Total net assets</b>	<b>8,569,068</b>	<b>8,692,321</b>
<b>Total fixed assets</b>	<b>10,575</b>	<b>9,222</b>			
2 Intangible fixed assets					
Trademarks	0	0			
<b>Total intangible fixed assets</b>	<b>0</b>	<b>0</b>			
3 Investment and other assets					
Investment securities	5,990	5,502			
Affiliated companies stock	112,034	97,312			
Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	25,089	24,557			
Allowance for possible loan losses	(24,803)	(24,557)			
Long-term prepaid expenses	—	5			
Guarantee money paid	832	807			
<b>Total investment and other assets</b>	<b>119,142</b>	<b>103,626</b>			
<b>Total fixed assets</b>	<b>129,717</b>	<b>112,849</b>			
<b>Total assets</b>	<b>11,193,799</b>	<b>11,148,645</b>	<b>Total of liabilities and net assets</b>	<b>11,193,799</b>	<b>11,148,645</b>

## Statement of Income

(Unit: Millions of yen)

	April 1, 2010– March 31, 2011	April 1, 2011– March 31, 2012
<b>Ordinary expenses</b>		
Expenses related to operations of cooperation through finance and investment		
Interest on bonds and notes	2,523	3,627
Interest on borrowings	42,819	35,646
Interest on interest swaps	2,029	6,126
Outsourcing expenses	15,876	22,564
Bond issuance expenses	297	346
Foreign exchange loss	30	39
Personnel expenses	3,325	3,351
Provision for allowance for bonuses	1	6
Retirement benefit expenses	737	543
Property expenses	13,218	11,749
Depreciation expenses	402	405
Taxes	110	120
Loss on valuation of investment securities	30	314
Loss on valuation of affiliated companies stock	487	4,184
Interest expenses	0	0
Provision of allowance for possible loan losses	—	35,535
Other ordinary expenses	250	0
<b>Total ordinary expenses</b>	<b>82,135</b>	<b>124,557</b>
<b>Ordinary revenues</b>		
Revenues from operations of cooperation through finance and investment		
Interest on loans	206,370	196,680
Interest on government bonds, etc.	16	22
Dividends on investments	7,604	19,964
Commissions	1,821	2,124
Transfer from allowance for possible loan losses	35,361	—
Other ordinary revenues	—	245
Financial revenues		
Interest income	10	13
Miscellaneous profits	496	479
Recoveries of written-off claims	372	—
<b>Total ordinary revenues</b>	<b>252,049</b>	<b>219,527</b>
<b>Ordinary profits</b>	<b>169,915</b>	<b>94,970</b>
<b>Extraordinary loss</b>		
Loss on retirement of fixed assets	2	1
Loss on sales of fixed assets	2	903
Impairment loss	6,930	—
Impact of application of accounting standards for asset retirement obligations	9	—
<b>Total extraordinary loss</b>	<b>6,943</b>	<b>904</b>
<b>Extraordinary profits</b>		
Profits on sales of fixed assets	0	2
<b>Total extraordinary profits</b>	<b>0</b>	<b>2</b>
<b>Net income</b>	<b>162,972</b>	<b>94,068</b>
<b>Total income for the current year</b>	<b>162,972</b>	<b>94,068</b>

## Statement of Cash Flows

(Unit: Millions of yen)

	April 1, 2010– March 31, 2011	April 1, 2011– March 31, 2012
<b>I Cash flow from operating activities</b>		
Payments for loans	(677,748)	(609,734)
Repayment of borrowings from the private sector	(40,800)	(31,000)
Repayment of borrowings from government fund for Fiscal Investment and Loan Program	(462,529)	(318,067)
Interest paid	(47,535)	(45,835)
Payment of personnel costs	(3,728)	(3,817)
Other operation payments	(30,575)	(48,069)
Proceeds from collection of loans receivable	680,389	629,000
Proceeds from borrowings from the private sector	40,800	31,000
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	192,200	78,200
Proceeds from issuance of bonds	59,703	59,654
Loan interest income	209,987	198,163
Other operation proceeds	4,452	11,289
<b>Subtotal</b>	<b>(75,384)</b>	<b>(49,215)</b>
Interest and dividend income	7,630	19,999
<b>Cash flow from operating activities</b>	<b>(67,754)</b>	<b>(29,215)</b>
<b>II Cash flow from investing activities</b>		
Payments for purchase of fixed assets	(119)	(72)
Proceeds from sales of fixed assets	213	412
Payments for purchase of investment securities	—	(11)
Proceeds from the collection of investment securities	127	143
Proceeds from the collection of affiliated companies stock	—	10,539
Payments for purchase of negotiable certificates of deposit	(368,300)	(658,300)
Proceeds from negotiable certificates of deposit refunds	368,300	658,300
<b>Cash flow from investing activities</b>	<b>222</b>	<b>11,010</b>
<b>III Cash flow from financing activities</b>		
Repayment of lease liabilities	(166)	(208)
Proceeds from government investment	104,400	41,900
<b>Cash flow from financing activities</b>	<b>104,234</b>	<b>41,692</b>
<b>IV Net increase in funds</b>	<b>36,702</b>	<b>23,487</b>
<b>V Funds at the beginning of year</b>	<b>14,691</b>	<b>51,393</b>
<b>VI Funds at the end of year</b>	<b>51,393</b>	<b>74,880</b>

