

# Financial Summary

## 1 General Account

### Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2013	As of March 31, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	48,350	54,695
Securities	80,000	100,000
Others	15,981	19,272
Total current assets	144,331	173,967
Non-current assets		
Tangible assets	46,297	46,077
Intangible assets	5	5
Investments and other assets	3,197	2,876
Total non-current assets	49,499	48,958
Total assets	193,830	222,925
<b>Liabilities</b>		
Current liabilities		
Operational grant liabilities	22,624	31,732
Funds for grant aid	95,993	115,082
Others	15,665	18,993
Total current liabilities	134,282	165,807
Non-current liabilities		
Contra accounts for assets	2,250	2,099
Others	574	641
Total non-current liabilities	2,825	2,740
Total liabilities	137,106	168,547
<b>Net assets</b>		
Capital		
Government investment	67,279	66,701
Total capital	67,279	66,701
Capital surplus		
Capital surplus	(16,687)	(16,507)
Total capital surplus	(16,687)	(16,507)
Retained earnings		
Retained earnings	6,131	4,185
Total retained earnings	6,131	4,185
Total net assets	56,723	54,378
Total of liabilities and net assets	193,830	222,925

(Assets)

For the business year ended March 31, 2014, total assets amounted to ¥222,925 million, increasing ¥29,095 million from the previous business year. The increase can be mainly attributed to a ¥6,345 million or 13.1% increase in cash and bank deposits and a ¥20,000 million or 25.0% increase in securities.

(Liabilities)

For the business year ended March 31, 2014, total liabilities were ¥168,547 million, increasing ¥31,440 million or 22.9% year-on-year. The major factor in the increase was a ¥9,108 million or 40.3% increase in operational grant liability, and a ¥19,089 million or 19.9% increase in funds for grant aid.

### Statement of Income

(Unit: Millions of yen)

	April 1, 2012– March 31, 2013	April 1, 2013– March 31, 2014
<b>Ordinary expenses</b>		
Operating expenses		
Expenses for technical cooperation projects	72,017	75,659
Expenses for public participation-based cooperation	14,738	14,683
Expenses for assistance promotion	13,333	13,804
Expenses for operation support	28,242	27,743
Expenses for grant aid	96,618	85,423
Others	8,579	8,311
General administrative expenses	8,451	8,676
Financial expenses	36	27
Others	233	11
Total ordinary expenses	242,247	234,337
<b>Ordinary revenues</b>		
Revenues from operational grants	126,465	143,523
Revenues from grant aid	96,618	85,423
Others	3,463	3,466
Total ordinary revenues	226,546	232,411
Ordinary income (Ordinary loss)	(15,701)	(1,926)
<b>Extraordinary losses</b>	2,022	32
<b>Extraordinary income</b>	8	7
<b>Reversal of reserve fund carried over from the previous Mid-term Objective period</b>	17,454	3,894
<b>Total income (loss) for the current business year</b>	(261)	1,943

(Ordinary expenses)

For the business year ended March 31, 2014, ordinary expenses amounted to ¥234,337 million, declining ¥7,910 million or 3.3% from the previous business year. The major factor was ¥11,195 million or 11.6% year-on-year decrease in expenses for grant aid.

(Ordinary revenues)

For the business year ended March 31, 2014, ordinary revenues totaled ¥232,411 million, increasing ¥5,865 million or 2.6% year-on-year. The major factor in the increase was the ¥17,058 million or 13.5% increase in revenues from operational grants.

(Total income and loss for the current business year)

In addition to the ordinary loss noted above, the following items were recorded in the business year under review. There was an extraordinary loss of ¥32 million, including a loss on disposal of non-current assets and other losses. Extraordinary income amounted to ¥7 million in gain on sales of non-current assets. Moreover, reversal of reserve fund carried over from the previous Mid-term Objective period totaled ¥3,894 million. As a result, total income for the current business year was ¥1,943 million, increasing ¥2,204 million or 843.9% from a year earlier.

