

# Financial Conditions

## 1 Two-Year Financial Statements

### 1-1 General Account

#### Balance Sheet

(Unit: Millions of yen)

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

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

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

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

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

## 1-2 Finance and Investment Account

## Balance Sheet

(Unit: Millions of yen)

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

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

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

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

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

(Units: Millions of yen, %)

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

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

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

(Unit: Millions of yen)

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

### Yield/Interest rate

(Unit: %)

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

Note:

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

cf.

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

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

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

Bonds and Notes Expenses = Bonds and Notes Issuance Costs

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

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

### Breakdown of Allowance for Possible Loan Losses

(Unit: Millions of yen)

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

Note: The allowance for claims on debtors who are legally bankrupt ("Bankrupt borrowers") or substantially bankrupt ("Substantially bankrupt borrowers") is provided based on the outstanding balance and the deductions of the amount expected to be collected through the disposal of collateral and execution of guarantees. The allowance for claims on debtors who are not legally bankrupt but are likely to become bankrupt ("Potentially bankrupt borrowers") is provided based on an assessment of the overall solvency or the debtors after deducting the amount expected to be collected through the disposal of collateral and the execution of guarantees. The allowance for claims on debtors other than Bankrupt borrowers, Substantially bankrupt borrowers and Potentially bankrupt borrowers is provided primarily based on the default rate, which is calculated based on the actual defaults during a certain period in the past.

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

### Principal Assets in Foreign Currency

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

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

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

(Unit: Billions of yen)

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

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

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

(Unit: Billions of yen)

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

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

(Unit: Billions of yen)

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

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

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

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

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

### 1 Risk Monitored Loans

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

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

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

#### (2) Past Due Loans

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

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

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

#### (4) Restructured Loans

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

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

(Unit: Millions of yen)

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

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

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

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

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

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

#### (2) Doubtful Assets

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

#### (3) Special Attention Assets

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

#### (4) Normally Performing Assets

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

#### (Note 1)

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

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

(Note 2)

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

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

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

(Unit: Millions of yen)

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

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

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

(Note 1)

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

(Note 2)

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

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