## 2 Disclosure of Financial Conditions of Finance and Investment Account

### Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities, Interest and Earning Yields

(Units: Millions of yen, %)

	FY2010			FY2011		
	Average Balance	Interest*	Yield	Average Balance	Interest*	Yield
Interest-earning assets	11,213,983	215,304	1.92	11,185,503	214,305	1.92
Loans	11,041,044	208,191	1.89	10,998,877	198,804	1.81
Investments	119,487	7,087	5.93	108,199	15,466	14.29
Deposits + Securities	53,452	26	0.05	78,427	35	0.04
Interest-bearing liabilities	2,708,565	45,342	1.67	2,478,806	39,274	1.58
Borrowings	2,596,126	42,819	1.65	2,307,057	35,646	1.55
Bonds	112,438	2,523	2.24	171,749	3,627	2.11

\* Investments include investment securities and affiliated companies stock. Dividends received, profit and loss associated with the valuation of investment securities, and profit and loss associated with the valuation of affiliated companies stock are recorded as interest items.

### Balance of Deposits and Securities—Application of Surplus Funds

(Unit: Millions of yen)

	End of FY2010	End of FY2011
Deposits + Securities	51,393	74,880

### Yield/Interest rate

(Unit: %)

	FY2010	FY2011
Total average interest rate spread	(1.08)	(1.49)
Yields on interest-earning assets	1.92	1.92
Costs of interest-bearing liabilities	3.00	3.41

Note:

Yields on Interest-Earning Assets = Interest / Average Balance of Interest-Earning Assets  
 Costs of Interest-Bearing Liabilities = (Interest Expenses + Bonds and Notes Expenses + Other Expenses) / Average Balance of Interest-Bearing Liabilities

cf.

Interest-Earning Assets = Interest on Loans + Interest on Government Bonds, etc. + Dividends on Investments + Interest Income + Commissions + Profit and Loss Associated with the Valuation of Investment Securities / Affiliated Companies Stock

Average Balance of Interest-Earning Assets = Loans + Investments + Bank Deposits (excluding Checking Accounts)

Interest Expenses = Interest on Borrowings + Interest on Bonds and Notes

Bonds and Notes Expenses = Bonds and Notes Issuance Costs

Other Expenses = Outsourcing Expenses + Personnel Expenses (including Provisions to Allowance for Retirement Benefits/Bonuses) + Property Expenses + Depreciation Costs + Tax

Average Balance of Interest-Bearing Liabilities = Borrowings + Bonds and Notes

### Breakdown of Allowance for Possible Loan Losses

(Unit: Millions of yen)

	End of FY2010	End of FY2011
Loans	96,054	131,589
Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	24,803	24,557
Total	120,857	156,147

Note: 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 and the deductions of the amount expected to be collected through the disposal of collateral and execution of guarantees. 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 assessment of the overall solvency or the debtors after deducting the amount expected to be collected through the disposal of collateral and the execution of guarantees. 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.

All claims are assessed initially by the operational departments and secondly by risk evaluation departments based on internal rules for self-assessment of asset quality. The internal audit department, which is independent from the operational departments, reviews these self-assessments, and the allowance is provided based on the results of the assessments.