### Statement of Cash Flows

(Unit: Millions of yen)

	April 1, 2012– March 31, 2013	April 1, 2013– March 31, 2014
<b>I. Cash flows from operating activities</b>		
Payments of operating expenses	(132,224)	(132,534)
Payments for grant aid	(98,052)	(85,366)
Payments of personnel expenses	(14,662)	(14,874)
Proceeds from operational grants	149,663	152,973
Proceeds from grant aid	102,413	104,512
Other proceeds and payments	(3,093)	1,978
<b>II. Cash flows from investing activities</b>	(3,515)	(34,818)
<b>III. Cash flows from financing activities</b>	(9,095)	(517)
<b>IV. Effect of exchange rate fluctuation on funds</b>	(100)	(9)
<b>V. Net decrease in funds</b>	(8,666)	(8,655)
<b>VI. Funds at the beginning of the business year</b>	52,016	43,350
<b>VII. Funds at the end of the business year</b>	43,350	34,695

(Cash flows from operating activities)

For the business year ended March 31, 2014, cash flows from operating activities amounted to a cash outflow of ¥26,690 million, increasing ¥22,646 million, or 560.0%, year-on-year. The main contributor to the increase was the ¥12,686 million, or 12.9%, decrease in payments for grant aid and the recording of payments to the nation treasury of ¥5,670 million of reserve funds in the previous Mid-term Objective period (no results this year).

(Cash flows from investing activities)

For the business year ended March 31, 2014, cash flows from investing activities amounted to a cash outflow of ¥34,818 million, declining ¥31,303 million, or 890.5% from a year earlier. The decrease can be primarily attributed to the ¥224,000 million, or 39.9%, increase in payments for purchase of negotiable deposit.

(Cash flows from financing activities)

For the business year ended March 31, 2014, cash flows from financing activities amounted to a cash outflow of ¥517 million, increasing ¥8,578 million or 94.3% from the previous business 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 this year).

## 2 Finance and Investment Account

## Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2013	As of March 31, 2014
<b>Assets</b>		
Current assets		
Loans	11,020,269	11,068,669
Allowance for loan losses	(140,847)	(142,613)
Others	131,651	128,745
Total current assets	11,011,073	11,054,800
Non-current assets		
Tangible assets	9,035	8,902
Intangible assets	0	0
Investments and other assets		
Claims probable in bankruptcy, claims probable in rehabilitation and other	72,617	68,575
Allowance for loan losses	(40,577)	(46,566)
Others	77,352	68,137
Total non-current assets	118,426	99,048
Total assets	11,129,499	11,153,848
<b>Liabilities</b>		
Current liabilities		
Current portion of borrowings from government fund for Fiscal Investment and Loan Program	317,109	275,876
Others	69,698	46,345
Total current liabilities	386,807	322,221
Non-current liabilities		
Bonds	260,000	320,000
Borrowings from government fund for Fiscal Investment and Loan Program	1,662,561	1,506,086
Others	8,252	8,089
Total non-current liabilities	1,930,813	1,834,175
Total liabilities	2,317,620	2,156,396
<b>Net assets</b>		
Capital		
Government investment	7,714,798	7,765,398
Total capital	7,714,798	7,765,398
Retained earnings		
Reserve fund	1,036,291	1,129,789
Others	93,497	125,569
Total retained earnings	1,129,789	1,255,358
Valuation and translation adjustments	(32,708)	(23,303)
Total net assets	8,811,879	8,997,452
Total of liabilities and net assets	11,129,499	11,153,848

## (Assets)

For the business year ended March 31, 2014, total assets amounted to ¥11,153,848 million, increasing ¥24,349 million or 0.2% from the previous business year, primarily due to ¥48,400 million or 0.4% increase in loans.

## (Liabilities)

For the business year ended March 31, 2014, total liabilities were ¥2,156,396 million, declining ¥161,224 million or 7.0% year-on-year, primarily due to ¥197,709 million or 10.0% reduction in borrowings from government fund for Fiscal Investment and Loan Program.

