

# Financial Statements

## 1. General Account

### Balance Sheet (as of March 31, 2010)

(Unit: Yen)

Assets			
I Current assets			
Cash and bank deposits		104,943,847,786	
Inventories			
Stored goods	538,669,031	538,669,031	
Advance payments		8,204,112,678	
Prepaid expenses		246,734,305	
Accrued income		48,225,206	
Accrued revenues		1,673,524,771	
Short-term loans of development investment and financing	701,817,145		
Allowance for possible loan losses	(672,642)	701,144,503	
Short-term loans of migration investment and financing	234,922,535		
Allowance for possible loan losses	(4,417,541)	230,504,994	
Suspense payments		60,523,515	
Advances paid		1,742,767	
Total current assets			116,649,029,556
II Fixed assets			
1 Tangible fixed assets			
Buildings	47,046,988,184		
Accumulated depreciation	(11,528,737,800)		
Accumulated impairment loss	(1,014,301,365)	34,503,949,019	
Structures	1,590,398,231		
Accumulated depreciation	(788,009,120)		
Accumulated impairment loss	(22,272,372)	780,116,739	
Machines and equipment	200,713,823		
Accumulated depreciation	(132,621,971)	68,091,852	
Vehicles and other transportation devices	1,791,665,571		
Accumulated depreciation	(1,012,888,163)	778,777,408	
Tools, instruments, and fixtures	2,136,505,670		
Accumulated depreciation	(1,097,050,389)	1,039,455,281	
Land	19,282,846,867		
Accumulated impairment loss	(495,489,180)	18,787,357,687	
Construction in process		4,543,875	
Total fixed assets		55,962,291,861	
2 Intangible fixed assets			
Trademarks		3,115,787	
Telephone subscription rights		4,383,250	
Right to use power plants and other supply facilities		2,547,671	
Total intangible fixed assets		10,046,708	
3 Investment and other assets			
Long-term deposit		323,000,000	
Long-term loans of development investment and financing	2,915,820,294		
Allowance for possible loan losses	(2,729,887)	2,913,090,407	
Long-term loans of migration investment and financing	2,406,414,590		
Allowance for possible loan losses	(1,330,977,498)	1,075,437,092	
Long-term installment principal on sales of settlement	39,396,440		
Allowance for possible loan losses	(39,396,440)	0	
Long-term prepaid expenses		10,588,972	
Guarantee money paid		1,917,145,477	
Total investment and other assets		6,239,261,948	
Total fixed assets			62,211,600,517
Total assets			178,860,630,073

(Unit: Yen)

<b>Liabilities</b>				
<b>I Current liabilities</b>				
Management grant liabilities		23,975,970,119		
Funds for grant aid projects		57,825,517,377		
Donations received		361,586,532		
Accrued payments		21,923,834,856		
Accrued expense		208,411,068		
Lease liabilities		96,029,058		
Deposit received		424,165,944		
Total current liabilities			104,815,514,954	
<b>II Fixed liabilities</b>				
Property liabilities				
Property management grants	1,998,435,613			
Property grants, etc.	75,613,780	2,074,049,393		
Long-term lease liabilities		185,160,352		
Total fixed liabilities			2,259,209,745	
Total liabilities				107,074,724,699
<b>Net assets</b>				
<b>I Capital</b>				
Governmental investment		83,332,866,850		
Total capital			83,332,866,850	
<b>II Capital surplus</b>				
Capital surplus		(505,804,818)		
Accumulated depreciation not included in expenses		(13,301,233,679)		
Accumulated impairment loss not included in expenses		(1,539,869,117)		
Total capital surplus			(15,346,907,614)	
<b>III Retained earnings</b>				
Carryover reserve in the midterm period		2,103,901,065		
Reserve		391,340,743		
Unappropriated income for the current year (Total income for the current year)		1,304,704,330		
Total retained earnings			3,799,946,138	
Total net assets				71,785,905,374
Total of liabilities and net assets				178,860,630,073

## Statement of Income (April 1, 2009 - March 31, 2010)

(Unit: Yen)