### Principal Assets in Foreign Currency

(Units: Thousands of US\$, Thousands of INR)

	End of FY2010	End of FY2011
Affiliated companies stock (US \$)	12	—
Investment securities (US \$)	5,814	1,787
Investment securities (INR)	47,044	33,603

**Maturity Structure of Loans as of March 31, 2012**

(Unit: Billions of yen)

Maturity	Collection from Loans
1 year or less	622.8
over 1 year, up to 2 years	644.9
over 2 years, up to 3 years	666.2
over 3 years, up to 4 years	672.4
over 4 years, up to 5 years	666.8
over 5 years, up to 10 years	3,153.1
over 10 years, up to 15 years	2,106.4
over 15 years, up to 20 years	1,137.9
over 20 years, up to 25 years	773.8
over 25 years, up to 30 years	444.7
over 30 years, up to 35 years	131.4
over 35 years, up to 40 years	19.8
over 40 years	0.0
Total	11,040.4

Note: The figures exclude principal in arrears for over three months as of the end of March 2012 from the total projected collection from "Loans" and "Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims."

**Maturity Structure of Long-Term Borrowings as of March 31, 2012**

(Unit: Billions of yen)

Maturity	Repayment of Borrowings
1 year or less	323.2
over 1 year, up to 2 years	317.1
over 2 years, up to 3 years	275.9
over 3 years, up to 4 years	244.4
over 4 years, up to 5 years	215.1
over 5 years, up to 10 years	606.9
over 10 years, up to 15 years	138.9
over 15 years, up to 20 years	59.2
over 20 years, up to 25 years	39.3
over 25 years	0.0
Total	2,220.0

**Maturity Structure of Bonds as of March 31, 2012**

(Unit: Billions of yen)

Maturity	Redemption
1 year or less	0.0
over 1 year, up to 2 years	0.0
over 2 years, up to 3 years	0.0
over 3 years, up to 4 years	10.0
over 4 years, up to 5 years	0.0
over 5 years, up to 10 years	10.0
over 10 years, up to 15 years	15.0
over 15 years, up to 20 years	160.0
over 20 years, up to 25 years	0.0
over 25 years, up to 30 years	5.0
over 30 years	0.0
Total	200.0

## Information on the Quality of Assets of Japan International Cooperation Agency (JICA) Finance and Investment Account

Although the Banking Act and Act on Emergency Measures for the Revitalization of the Financial Functions of 1998 (the “Financial Revitalization Act”) do not apply to JICA, JICA has made self-assessments of the quality of its assets since the fiscal year ended March 31, 2001, in accordance with the standards set forth in the Inspection Manual for Deposit-Taking Institutions of the Financial Services Agency of Japan. This was aimed at increasing disclosure on its asset quality and improving the internal management of credit risks.

One characteristic of JICA’s operation is that a considerable portion of its loans is official credit for the governments of developing countries. Thus, when an indebted country is temporarily unable to service debt due to economic difficulties, debt rescheduling will sometimes take place, based on an international agreement among the creditor countries in the Paris Club, in order to ensure sustainable debt service. A debtor country receiving such temporary support for overcoming the liquidity problem will implement economic restructuring programs agreed upon with the IMF to acquire sustainable debt service capacity.

The loans rescheduled under the agreement in the Paris Club have a high probability of repayment, because, unlike loans provided by private financial institutions, their nature as official credit provides an asset-securing mechanism under the above international framework. Nonetheless, to facilitate comparison with private financial institutions, JICA, in principle, discloses the loans rescheduled in the Paris Club and whose debtor countries are categorized as “needs attention” in its self-assessments of asset quality, as loan assets require to be disclosed classifying them either as “Restructured Loans” (under the Banking Act) or “Special Attention Assets” (under the Financial Revitalization Act).

### 1 Risk Monitored Loans

The following table shows the classification of Risk Monitored Loans based on the self-assessments of asset quality in accordance with the disclosure standard of Risk Monitored Loans applied to commercial financial institutions (under the Banking Act). Each category of Risk Monitored Loans is defined as follows:

#### (1) Loans to Debtor in Legal Bankruptcy

Among loans that are placed in non-accrual status (except the portion deduced as allowance for loan losses), when collection of either principal or interest becomes doubtful for the reason that principal or interest is past due for a considerable period of time or for other reasons, those loans which there is filing of reorganization procedures under the Corporate Reorganization Act or bankruptcy procedures under the Bankruptcy Act or special liquidation procedures under the Companies Act or other relevant laws, or there is suspension of transactions in promissory notes issued by the borrowers in the clearing house. <sup>(Note 1)</sup>