## Statement of Income

(Unit: Millions of yen)

	April 1, 2012– March 31, 2013	April 1, 2013– March 31, 2014
<b>Ordinary expenses</b>		
Expenses related to operations of cooperation through finance and investment		
Interest on bonds and notes	4,334	4,950
Interest on borrowings	31,348	27,388
Interest on interest rate swaps	8,297	10,147
Operations consignment expenses	21,031	21,278
Operating and administrative expenses	12,795	12,669
Provision of allowance for loan losses	25,278	7,755
Provision for contingent losses	20,196	—
Others	5,424	8,090
Total ordinary expenses	128,703	92,278
<b>Ordinary revenues</b>		
Revenues from operations of cooperation through finance and investment		
Interest on loans	184,958	178,962
Dividends on investments	27,520	24,430
Reversal of provision for contingent losses	—	10,877
Others	9,071	3,150
Others	653	428
Total ordinary revenues	222,202	217,847
Ordinary income	93,499	125,570
<b>Extraordinary losses</b>	2	1
<b>Extraordinary income</b>	0	0
<b>Total income for the current business year</b>	<b>93,497</b>	<b>125,569</b>

## (Ordinary expenses)

For the business year ended March 31, 2014, ordinary expenses amounted to ¥92,278 million, declining ¥36,425 million or 28.3% from the previous business year. The major factor was the absence of provision for contingent losses in ordinary expenses which was ¥20,196 million in the previous business year.

## (Ordinary revenues)

For the business year ended March 31, 2014, ordinary revenues decreased ¥4,355 million or 2.0% to ¥217,847 million. The major factor of decrease in ordinary revenues was ¥5,996 million or 3.2% decrease in interest on loans.

## (Total income and loss for the current business year)

In addition to the ordinary income noted above, there was an extraordinary loss of ¥1 million as loss on disposal of non-current assets. As a result, total income for the current business year was ¥125,569 million, increasing ¥32,071 million or 34.3% from the previous business year.

## Statement of Cash Flows

(Unit: Millions of yen)

	April 1, 2012– March 31, 2013	April 1, 2013– March 31, 2014
<b>I. Cash flows from operating activities</b>	(98,452)	(48,098)
Payments for loans	(665,481)	(742,635)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(323,204)	(317,109)
Proceeds from collection of loans	629,557	705,353
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	82,900	119,400
Proceeds from issuance of bonds	59,646	59,693
Proceeds from interest on loans	189,588	174,240
Other operation proceeds and payments	(71,458)	(47,040)
<b>II. Cash flows from investing activities</b>	32,144	5,134
<b>III. Cash flows from financing activities</b>	50,248	50,520
<b>IV. Net increase/decrease in funds</b>	(16,060)	7,556
<b>V. Funds at the beginning of the business year</b>	<b>74,880</b>	<b>58,820</b>
<b>VI. Funds at the end of the business year</b>	<b>58,820</b>	<b>66,376</b>

## (Cash flows from operating activities)

For the business year ended March 31, 2014, cash flows from operating activities amounted to a cash outflow of ¥48,098 million, increasing ¥50,354 million or 51.1% year-on-year. The main contributor to the increase was the ¥36,500 million or 44.0% increase in proceeds from borrowings from government fund for Fiscal Investment and Loan Program.

## (Cash flows from investing activities)

For the business year ended March 31, 2014, cash flows from investing activities amounted to ¥5,134 million, decreasing ¥27,010 million or 84.0% from the previous business year. The decrease was primarily attributed to the ¥16,098 million or 75.3% decrease in proceeds from the sales and collection of shares of affiliated companies.

## (Cash flows from financing activities)

For the business year ended March 31, 2014, cash flows from financing activities amounted to ¥50,520 million, increasing ¥272 million or 0.5% from the previous business year. The major contributor to the increase was the ¥258 million or 0.5% increase in proceeds from government investment.