

Financial Summary

1 General Account

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	54,695	74,554
Securities	100,000	99,000
Others	19,272	20,055
Total current assets	173,967	193,609
Non-current assets		
Tangible assets	46,077	42,426
Intangible assets	5	7
Investments and other assets	2,876	2,456
Total non-current assets	48,958	44,889
Total assets	222,925	238,498
Liabilities		
Current liabilities		
Operational grant liabilities	31,732	46,241
Funds for grant aid	115,082	116,676
Others	18,993	21,145
Total current liabilities	165,807	184,062
Non-current liabilities		
Contra accounts for assets	2,099	2,162
Others	641	649
Total non-current liabilities	2,740	2,811
Total liabilities	168,547	186,872
Net assets		
Capital		
Government investment	66,701	63,217
Total capital	66,701	63,217
Capital surplus		
Capital surplus	(16,507)	(16,743)
Total capital surplus	(16,507)	(16,743)
Retained earnings		
Retained earnings	4,185	5,151
Total retained earnings	4,185	5,151
Total net assets	54,378	51,625
Total of liabilities and net assets	222,925	238,498

(Assets)

For the business year ended March 31, 2015, total assets amounted to ¥238,498 million, increasing ¥15,573 million or 7.0% from the previous business year, primarily due to ¥19,860 million or 36.3% increase in cash and bank deposits.

(Liabilities)

For the business year ended March 31, 2015, total liabilities were ¥186,872 million, increasing ¥18,325 million or 10.9% year-on-year, primarily due to ¥14,509 million or 45.7% increase in operational grant liabilities, and a ¥2,348 million or 14.0% increase in accounts payable.

	April 1, 2013– March 31, 2014	April 1, 2014– March 31, 2015
Ordinary expenses		
Operating expenses		
Expenses for technical cooperation projects	75,659	71,068
Expenses for public participation-based cooperation	14,683	15,723
Expenses for operation support	27,743	28,483
Expenses for grant aid	85,423	106,528
Others	22,115	22,530
General administrative expenses	8,676	8,843
Financial expenses	27	23
Others	11	122
Total ordinary expenses	234,337	253,319
Ordinary revenues		
Revenues from operational grants	143,523	144,189
Revenues from grant aid	85,423	106,528
Others	3,466	3,623
Total ordinary revenues	232,411	254,339
Ordinary income (Ordinary loss)	(1,926)	1,020
Extraordinary losses	32	89
Extraordinary income	7	40
Reversal of reserve fund carried over from the previous Mid-term Objective period	3,894	465
Total income for the current business year	1,943	1,436

(Ordinary expenses)

For the business year ended March 31, 2015, ordinary expenses amounted to ¥253,319 million, increasing ¥18,982 million or 8.1% from the previous business year. The major factor of the increase was the ¥21,105 million or 24.7% increase in expenses for grant aid.

(Ordinary revenues)

For the business year ended March 31, 2015, ordinary revenues increased ¥21,928 million or 9.4% to ¥254,339. The major factor of the increase was the ¥21,105 million or 24.7% increase in revenues from grant aid.

(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 ¥76 million, including a loss on disposal of non-current assets and other losses, payment of national treasury of ¥12 million, and a reversal of contra accounts for assets funded by subsidies related to the loss on disposal of non-current assets of ¥30 million. Extraordinary income amounted to ¥10 million in gain on sales of non-current assets. Moreover, reversal of reserve fund carried over from the previous Mid-term Objective period totaled ¥465 million. As a result, total income for the current business year was ¥1,436 million, declining ¥507 million or 26.1% from the previous business year.

	April 1, 2013– March 31, 2014	April 1, 2014– March 31, 2015
I. Cash flows from operating activities		
Payments of operating expenses	(132,534)	(131,256)
Payments for grant aid	(85,366)	(104,538)
Payments of personnel expenses	(14,874)	(15,427)
Proceeds from operational grants	152,973	159,293
Proceeds from grant aid	104,512	108,121
Other proceeds and payments	1,978	1,936
II. Cash flows from investing activities	(34,818)	17,210
III. Cash flows from financing activities	(517)	(494)
IV. Effect of exchange rate fluctuation on funds	(9)	12
V. Net increase/decrease in funds	(8,655)	34,860
VI. Funds at the beginning of the business year	43,350	34,695
VII. Funds at the end of the business year	34,695	69,554

(Cash flows from operating activities)

For the business year ended March 31, 2015, cash flows from operating activities amounted to ¥18,131 million, declining ¥8,559 million or 32.1% year-on-year. The main contributor to the increase was the ¥19,172 million or 22.5% increase in payments for grant aid.

(Cash flows from investing activities)

For the business year ended March 31, 2015, cash flows from investing activities amounted to ¥17,210 million, increasing ¥52,029 million or 149.4% from the previous business year. The increase was primarily attributed to the ¥97,000 million or 29.3% increase in proceeds from time deposit refund.

(Cash flows from financing activities)

For the business year ended March 31, 2015, cash flows from financing activities amounted to a cash outflow of ¥494 million, increasing ¥23 million or 4.5% from the previous business year. The major contributor to the increase was the ¥83 million or 19.5% increase in payments to national treasury for unnecessary property.