<b>Ordinary expenses</b>			
Operating expenses			
Expenses for program formulation	7,322,444,612		
Expenses for technical cooperation projects	75,130,578,800		
Expenses for grant aid projects	366,507,238		
Expenses for public participation based cooperation	21,279,051,704		
Expenses for emigration program	408,719,379		
Expenses for disaster relief activities	965,459,781		
Expenses for aid personnel recruitment and training	869,362,355		
Expenses for follow-up cooperation	1,440,445,596		
Expenses for project/program evaluation	237,231,528		
Research-related expenses	728,378,461		
Expenses for operation support	7,459,080,342		
Expenses for accounting support	27,002,917,847		
Expenses for grant aid programs	62,044,493,347		
Contracted program expenses	2,359,644,866		
Expenses for donation projects	62,143,956		
Depreciation expenses	442,881,934	208,119,341,746	
General administrative expenses		10,126,493,003	
Financial expenses			
Interest expense	1,446,121		
Foreign exchange loss	567,780,584	569,226,705	
Miscellaneous loss		9,353,971	
Total ordinary expenses			218,824,415,425
<b>Ordinary revenues</b>			
Revenues from management grants		152,459,815,195	
Revenues from grant aid programs		62,044,493,347	
Revenues from contracted programs			
Revenues from contracted programs from Japanese government and the local government agencies	2,309,287,103		
Revenues from contracted programs from the other parties	50,357,763	2,359,644,866	
Revenues from development investment and financing		91,860,441	
Revenues from settlement affairs		10,966,396	
Revenues from migration investment and financing		72,557,687	
Donation revenues		62,143,956	
Transfer from allowance for possible loan losses		252,828,465	
Transfer from liabilities for property management grants		781,208,518	
Transfer from liabilities for property grants		22,560,327	
Financial revenues			
Interest income	98,433,567	98,433,567	
Miscellaneous profits		2,191,664,924	
Total ordinary revenues			220,448,177,689
Operating profits			1,623,762,264
<b>Extraordinary loss</b>			
Loss on retirement of fixed assets		498,805,472	
Loss on sales of fixed assets		11,153,882	509,959,354
<b>Extraordinary profits</b>			
Profits on sales of fixed assets		436,028	436,028
<b>Net income</b>			1,114,238,938
<b>Reversal of surplus deposits from the previous mid-term period</b>			190,465,392
<b>Total income for the current year</b>			1,304,704,330

## Statement of Cash Flows (April 1, 2009 - March 31, 2010)

(Unit: Yen)

<b>I Cash flow from operating activities</b>	
Payment of operating expenses	(136,161,434,600)
Payments for grant aid projects	(61,589,841,947)
Payment of contracted program expenses	(2,316,124,513)
Payment of personnel costs	(14,875,359,627)
Other operation payments	(1,496,939,856)
Proceeds from management grants	161,651,806,000
Proceeds from grant aid programs	88,982,871,777
Proceeds from contracted programs	2,601,672,328
Loan interest income	165,524,173
Proceeds from settlement affairs	22,287,007
Interest revenues	8,525,308
Installment principal	13,761,699
Donation revenues	46,385,115
Other operation proceeds	1,794,479,930
Subtotal	38,825,325,787
Interest received	114,760,190
Interest paid	(1,446,121)
Cash flow from operating activities	38,938,639,856
<b>II Cash flow from investing activities</b>	
Payments for purchase of fixed assets	(1,955,476,919)
Proceeds from sales of fixed assets	940,591,230
Payments for loans receivable	(40,000,000)
Proceeds from long-term loans receivable	977,113,091
Putting money for time deposits	(248,723,000,000)
Proceeds from time deposit refunds	239,800,000,000
Payments for purchase of negotiable certificates of deposit	(16,400,000,000)
Proceeds from negotiable certificate of deposit refunds	16,400,000,000
Cash flow from investing activities	(9,000,772,598)
<b>III Cash flow from financing activities</b>	
Repayment of lease liabilities	(97,632,134)
Cash flow from financing activities	(97,632,134)
<b>IV Effect of exchange rate fluctuation on funds</b>	(364,689,484)
<b>V Net increase in funds</b>	29,475,545,640
<b>VI Funds at the beginning of year</b>	34,468,302,146
<b>VII Funds at the end of year</b>	63,943,847,786

## Statement of Administrative Service Operation Costs (April 1, 2009 - March 31, 2010)

(Unit: Yen)

