

Financial Summary

1 General Account

Balance Sheet (Unit: Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Assets		
Current assets		
Cash and bank deposits	57,339	48,350
Marketable securities	76,000	80,000
Other current assets	19,716	15,981
Total current assets	153,056	144,331
Fixed assets		
Tangible fixed assets	49,009	46,297
Intangible fixed assets	6	5
Investment and other assets	3,599	3,197
Total fixed assets	52,615	49,499
Total assets	205,670	193,830
Liabilities		
Current liabilities		
Management grant liabilities	—	22,624
Funds for grant aid projects	90,199	95,993
Other current liabilities	23,009	15,665
Total current liabilities	113,208	134,282
Fixed liabilities		
Property liabilities	2,177	2,250
Other fixed liabilities	424	574
Total fixed liabilities	2,601	2,825
Total liabilities	115,809	137,106
Net assets		
Capital		
Governmental investment	79,986	67,279
Total capital	79,986	67,279
Capital surplus		
Capital surplus	(19,646)	(16,687)
Total capital surplus	(19,646)	(16,687)
Retained earnings		
Retained earnings	29,521	6,131
Total retained earnings	29,521	6,131
Total net assets	89,861	56,723
Total of liabilities and net assets	205,670	193,830

(Assets)

For the fiscal year ended March 31, 2013, total assets amounted to ¥193,830 million, declining ¥11,841 million from the previous fiscal year. The decrease can be mainly attributed to a ¥8,989 million or 15.7% decline in cash and bank deposits and a ¥3,632 million or 21.8% drop in advance payments.

(Liabilities)

For the fiscal year ended March 31, 2013, total liabilities were ¥137,106 million, increasing ¥21,297 million year on year. The major factor in the increase was a ¥22,624 million increase in management grant liabilities, the balance of which was zero in the prior year.

Statement of Income (April 1, 2012–March 31, 2013) (Unit: Millions of yen)

	April 1, 2011– March 31, 2012	April 1, 2012– March 31, 2013
Ordinary expenses		
Operating expenses		
Expenses for technical cooperation projects	76,595	72,017
Expenses for public participation based cooperation	16,847	14,738
Expenses for assistance promotion	11,844	13,333
Expenses for accounting support	28,695	28,242
Expenses for grant aid programs	83,433	96,618
Other operating expenses	9,763	8,579
General administrative expenses	8,837	8,451
Financial expenses	468	36
Other expenses	22	233
Total ordinary expenses	236,503	242,247
Ordinary revenues		
Revenues from management grants	173,619	126,465
Revenues from grant aid programs	83,433	96,618
Other ordinary revenues	4,077	3,463
Total ordinary revenues	261,129	226,546
Ordinary profits (Ordinary loss)	24,626	(15,701)
Extraordinary losses	35	2,022
Extraordinary profit	13	8
Reversal of surplus deposits from the previous mid-term period	146	17,454
Total income (loss) for the current year	24,750	(261)

(Ordinary expenses)

For the fiscal year ended March 31, 2013, ordinary expenses amounted to ¥242,247 million, increasing ¥5,744 million or 2.4% from the previous fiscal year. The increase was primarily due to the ¥13,186 million or 15.8% year-on-year expansion in expenses for grant aid programs.

(Ordinary revenues)

For the fiscal year ended March 31, 2013, ordinary revenues totaled ¥226,546 million, decreasing ¥34,583 million or 13.2%. The major factor in the decline was the ¥47,154 million or 27.2% contraction in revenues from management grants.

(Total profit and loss for the current year)

In addition to the ordinary loss noted above, the following items were recorded in the fiscal year under review. There was an extraordinary loss of ¥2,022 million, including a loss on disposal of fixed assets and lending program and other losses. Extraordinary profits amounted to ¥8 million in gain on sales of fixed assets. Moreover, reversal of surplus deposits from the previous mid-term period totaled ¥17,454 million. As a result, total loss for the current year was ¥261 million, down ¥25,011 million or 101.1% from a year earlier.

Statement of Cash Flows (Unit: Millions of yen)

	April 1, 2011– March 31, 2012	April 1, 2012– March 31, 2013
I Cash flow from operating activities		
Payment of operating expenses	(140,438)	(132,224)
Payments for grant aid projects	(83,496)	(98,052)
Payment of personnel costs	(15,228)	(14,662)
Proceeds from management grants	143,301	149,663
Proceeds from grant aid programs	106,702	102,413
Other proceeds and payments	1,779	(3,093)
II Cash flow from investing activities	23,136	(3,515)
III Cash flow from financing activities	(1,265)	(9,095)
IV Effect of exchange rate fluctuation on funds	(393)	(100)
V Net increase/decrease in funds	34,096	(8,666)
VI Funds at the beginning of year	17,920	52,016
VII Funds at the end of year	52,016	43,350

(Cash flow from operating activities)

For the fiscal year ended March 31, 2013, cash flow from operating activities amounted to a cash outflow of ¥4,044 million, declining to ¥8,575 million, or 68%, year on year. The main contributor to the decrease was the ¥14,556 million, or 17.4%, increase in payments for grant aid projects.

(Cash flow from investing activities)

For the fiscal year ended March 31, 2013, cash flow from investing activities amounted to a cash outflow of ¥3,515 million, declining ¥26,651 million, or 115.2% from a year earlier. The decrease can be primarily attributed to the ¥234,000 million, or 71.3%, increase in payments for purchase of negotiable certificates of deposit.

(Cash flow from financing activities)

For the fiscal year ended March 31, 2013, cash flow from financing activities amounted to a cash outflow of ¥9,095 million, declining ¥7,830 million or 618.8% from the previous fiscal year. The major contributor to the decline was the recording of ¥5,126 million in proceeds from collection of debt, etc., during the set objective period of the Second Mid-Term Plan as lending program (no results last year).