#### (2) Past Due Loans

Loans that are placed in non-accrual status except those classified as “Loans to Debtor in Legal Bankruptcy” or those whose interest payments are deferred in order to expedite the borrowers’ business restructuring or support their business operations

#### (3) Loans in Arrears by 3 Months or More

Loans whose principal or interest is past due three months or more from the date following the contractually scheduled payment date and not classified as “Loans to Debtor in Legal Bankruptcy” or “Past Due Loans”

#### (4) Restructured Loans

Loans whose terms and conditions are modified in favor of the borrowers in order to expedite the borrowers’ business restructuring or support their business operations by, among others, reducing the stated interest rate, deferring interest payments or write-downs, and that are not classified as

“Loans to Debtor in Legal Bankruptcy,” “Past Due Loans” and “Loans in Arrears by 3 Months or More” <sup>(Note 2)</sup>

(Unit: Millions of yen)

	March 2011 Reporting Period
Loans to Debtor in Legal Bankruptcy	—
Past Due Loans	24,557
Loans in Arrears by 3 Months or More	47,338
Restructured Loans	846,473
Total (1)	918,368
Balance of Loans Receivable (2)	11,056,962
(1)/(2)	8.31%

### 2 Loan Assets Required to Be Disclosed under the Financial Revitalization Act

The below table shows the classification of loans based on the self-assessments of asset quality in accordance with the disclosure standard of the Financial Revitalization Act.

Each category of Loan Assets to be disclosed under the Financial Revitalization Act is defined as follows.

#### (1) Bankrupt or De Facto Bankrupt Assets

“Bankrupt or De Facto Bankrupt Assets” are loans and other credits to debtors who have begun proceedings under the Bankruptcy Act, the Corporate Reorganization Act, the Financial Revitalization Act and other similar laws of Japan and have financially failed. In the asset quality self-assessments, these loans are loans to debtors who are legally or substantially bankrupt.

#### (2) Doubtful Assets

“Doubtful Assets” are loans and other credits to debtors whose financial and operational conditions have deteriorated and who have a possibility that payment of principal and/or interest will not be made on a contractual basis. In the asset quality self-assessments, these loans are loans to the debtors who are likely to become bankrupt.

#### (3) Special Attention Assets

“Special Attention Assets” are loans to debtors who are categorized as “needs attention borrower” in the asset quality self-assessments, and (i) loans whose principal and/or interest is overdue for three months or more from the date following the scheduled payment date but which are not categorized as “Bankrupt or De Facto Bankrupt Assets” and “Doubtful Assets” (“Past due loans (three months or more)”); (ii) restructured loans on which JICA granted concessions to borrowers in financial difficulties through amending terms and conditions of the loans to assist them to recover and eventually be able to pay to creditors, but which are not categorized as “Bankrupt or De Facto Bankrupt Assets”, “Doubtful Assets” or “Overdue loans (three months or more)”. <sup>(Note 2)</sup>

#### (4) Normally Performing Assets

“Normally Performing Assets” are loans to borrowers with no particular problem in their financial conditions, categorized in the asset quality self-assessments either as “loans to normal borrowers” or “loans to needs attention borrowers (excluding Special Attention Assets)”, but which are not categorized as “Bankrupt or De Facto Bankrupt Assets”, “Doubtful Assets” and “Special Attention Assets”.

#### (Note 1)

According to the Ordinance for Enforcement of Banking Law 19, 2-1-5, which establishes the disclosure standards of risk-management loans held by private financial institutions, debt owed by foreign debtors must be disclosed as bankrupt debtor debt for all debtors fulfilling each of the following conditions: 1) nonpayment of interest or principal within the most recent previous three-year period from the end of the term; 2) no contract signed

regarding the extension of the redemption deadline within the most recent previous three-year period from the end of the term; and 3) no specific plans to sign a contract regarding the extension of the redemption at the end of the term. In making disclosures based on the above, JICA, in line with its asset self-assessments and taking into consideration the international framework for cooperation, has classified the aforementioned foreign government debt as debt with bankruptcy concern, while in the disclosure of Risk Monitored Loans, this debt is included as "Past Due Loans".

(Note 2)

An international consensus was reached at the creditor nation conference (Paris Club Meeting) on rescheduling foreign government debt (where the debtor is a country, and debt originates from such government entities as trade insurance or export credit agencies) of debtor nations temporarily unable to make payments due to a deterioration in their balance of

payments. As a result, a temporary liquidity support program for debtor nation governments (balance of payments assistance under the framework of international cooperation) will be shortly executed. In conjunction with this temporary liquidity assistance, debtor nations will implement an economic reform program agreed upon with the International Monetary Fund (IMF), making it possible for the country to continue to service its debt obligations.