<b>I Business expenses</b>			
(1) Expenses on income statement			
Operating expenses	208,119,341,746		
General administrative expenses	10,126,493,003		
Financial expenses	569,226,705		
Miscellaneous loss	9,353,971		
Loss on retirement of fixed assets	498,805,472		
Loss on sales of fixed assets	11,153,882	219,334,374,779	
(2) (Deduction) Self revenues, etc.			
Revenues from contracted programs	(2,359,644,866)		
Revenues from development investment and financing	(91,860,441)		
Revenues from settlement affairs	(10,966,396)		
Revenues from migration investment and financing	(72,557,687)		
Donation revenues	(62,143,956)		
Transfer from allowance for possible loan losses	(252,828,465)		
Financial revenues	(98,433,567)		
Miscellaneous profits	(2,191,664,924)		
Profits on sales of fixed assets	(436,028)	(5,140,536,330)	
Total business expenses			214,193,838,449
<b>II Accumulated depreciation not included in expenses</b>			
Accumulated depreciation not included in expenses		1,771,338,956	
Loss on retirement and sales of fixed assets not included in expenses		(461,382,123)	1,309,956,833
<b>III Accumulated impairment loss not included in expenses</b>			734,113,162
<b>IV Estimated bonus payment not included in allowance</b>			(106,186,031)
<b>V Estimated increase in retirement benefit not included in allowance</b>			(478,387,247)
<b>VI Opportunity cost</b>			
Governmental investments and other opportunity costs			961,878,638
<b>VII Administrative service operation cost</b>			216,615,213,804

## 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) 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. 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 yen utilizing the spot exchange rate as of the fiscal year-end. Exchange differences are 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.

1.395% taking into consideration the yield of 10-year fixed-rate JGBs as of March 31, 2010.

### 9. 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.

### 10. Accounting for consumption taxes

Consumption taxes are included in financial statement amounts.

### 11. Change in principal accounting policies

"Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (Accounting Standards Board of Japan [ASBJ] Statement No. 19, July 31, 2008) was applied from the current operating year. The application of this accounting standard had no effect on the discount rate or on profit or loss.

### 12. Additional information

The Accounting Standards for Incorporated Administrative Agency ("Revision of the Accounting Standards for Incorporated Administrative Agency" (Study Group on the Accounting Standards for Incorporated Administrative Agency, Financial Systems Council Financial Systems Sectional Committee Legal System/Public Accounting Panel Public Corporation, March 30, 2010) and the "Q&A concerning the Accounting Standards for Incorporated Administrative Agency" and "Guidance Notes for the Accounting Standards for Incorporated Administrative Agency" (Administrative Management Bureau of the Ministry of Internal Affairs and Communications, Budget Bureau of the Ministry of Finance, and the Japanese Institute of Certified Public Accountants, April 2010) has been adopted starting in the current operating year.

#### (1) Note concerning disclosure of fair value of financial instruments

Along with the above revisions, "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, March 10, 2008) and the "Guidance on Disclosures about the Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 10, 2008) are applied from the current operating year.

#### (2) Note concerning disclosures about fair value of investment and rental property

Along with the above revisions, "Accounting Standards for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Statement No. 20, November 28, 2008) and the "Guidance on Accounting Standards for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Guidance No. 23, November 28, 2008) are applied from the current operating year.

## Notes

### Notes to the balance sheet

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

¥29,392,997,707

(1) Breakdown of retirement benefit liabilities (Unit: Yen)	
	FY2009
1) Retirement benefit liabilities	(40,314,218,106)
2) Plan assets	10,921,220,399
3) Not-accumulated retirement benefit liabilities 1) + 2)	(29,392,997,707)
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)	(29,392,997,707)
8) Prepaid pension expenses	0
9) Allowance for retirement benefits 7) - 8)	(29,392,997,707)

(2) Breakdown of pension expenses (Unit: Yen)	
	FY2009
1) Working cost	1,978,241,979
2) Interest cost	528,758,550
3) Expected return on investment	0
4) Amortization of past working liabilities	0
5) Amortization of actuarial differences	(1,091,000,734)
6) Others (premiums collected for Employees' Pension Fund)	(318,069,654)

(3) Computation basis for retirement benefit obligation, etc.	
	FY2009
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

