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)

Liabilities				
Ⅰ Current liabilities				
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	
Ⅱ Fixed liabilities				
Property liabilities				
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
Net assets				
Ⅰ Capital				
Governmental investment		79,986,116,422		
Total capital			79,986,116,422	
Ⅱ Capital surplus				
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)	
Ⅲ Retained earnings				
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)

Ordinary expenses			
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	
Total ordinary expenses			236,503,198,210
Ordinary revenues			
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	
Total ordinary revenues			261,129,107,511
Ordinary profits			24,625,909,301
Extraordinary loss			
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	35,442,648
Extraordinary profits			
Profits on sales of fixed assets		13,190,268	13,190,268
Net income			24,603,656,921
Reversal of surplus deposits from the previous mid-term period			146,494,148
Total income for the current year			24,750,151,069

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)

Ⅰ Business expenses			
(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
Ⅱ Accumulated depreciation not included in expenses			1,569,837,580
Ⅲ Accumulated impairment loss not included in expenses			3,369,006,861
Ⅳ Accumulated interest expense not included in expenses			1,435,266
Ⅴ Accumulated sale differential not included in expenses			(316,647,755)
Ⅵ Estimated bonus payment not included in allowance			29,574,069
Ⅶ Estimated increase in retirement benefit not included in allowance			836,975,631
Ⅷ Opportunity cost			
Governmental investments and other opportunity costs			612,812,691
Ⅸ (Deduction) Income taxes, payment to national treasury			(2,411,625)
Ⅹ Administrative service operation cost			239,134,800,689

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 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

(Unit: Yen)

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)

Assets

Ⅰ Current assets				
Cash and bank deposits		74,880,164,480		
Loans	11,032,404,261,842			
Allowance for possible loan losses	(131,589,282,758)	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	1,525,201	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		7,621,000,000		
Total current assets			11,035,796,031,063	
Ⅱ Fixed assets				
1 Tangible fixed assets				
Buildings	3,149,774,812			
Accumulated depreciation	(496,329,719)			
Accumulated impairment loss	(675,214,797)	1,978,230,296		
Structures	50,328,065			
Accumulated depreciation	(11,599,874)			
Accumulated impairment loss	(11,670,468)	27,057,723		
Machines and equipment	194,040,596			
Accumulated depreciation	(47,949,392)			
Accumulated impairment loss	(102,287,680)	43,803,524		
Vehicles and other transportation devices	293,602,164			
Accumulated depreciation	(125,705,415)	167,896,749		
Tools, instruments, and fixtures	547,147,567			
Accumulated depreciation	(156,755,046)	390,392,521		
Land	12,703,270,000			
Accumulated impairment loss	(6,091,196,973)	6,612,073,027		
Construction in process		3,022,101		
Total fixed assets		9,222,475,941		
2 Intangible fixed assets				
Trademarks		133,429		
Total intangible fixed assets		133,429		
3 Investment and other assets				
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	(24,557,275,808)	0		
Long-term prepaid expenses		5,357,190		
Guarantee money paid		807,075,455		
Total investment and other assets		103,626,390,861		
Total fixed assets			112,849,000,231	
Total assets				11,148,645,031,294

(Unit: Yen)

Liabilities			
Ⅰ Current liabilities			
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	
Ⅱ Fixed liabilities			
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
Net assets			
Ⅰ Capital			
Governmental investment	7,664,455,785,510		
Total capital		7,664,455,785,510	
Ⅱ Retained earnings			
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	
Ⅲ Valuation and translation adjustments			
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)

Ordinary expenses			
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	
Total ordinary expenses			124,557,019,758
Ordinary revenues			
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	
Total ordinary revenues			219,527,390,752
Ordinary profits			94,970,370,994
Extraordinary loss			
Loss on retirement of fixed assets		988,760	
Loss on sales of fixed assets		902,751,787	903,740,547
Extraordinary profits			
Profits on sales of fixed assets		1,523,764	1,523,764
Net income			94,068,154,211
Total income for the current year			94,068,154,211

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

(Unit: Yen)

Ⅰ Cash flow from operating activities	
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)
Ⅱ Cash flow from investing activities	
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
Ⅲ Cash flow from financing activities	
Repayment of lease liabilities	(207,709,691)
Proceeds from government investment	41,900,000,000
Cash flow from financing activities	41,692,290,309
Ⅳ Net increase in funds	23,486,999,825
Ⅴ Funds at the beginning of year	51,393,164,655
Ⅵ Funds at the end of year	74,880,164,480

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

(Unit: Yen)

Ⅰ Business expenses			
(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)	(219,528,914,516)	
Total business expenses			(94,068,154,211)
Ⅱ Estimated increase in retirement benefit not included in allowance			12,331,329
Ⅲ Opportunity cost			
Governmental investments and other opportunity costs			75,288,531,987
Ⅳ Administrative service operation cost			(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

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.