2 Finance and Investment Account

Balance Sheet (Unit: Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Assets		
Current assets		
Loans	11,032,404	11,020,269
Allowance for possible loan losses	(131,589)	(140,847)
Other current assets	134,981	131,651
Total current assets	11,035,796	11,011,073
Fixed assets		
Tangible fixed assets	9,222	9,035
Intangible fixed assets	0	0
Investment and other assets		
Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims	24,557	72,617
Allowance for possible loan losses	(24,557)	(40,577)
Other fixed assets	103,626	77,352
Total fixed assets	112,849	118,426
Total assets	11,148,645	11,129,499
Liabilities		
Current liabilities		
Borrowings from government fund for Fiscal Investment and Loan Program due within one year	323,204	317,109
Other current liabilities	28,310	69,698
Total current liabilities	351,514	386,807
Fixed liabilities		
Bonds	200,000	260,000
Borrowings from government fund for Fiscal Investment and Loan Program	1,896,771	1,662,561
Other fixed liabilities	8,040	8,252
Total fixed liabilities	2,104,810	1,930,813
Total liabilities	2,456,324	2,317,620
Net assets		
Capital		
Governmental investment	7,664,456	7,714,798
Total capital	7,664,456	7,714,798
Retained earnings		
Reserve	942,223	1,036,291
Others	94,068	93,497
Total retained earnings	1,036,291	1,129,789
Valuation and translation adjustments		
	(8,427)	(32,708)
Total net assets	8,692,321	8,811,879
Total of liabilities and net assets	11,148,645	11,129,499

(Assets)

For the fiscal year ended March 31, 2013, total assets amounted to ¥11,129,499 million, declining ¥19,146 million from the previous fiscal year. The decrease was principally due to a ¥20,838 million or 21.4% reduction in affiliated companies stock.

(Liabilities)

For the fiscal year ended March 31, 2013, total liabilities were ¥2,317,620 million, declining ¥138,705 million year on year. The major factor in the decrease was a ¥240,304 million or 10.8% in borrowings from government fund for Fiscal Investment and Loan Program compared with the previous fiscal year.

Statement of Income (Unit: Millions of yen)

	April 1, 2011– March 31, 2012	April 1, 2012– March 31, 2013
Ordinary expenses		
Expenses related to operations of cooperation through finance and investment		
Interest on borrowings	35,646	31,348
Interest on interest swaps	6,126	8,297
Outsourcing expenses	22,564	21,031
Property expenses	11,749	12,795
Provision of allowance for possible loan losses	35,535	25,278
Provision of allowance for contingent loss	—	20,196
Other ordinary expenses	12,936	9,759
Total ordinary expenses	124,557	128,703
Ordinary revenues		
Revenues from operations of cooperation through finance and investment		
Interest on loans	196,680	184,958
Dividends on investments	19,964	27,520
Other revenues from operations of cooperation through finance and investment	2,391	9,071
Other ordinary revenues	492	653
Total ordinary revenues	219,527	222,202
Ordinary profits	94,970	93,499
Extraordinary losses		
	904	2
Extraordinary profit		
	2	0
Total income for the current year	94,068	93,497

(Ordinary expenses)

For the fiscal year ended March 31, 2013, ordinary expenses grew ¥4,146 million, or 3.3%, to ¥128,703 million. The primary contributor to the increase in ordinary expenses was a ¥2,171 million or 35.4% expansion in interest on interest swaps.

(Ordinary revenues)

For the fiscal year ended March 31, 2013, ordinary revenues increased ¥2,675 million, or 1.2%, to ¥222,202 million. The major contributor to the increase in ordinary revenues was a ¥7,556 million or 37.8% growth in dividends on investments.

(Total profit and loss for the current year)

In addition to the ordinary profits noted above, there was an extraordinary loss of ¥2.0 million as loss on retirement of fixed assets. As a result, total income for the current year was ¥93,497 million, down ¥571 million or 0.6% from a year earlier.

Statement of Cash Flows (Unit: Millions of yen)

	April 1, 2011– March 31, 2012	April 1, 2012– March 31, 2013
I Cash flow from operating activities		
Payments for loans	(29,215)	(98,452)
Repayment of borrowings from government fund for Fiscal Investment and Loan Program	(609,734)	(665,481)
Proceeds from collection of loan receivable	629,000	629,557
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	78,200	82,900
Proceeds from issuance of bonds	59,654	59,646
Loan interest income	198,163	189,588
Other operation proceeds and payments	(66,432)	(71,458)
II Cash flow from investing activities	11,010	32,144
III Cash flow from financing activities	41,692	50,248
IV Net increase/decrease in funds	23,487	(16,060)
V Funds at the beginning of year	51,393	74,880
VI Funds at the end of year	74,880	58,820

(Cash flow from operating activities)

For the fiscal year ended March 31, 2013, cash flow from operating activities amounted to a cash outflow of ¥98,452 million, declining ¥69,237 million, or 237.0% year on year. The main contributor to the decrease was the ¥55,747 million, or 9.1%, increase in payments for payments for loans.

(Cash flow from investing activities)

For the fiscal year ended March 31, 2013, cash flow from investing activities amounted to ¥32,144 million, increasing ¥21,134 million, or 192.0% from a year earlier. The decrease can be primarily attributed to the ¥21,781 million, or 203.9% increase in proceeds from the sales, etc., of affiliated company stocks.

(Cash flow from financing activities)

For the fiscal year ended March 31, 2013, cash flow from financing activities amounted to ¥50,248 million, increasing ¥8,556 million or 20.5% from the previous fiscal year. The major contributor to the increase was the ¥8,442 million or 20.2% increase in proceeds from government investment.