¥765,372,511

#### 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
Former Hachioji International Center	Accommodation facilities for training	Hachioji City, Tokyo	Land	311,297,635	166,085,635	377,164,000
Hakone Training Center	Training center	Ashigarashimo-gun, Kanagawa Prefecture	Building	592,396,573	396,997,324	396,997,324
			Structures	32,546,021	21,810,867	21,810,867
			Land	100,500,000	63,603,903	63,603,903
Ishiuchi Recreational Facility	Recreational facility	Minamiunuma City, Niigata Prefecture	Building	24,326,726	20,854,482	20,854,482
			Land	286,000	73,149	73,149
Katsuura Recreational Facility	Recreational facility	Katsuura City, Chiba Prefecture	Building	5,621,849	-	-
			Land	4,472,000	-	-
Former Thailand Office	Office	Bangkok, Thailand	Building	78,409,116	-	-
			Structures	4,433,610	-	-
			Land	183,294,939	-	-
Shonan Nagasawa Green Heights 1-1-208 and 35 units	Employee housing	Yokosuka City, Kanagawa Prefecture, etc.	Building	60,169,190	16,517,829	17,397,698
			Land	163,957,305	47,470,973	54,648,128
Telephone subscription rights	Telephone subscription rights	-	Telephone subscription right	5,082,250	699,000	7,806,200

B. Background relating to the recognition of impairment losses

It was determined in FY2004 that the Hachioji International Center would not be used, and the center was closed in March 2007. The book value of the land was reduced to the recoverable service amount in the current operating fiscal year because of a sharp fall in market value. This reduction has been recorded as a capital surplus deduction in the accumulated impairment loss not included in expenses.

The Hakone Training Center was closed in March 2010. The book value of the land, building and structures was reduced to the recoverable service amount in the current operating fiscal year. This reduction has been recorded as a capital surplus deduction in the accumulated impairment loss not included in expenses.

The Ishiuchi Recreational Facility was closed in March 2010 based on the Second Mid-Term Plan during the JICA Mid-term Objective Period starting from FY2007. The book value of the land and building was reduced to the recoverable service amount in the current operating fiscal year. This reduction has been recorded as a capital surplus deduction in the accumulated impairment loss not included in expenses.

With respect to the Katsuura Recreational Facility, an impairment was recognized along with the closure of this facility in March 2010 based on the Second Mid-Term Plan during the JICA Mid-term Objective Period starting from FY2007. Because the book value exceeded the recoverable service amount at the end of the operating year, an impairment loss was not incurred.

The former Thailand Office is set for disposal in line with the Second Mid-Term Plan during the JICA Mid-term Objective Period starting from FY2007, and it was recognized this asset has an indication of impairment. During the current operating year, an impairment was recognized because of the discontinued use of this facility. However, because the book value exceeded the recoverable service amount at the end of the operating year, an impairment loss was not incurred.

With regard to employee housing, based on the Second Mid-Term Plan during the JICA Mid-term Objective Period starting from FY2007, it was determined that two units would not be in use in FY2007 and it was determined that three other units would not be in use in FY2008. Along with this decision, these assets were placed on sale in a public auction in 2009. This auction, however, ended without a successful bid for three of the units, but plans call for these units to be sold from FY2010. Besides the three aforementioned units, in March 2010, it was determined that 38 other units would not be in use. Among these 41 units, and excluding five of the units that continue to be used for employee housing, impairments were recognized for 36 units. Excluding 10 units for which the book value exceeded the recoverable service amount at the end of the operating year, the book value of 26 units was reduced to the recoverable service amount. This reduction has been recorded as a capital surplus deduction in the accumulated impairment loss not included in expenses.

With regard to an increase in the number of dormant telephone lines in the operating year, the book value of telephone subscription rights was reduced to the recoverable service amount. This reduction has been recorded as a capital surplus deduction in the accumulated impairment loss not included in expenses.

C. The 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
Former Hachioji International Center	Land	166,085,635	*1
	Building	396,997,324	
Hakone Training Center	Structures	21,810,867	*1
	Land	63,603,903	
	Building	20,854,482	
Ishiuchi Recreational Facility	Land	73,149	*1
	Building	16,517,829	
Shonan Nagasawa Green Heights 1-1-208 and 35 units	Land	47,470,973	*1
	Telephone subscription rights	699,000	*2

1. The recoverable service amount is determined by the net sales price, which is calculated by deducting the expected cost of disposal from the appraised value by a third party, including the appraised real estate value.

2. The recoverable service amount of dormant telephone subscription rights is determined by the net sales price, which is calculated based on Asset Evaluation Standards released by the National Tax Agency. The recoverable service amount of in-use telephone subscription rights is determined by the equivalent in-use value, which is calculated based on the official set price announced by NTT.