The total foreign government debt principal applicable to the debt rescheduling agreement at the Paris Club Meeting held in JICA's Finance and Investment Account was ¥1,130,262 million as of the end of FY2010. Debt from debtor nations classified as debtor nation of concern that received approval for rescheduling measures, in principle, classified as "Restructured Loans", excluding debt classified as "Loans in Arrears by 3 Months or More". These debts account for ¥593,826 million (of this amount the deferred principal totals ¥517,230 million) under the category "Restructured Loans" in the above chart.

(Unit: Millions of yen)

March 2011 Reporting Period			
Loans Payable*1 (% of total credit transactions)	Bankrupt or De Facto Bankrupt Assets	-	(-)
	Doubtful Assets	24,557	(0.22)
	Special Attention Assets	893,811	(8.05)
	Sub Total	918,368	(8.27)
	Normally Performing Assets	10,185,579	(91.73)
Loan-loss Reserve*1	Bankrupt or De Facto Bankrupt Assets	-	
	Doubtful Assets	24,557	
	Special Attention Assets	91,054	
	Sub Total	115,611	
	General Loan-loss Reserve for loans not requiring close monitoring	40,535	
	Special Allowance for Foreign Debt	-	
	Total	156,147	
Collateral / Guarantees	Bankrupt or De Facto Bankrupt Assets	-	
	Doubtful Assets	-	
	Special Attention Assets	-	
	Sub Total	-	
Coverage Amount*2 Coverage Ratio, (%)	Bankrupt or De Facto Bankrupt Assets	-	(-)
	Doubtful Assets	24,557	(100.00)
	Special Attention Assets	91,054	(10.19)
	Sub Total	115,611	(12.59)

\*1 Based on JICA's self-assessments of assets, the difference between the debt exposure to bankrupt debtors and debtors in bankruptcy and the amount recognized as recoverable by means of collateral or guarantees is considered as the projected amount that cannot be collected on, and so is subtracted directly from the total debt exposure. As such, this figure is not included in the above chart under "Loans Payable" or "Loan-loss Reserve".

\*2 Coverage amount refers to the combined total of the loan-loss reserve set aside for each debt and the value of collateral and guarantees, while the coverage ratio represents the ratio of the coverage amount as a percentage of total loans payable.

(Note 1)

Under the framework of the Ordinance for Enforcement of Banking Law 19, 2-1-5, which establishes the disclosure standards of risk-management loans held by private financial institutions, debt owed by foreign debtors must be disclosed as bankrupt debtor debt for all debtors fulfilling each of the following conditions: 1) nonpayment of interest or principal within the most recent previous three-year period from the end of the term; 2) no contract signed regarding the extension of the redemption deadline within the most recent previous three-year period from the end of the term; and 3) no specific plans to sign a contract regarding the extension of the redemption at the end of the term. In making disclosures based on the above, JICA, in line with its asset self-assessments and taking into consideration the international framework for cooperation, has classified the aforementioned foreign government debt as debt with bankruptcy concern, while in the disclosure of Risk Monitored Loans, this debt is included as "Past Due Loans".

(Note 2)

An international consensus was reached at the creditor nation conference (Paris Club Meeting) on rescheduling foreign government debt (where the debtor is a country, and debt originates from such government entities as trade insurance or export credit agencies) of debtor nations temporarily unable to make payments due to a deterioration in their balance of payments. As a result, a temporary liquidity support program for debtor nation governments (balance of payments assistance under the framework of international cooperation) will be shortly executed. In conjunction with this temporary liquidity assistance, debtor nations will implement an economic reform program agreed upon with the International Monetary Fund (IMF), making it possible for the country to continue to service its debt obligations.

The total foreign government debt principal applicable to the debt rescheduling agreement at the Paris Club Meeting held in JICA's Finance and Investment Account was ¥1,096,140 million as of the end of FY2011. Debt from debtor nations classified as debtor nation of concern that received approval for rescheduling measures, in principle, classified as "Restructured Loans", excluding debt classified as "Loans in Arrears by 3 Months or More". These debts account for ¥846,473 million (of this amount the deferred principal totals ¥742,850 million) under the category "Restructured Loans" in the above chart.