2 Finance and Investment Account

Balance Sheet (Unit: Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Loans	11,068,669	11,223,481
Allowance for loan losses	(142,613)	(145,267)
Others	128,745	198,384
Total current assets	11,054,800	11,276,598
Non-current assets		
Tangible assets	8,902	8,742
Intangible assets	0	1
Investments and other assets		
Claims probable in bankruptcy, claims probable in rehabilitation and other	68,575	68,325
Allowance for loan losses	(46,566)	(60,989)
Others	68,137	44,045
Total non-current assets	99,048	60,124
Total assets	11,153,848	11,336,721
Liabilities		
Current liabilities		
Current portion of borrowings from government fund for Fiscal Investment and Loan Program	275,876	244,355
Others	46,345	71,906
Total current liabilities	322,221	316,261
Non-current liabilities		
Bonds	320,000	417,305
Borrowings from government fund for Fiscal Investment and Loan Program	1,506,086	1,459,231
Others	8,089	7,773
Total non-current liabilities	1,834,175	1,884,309
Total liabilities	2,156,396	2,200,570
Net assets		
Capital		
Government investment	7,765,398	7,813,898
Total capital	7,765,398	7,813,898
Retained earnings		
Reserve fund	1,129,789	1,255,358
Others	125,569	114,438
Total retained earnings	1,255,358	1,369,796
Valuation and translation adjustments	(23,303)	(47,542)
Total net assets	8,997,452	9,136,152
Total of liabilities and net assets	11,153,848	11,336,721

(Assets)

For the business year ended March 31, 2015, total assets amounted to ¥11,336,721 million, increasing ¥182,873 million or 1.6% from the previous business year, primarily due to ¥154,812 million or 1.4% increase in loans.

(Liabilities)

For the business year ended March 31, 2015, total liabilities were ¥2,200,570 million, increasing ¥44,174 million or 2.1% year-on-year, primarily due to ¥107,305 million or 33.5% increase in bonds.

Statement of Income (Unit: Millions of yen)

	April 1, 2013– March 31, 2014	April 1, 2014– March 31, 2015
Ordinary expenses		
Expenses related to operations of cooperation through finance and investment		
Interest on bonds and notes	4,950	5,431
Interest on borrowings	27,388	24,068
Interest on interest rate swaps	10,147	9,291
Operations consignment expenses	21,278	18,978
Operating and administrative expenses	12,669	13,068
Provision for allowance for loan losses	7,755	17,076
Others	8,090	6,776
Total ordinary expenses	92,278	94,688
Ordinary revenues		
Revenues from operations of cooperation through finance and investment		
Interest on loans	178,962	169,039
Dividends on investments	24,430	36,187
Reversal of provision for contingent losses	10,877	—
Others	3,150	3,463
Others	428	456
Total ordinary revenues	217,847	209,144
Ordinary income	125,570	114,457
Extraordinary losses	1	19
Extraordinary income	0	1
Total income for the current business year	125,569	114,438

(Ordinary expenses)

For the business year ended March 31, 2015, ordinary expenses amounted to ¥94,688 million, increasing ¥2,410 million or 2.6% from the previous business year. The major factor of the increase was the ¥9,321 million or 120.2% increase in provision for allowance for loan losses.

(Ordinary revenues)

For the business year ended March 31, 2015, ordinary revenues decreased ¥8,703 million or 4.0% to ¥209,144 million. The major factor of the decrease in ordinary revenues was the absence of reversal of provision for contingent losses which was ¥10,877 million in the previous business year. (Total income and loss for the current business year) In addition to the ordinary income noted above, there was an extraordinary loss of ¥18 million as loss on disposal of non-current assets. As a result, total income for the current business year was ¥114,438 million, declining ¥11,131 million or 8.9% from the previous business year.

Statement of Cash Flows (Unit: Millions of yen)

	April 1, 2013– March 31, 2014	April 1, 2014– March 31, 2015
I. Cash flows from operating activities	(48,098)	(11,714)
Payments for loans	(742,635)	(820,439)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(317,109)	(275,876)
Proceeds from collection of loans	705,353	672,814
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	119,400	197,500
Proceeds from issuance of bonds	59,693	106,621
Proceeds from interest on loans	174,240	164,815
Other operation proceeds and payments	(47,040)	(57,150)
II. Cash flows from investing activities	5,134	23,982
III. Cash flows from financing activities	50,520	48,406
IV. Net increase in funds	7,556	60,674
V. Funds at the beginning of the business year	58,820	66,376
VI. Funds at the end of the business year	66,376	127,050

(Cash flows from operating activities)

For the business year ended March 31, 2015, cash flows from operating activities amounted to a cash outflow of ¥11,714 million, increasing ¥36,384 million or 75.6% year-on-year. The main contributor to the increase was the ¥78,100 million or 65.4% 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, 2015, cash flows from investing activities amounted to ¥23,982 million, increasing ¥18,848 million or 367.1% from the previous business year. The increase was primarily attributed to the ¥19,303 million or 366.5% increase in proceeds from the sales and collection of shares of affiliated companies.

(Cash flows from financing activities)

For the business year ended March 31, 2015, cash flows from financing activities amounted to ¥48,406 million, declining ¥2,114 million or 4.2% from the previous business year. The major contributor to the decrease was the ¥2,100 million or 4.2% decrease in proceeds from government investment.