## (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
Shinharamachida Green Heights A3-201 and 4 units	Employee housing	Sagamihara City, Kanagawa Prefecture, etc.	Building	9,997,220
			Land	27,255,500

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

Five units of employee housing, including Shinharamachida Green Heights A3-201, are set for disposal in line with the Second Mid-Term Plan during the JICA Mid-term Objective Period starting from FY2007, and it was recognized that these assets have an indication of impairment. At the end of the operating year, however, the timing of the disposal of these assets had yet to be determined. These assets will continue to be used as employee housing and so impairment has not been recognized.

## 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 FY2009, the outstanding balance of unexecuted donation presentation contracts stood at ¥125,927,231,653.

## Notes to Cash Flow Statement

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

## (1) Relation between the term-end balance of funds and the amounts of accounts in B/S (as of March 31, 2010)

Cash and deposit	¥104,943,847,786
Time deposit	¥-41,000,000,000
Ending balance of funds	¥63,943,847,786

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

Assets under the finance lease	
Buildings	¥93,316,305
Tools, instruments, and fixtures	¥174,912,460

## 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, ¥25,744,445 was recognized as the current fiscal year increase of allowance for retirement and severance for 37 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	104,943,847,786	104,943,847,786	0

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

(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.

## Finance lease transactions

The amount of the finance lease transactions which influences the current year's profits and losses was ¥368,214. The current year's net profit after the deduction of this amount was ¥1,304,336,116.

## Significant debt burden

N/A

## Significant subsequent events

N/A



## 2. Finance and Investment Account

### Balance Sheet (as of March 31, 2010)

(Unit: Yen)

<b>Assets</b>				
<b>I Current assets</b>				
Cash and bank deposits		14,691,245,874		
Loans	11,054,311,986,607			
Allowance for possible loan losses	(131,415,082,789)	10,922,896,903,818		
Advance payments		4,606,069,270		
Prepaid expenses		95,824,199		
Accrued income				
Accrued interest on loans receivable	51,269,421,704			
Accrued commitment charges	1,416,937,488			
Accrued interest receivable	1,688,988	52,688,048,180		
Accrued revenues		352,661,353		
Suspense payments		8,652,114		
Advances paid		64,075		
Emission reduction assets		150,756,207		
Total current assets			10,995,490,225,090	
<b>II Fixed assets</b>				
<b>1 Tangible fixed assets</b>				
Buildings	3,198,002,323			
Accumulated depreciation	(228,128,973)	2,969,873,350		
Structures	59,484,145			
Accumulated depreciation	(6,817,138)	52,667,007		
Machines and equipment	191,830,671			
Accumulated depreciation	(27,510,584)	164,320,087		
Vehicles and other transportation devices	199,705,123			
Accumulated depreciation	(47,040,354)	152,664,769		
Tools, instruments, and fixtures	690,992,127			
Accumulated depreciation	(234,784,973)	456,207,154		
Land		13,873,270,000		
Construction in process		49,563,410		
Total fixed assets		17,718,565,777		
<b>2 Intangible fixed assets</b>				
Trademarks		166,786		
Total intangible fixed assets		166,786		
<b>3 Investment and other assets</b>				
Investment securities		6,226,279,949		
Affiliated companies stock		112,521,421,261		
Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	24,557,275,808			
Allowance for possible loan losses	(24,557,275,808)	–		
Long-term prepaid expenses		516,620		
Guarantee money paid		1,067,471,701		
Total investment and other assets		119,815,689,531		
Total fixed assets			137,534,422,094	
Total assets				11,133,024,647,184

(Unit: Yen)

<b>Liabilities</b>				
<b>I Current liabilities</b>				
Borrowings from government fund for Fiscal Investment and Loan Program due within one year		394,775,002,000		
Accrued payments		5,467,439,388		
Accrued expense		11,979,744,427		
Lease liabilities		162,620,330		
Deposit received		30,810,566		
Allowance for bonuses		199,486,506		
Suspense receipt		128,419,224		
Total current liabilities			412,743,522,441	
<b>II Fixed liabilities</b>				
Bonds		80,000,000,000		
Borrowings from government fund for Fiscal Investment and Loan Program		2,335,395,480,000		
Long-term lease liabilities		183,304,615		
Allowance for retirement benefits		7,371,227,068		
Total fixed liabilities			2,422,950,011,683	
Total liabilities				2,835,693,534,124
<b>Net assets</b>				
<b>I Capital</b>				
Governmental investment		7,518,155,785,510		
Total capital			7,518,155,785,510	
<b>II Retained earnings</b>				
Reserve		590,585,291,674		
Unappropriated income for the current year (Total income for the current year)		188,666,291,843		
Total retained earnings			779,251,583,517	
<b>III Valuation and translation adjustments</b>				
Net unrealized gains on other securities		(76,255,967)		
Total valuation and translation adjustments			(76,255,967)	
Total net assets				8,297,331,113,060
Total of liabilities and net assets				11,133,024,647,184

## Statement of Income (April 1, 2009 - March 31, 2010)

(Unit: Yen)

<b>Ordinary expenses</b>			
Expenses related to operations of cooperation through finance and investment			
Interest on bonds and notes	1,411,856,055		
Interest on borrowings	46,870,855,811		
Outsourcing expenses	13,664,509,257		
Bond issuance expenses	247,605,367		
Personnel expenses	3,640,064,832		
Property expenses	10,813,224,314		
Depreciation expenses	387,113,677		
Taxes	30,596,936		
Loss on valuation of investment securities	39,523,343		
Loss on valuation of affiliated companies stock	782,251,066	77,887,600,658	
Total ordinary expenses			77,887,600,658
<b>Ordinary revenues</b>			
Revenues from operations of cooperation through finance and investment			
Interest on loans	214,546,857,399		
Interest on government bonds, etc.	44,892,057		
Dividends on investments	9,690,894,000		
Commissions	1,440,604,763		
Foreign exchange gain	11,399,699		
Gain on valuation of affiliated companies stock	17,113,102,299		
Transfer from allowance for possible loan losses	16,352,589,561	259,200,339,778	
Financial revenues			
Interest income	2,939,630	2,939,630	
Miscellaneous profits		456,811,775	
Grants from government general account		7,000,000,000	
Total ordinary revenues			266,660,091,183
Ordinary profits			188,772,490,525
<b>Extraordinary loss</b>			
Loss on retirement of fixed assets		130,321,573	130,321,573
<b>Extraordinary profits</b>			
Profits on sales of fixed assets		21,745	
Reversal of allowance for bonuses		24,101,146	24,122,891
<b>Net income</b>			188,666,291,843
<b>Total income for the current year</b>			188,666,291,843

## Statement of Cash Flows (April 1, 2009 - March 31, 2010)

(Unit: Yen)

<b>I Cash flow from operating activities</b>	
Payments for loans	(744,974,635,484)
Repayment of borrowings from the private sector	(6,000,000,000)
Repayment of borrowings from government fund for Fiscal Investment and Loan Program	(403,029,160,000)
Interest paid	(49,157,937,252)
Payment of personnel costs	(3,722,891,890)
Other operation payments	(22,528,033,272)
Proceeds from collection of loans receivable	642,146,123,274
Proceeds from borrowings from the private sector	6,000,000,000
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	129,800,000,000
Proceeds from issuance of bonds	49,752,394,633
Grants from government general account	7,000,000,000
Loan interest income	217,467,090,852
Other operation proceeds	808,415,788
Subtotal	(176,438,633,351)
Interest and dividend income	9,737,036,978
Cash flow from operating activities	(166,701,596,373)
<b>II Cash flow from investing activities</b>	
Payments for purchase of fixed assets	(1,161,059,702)
Proceeds from sales of fixed assets	168,099,692
Payments for purchases of investment securities	(116,746,853)
Proceeds from the collection and liquidation of investment securities	83,041,738
Proceeds from sales and liquidation of affiliated companies stock	32,064,518,920
Payments for purchase of negotiable certificates of deposit	(1,057,540,000,000)
Proceeds from negotiable certificates of deposit refunds	1,057,540,000,000
Cash flow from investing activities	31,037,853,795
<b>III Cash flow from financing activities</b>	
Repayment of lease liabilities	(147,914,894)
Proceeds from government investment	127,300,000,000
Cash flow from financing activities	127,152,085,106
<b>IV Net decrease in funds</b>	(8,511,657,472)
<b>V Funds at the beginning of year</b>	23,202,903,346
<b>VI Funds at the end of year</b>	14,691,245,874

## Statement of Administrative Service Operation Costs (April 1, 2009 - March 31, 2010)

(Unit: Yen)

<b>I Business expenses</b>			
(1) Expenses on income statement			
Operating expenses	77,887,600,658		
Loss on retirement of fixed assets	130,321,573	78,017,922,231	
(2) (Deduction) Self revenues, etc.			
Operational revenues	(259,200,339,778)		
Financial revenues	(2,939,630)		
Miscellaneous profits	(456,811,775)		
Profits on sales of fixed assets	(21,745)		
Reversal of allowance for bonuses	(24,101,146)	(259,684,214,074)	
Total business expenses			(181,666,291,843)
<b>II Estimated increase in retirement benefit not included in allowance</b>			6,456,235
<b>III Opportunity cost</b>			
Governmental investments and other opportunity costs			103,990,355,708
<b>IV Administrative service operation cost</b>			(77,669,479,900)

## 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. 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.

### 7. 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.:

1.395% with reference to yields applicable to 10-year fixed-rate JGBs as of March 31, 2010.

### 8. 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.

### 9. Accounting for consumption taxes

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

### 10. Change in principal accounting policies

"Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (Accounting Standards Board of Japan [ASBJ] Statement No. 19, July 31, 2008) was applied from the current operating year. The application of this accounting standard had no effect on the discount rate or on profit or loss.

### 11. Additional Information

The Accounting Standards for Incorporated Administrative Agency ("Revision of the Accounting Standards for Incorporated Administrative Agency" (Study Group on the Accounting Standards for Incorporated Administrative Agency, Financial Systems Council Financial Systems Sectional Committee Legal System/Public Accounting Panel Public Corporation, March 30, 2010) and the "Q&A concerning the Accounting Standards for Incorporated Administrative Agency" and "Guidance Notes for the Accounting Standards for Incorporated Administrative Agency" (Administrative Management Bureau of the Ministry of Internal Affairs and Communications, Budget Bureau of the Ministry of Finance, and the Japanese Institute of Certified Public Accountants, April 2010) has been adopted starting in the current operating year.

#### (1) Note concerning disclosure of fair value of financial instruments

Along with the above revisions, the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, March 10, 2008) and the "Guidance on Disclosures about the Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 10, 2008) are applied from the current operating year.

#### (2) Note concerning disclosures about fair value of investment and rental property

Along with the above revisions, "Accounting Standards for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Statement No. 20, November 28, 2008) and the "Guidance on Accounting Standards for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Guidance No. 23, November 28, 2008) are applied from the current operating year.

## 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.

FILP (Fiscal Investment and Loan Program) Agency Bonds	¥1,050,000,000,000
Government Guaranteed Foreign Debt	7,400,000,000 USD
	1,250,000,000 Euro
	3,000,000,000 THB

#### 2. Impairment loss on fixed assets

Fixed assets indicating impairment losses

##### (1) Outline of the usage, type, and location of fixed assets indicating an impairment loss

The following assets have an indication of impairment losses.

(Unit: Yen)

Name of asset	Usage	Location	Type	Book value
Takebashi Godo Building	Office	Chiyoda-ku, Tokyo	Building	893,473,502
			Structures	15,106,890
			Land	10,671,270,000
			Construction in process	49,563,410

##### (2) The background and reason for determining the indication of impairment loss

The indication of an impairment loss was recognized for the Takebashi Godo Building office because usage was changed from a "regular office" to "provisional usage accompanying relocation." At the end of the current operating year, however, this asset continued to be used in accordance with the changed usage method and so impairment has not been recognized.

##### (3) Book value on the date of usage method change, expected amount of recoverable service value and amount of impairment loss

(Unit: Yen)

Name of asset	Type	Date of usage method change	Book value at the date of usage method change	Recoverable service value (expected amount)	Impairment loss amount (expected amount)
Takebashi Godo Building	Building	September 2009	899,239,760	899,239,760	0
	Structures		15,536,219	15,536,219	0
	Land		10,671,270,000	8,540,150,000	2,131,120,000
	Construction in process		46,852,339	46,852,339	0

#### 3. Outstanding balance of undrawn loans

A large portion of JICA loans cover a long term. Ordinarily, when receiving a loan draw-down proposal 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 undrawn loans related to these contracts is ¥4,052,039,228,450.

### Profit-and-loss statement

In accordance with the "Change of the Debt Relief Method" announced by the Japanese government on December 10, 2002, JICA reported the extraordinary loss ("ODA-loan related losses") for the year ended March 31, 2003. Under the policy to maintain the financial soundness of JICA, the government provided JICA with a grant totaling ¥7,000,000,000 corresponding to "ODA-loan related losses" out of its general account for the fiscal year ended March 31, 2010.

### Notes to the cash flow statement

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

#### (1) Breakdown of balance sheet items and ending balance of funds

(as of March 31, 2010)

Cash and deposits	¥14,691,245,874
Ending balance of funds	¥14,691,245,874

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

Assets granted under finance lease	
Buildings	¥23,402,031
Tools, instruments and fixtures	¥43,864,850

### 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, ¥6,456,235 was recognized as the current-year increase of allowance for retirement and severance for 37 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 injections from the Japanese government.

#### 2. Details of financial instruments and related risks

The financial assets held in the Finance and Investment Account are loans to developing regions and are exposed to credit risk attributed to defaults by its borrowers. Marketable securities, investment securities and affiliated companies' stocks also held in the Account are primarily bonds and stocks which are held to maturity or held for policy-oriented purposes. These 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 Information Policy 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.

##### (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.

###### (ii) Price volatility risk management

Stocks are held for policy-oriented purposes, and the market environment and financial conditions of the investees are monitored. This information is reported on a regular basis at the board of directors by the Information Policy 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.

**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, 2010 together with their differences.

(Unit: Yen)

	Balance sheet amount	Fair value	Differential
(1) Loans	11,054,311,986,607		
Allowance for possible loan losses	(131,415,082,789)		
	10,922,896,903,818	10,653,944,057,209	268,952,846,609
(2) Investment securities and affiliated companies stock			
Other securities	6,226,279,949	6,226,279,949	0
Affiliated companies stock	112,521,421,261	112,521,421,261	0
(3) 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
(4) Borrowings from government fund for Fiscal Investment and Loan Program (including borrowings due within one year)	(2,730,170,482,000)	(2,801,932,638,882)	(71,762,156,882)

Note: Those recorded under liabilities are shown in parentheses.

Note 1: Method for calculating fair values of financial instruments and matters related to marketable securities

## 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) Investment securities and affiliated companies' stocks

Fair values of investment securities are calculated at acquisition cost. However, in the event that the amount of investees' net assets multiplied by the holding percentage of these securities declines below 50% of the acquisition cost, compulsory devaluation is applied for the portion that has declined.

Fair values of affiliated companies' stocks are stated at acquisition cost. However, in the event that the amount of investees' net assets multiplied by the holding percentage of these securities declines below the acquisition cost, such calculated amount is the fair value.

## 3) 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.

## 4) 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.

**Notes to retirement benefits**

(Unit: Yen)

(1) Breakdown of retirement benefit liabilities	FY2009
1) Retirement benefit liabilities	(10,110,069,706)
2) Plan assets	2,738,842,638
3) Non-accumulated retirement benefit costs 1) + 2)	(7,371,227,068)
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)	(7,371,227,068)
8) Prepaid pension expenses	0
9) Allowance for retirement benefits 7) - 8)	(7,371,227,068)

(Unit: Yen)

(2) Breakdown of pension expenses	FY2009
1) Working cost	496,370,058
2) Interest cost	132,602,989
3) Expected return on investments	0
4) Amortization of past working liabilities	0
5) Amortization of actuarial differences	(244,890,607)
6) Others (premiums collected for employees' pension fund)	(77,116,523)

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

	FY2009
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 at the change of accounting standards; actual return rate, etc.)	1 year

**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	¥113,313,206,157
(2) Investment amount when applying the equity method	¥113,612,328,662
(3) Capital gains amount from investments when applying the equity method	¥5,496,813,275

**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	10,922,715	773,743	642,146	0	11,054,312	
Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	53,326	0	28,769	0	24,557	
Total	10,976,041	773,743	670,915	0	11,078,869	

\*Current Term Increase and Collection in Current Term Decrease include transfers 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	3,003,400	129,800	403,029	2,730,170 (394,775)	1.609	Sep. 2010- Nov. 2034	

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

## Details of Bonds

(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 (%)	Redemption	Remarks
Bonds	30,000	50,000	0	80,000 (0)	2.380	Sept. 2028- Dec. 2029	

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