

Financial Conditions

1 Two-Year Financial Statements

1-1 General Account

Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2014	As of March 31, 2015		As of March 31, 2014	As of March 31, 2015
Assets			Liabilities		
I. Current assets			I. Current liabilities		
Cash and deposits	54,695	74,554	Operational grant liabilities	31,732	46,241
Securities	100,000	99,000	Funds for grant aid	115,082	116,676
Inventories			Donations received	342	353
Stored goods	377	359	Accounts payable	16,764	19,112
Payments for uncompleted contracted programs	884	838	Accrued expenses	210	230
Advance payments	13,970	16,598	Lease obligations	119	142
Prepaid expenses	212	353	Advance payments received	1,000	813
Accrued income	9	5	Deposits received	559	496
Accounts receivable	3,281	1,452	Suspense receipt	—	0
Short-term loans for development projects	416	413	Total current liabilities	165,807	184,062
Allowance for loan losses	(1)	(1)			
Short-term loans for emigration projects	110	10	II. Non-current liabilities		
Allowance for loan losses	(5)	(1)	Contra accounts for assets		
Short-term installments receivable on settlement projects	—	0	Contra accounts for assets funded by operational grants	2,006	2,162
Consignment	—	5	Contra accounts for assets funded by subsidies, etc.	73	—
Suspense payments	16	20	Contra accounts for construction in progress funded by subsidy for facilities	19	—
Advances paid	3	3	Long-term lease obligations	249	230
Total current assets	173,967	193,609	Long-term deposits received	116	142
			Asset retirement obligations	276	276
II. Non-current assets			Total non-current liabilities	2,740	2,811
1. Tangible assets			Total liabilities	168,547	186,872
Buildings	42,556	41,011			
Accumulated depreciation	(14,798)	(15,535)	Net assets		
Accumulated impairment loss	(261)	(47)	I. Capital		
Structures	1,536	1,547	Government investment	66,701	63,217
Accumulated depreciation	(917)	(965)	Total capital	66,701	63,217
Accumulated impairment loss	(1)	(0)			
Machinery and equipment	189	181	II. Capital surplus		
Accumulated depreciation	(121)	(119)	Capital surplus	325	332
Vehicles	1,842	1,819	Accumulated depreciation not included in expenses	(16,055)	(16,778)
Accumulated depreciation	(1,188)	(1,254)	Accumulated impairment loss not included in expenses	(770)	(289)
Tools, furniture, and fixtures	2,165	2,348	Accumulated interest expenses not included in expenses	(7)	(7)
Accumulated depreciation	(1,194)	(1,367)	Total capital surplus	(16,507)	(16,743)
Land	16,755	14,971			
Accumulated impairment loss	(503)	(235)	III. Retained earnings		
Construction in progress	19	71	Reserve fund carried over from the previous mid-term Objective period	2,503	2,033
Total tangible assets	46,077	42,426	Reserve fund	—	1,682
			Unappropriated income for the current business year	1,682	1,436
2. Intangible assets			[Total income for the current business year]	[1,943]	[1,436]
Trademark right	1	2	Total retained earnings	4,185	5,151
Telephone subscription right	4	4			
Total intangible assets	5	7	Total net assets	54,378	51,625
3. Investments and other assets					
Long-term deposits	300	300			
Long-term loans for development projects	809	396			
Allowance for loan losses	(11)	(9)			
Long-term loans for emigration projects	201	105			
Allowance for loan losses	(83)	(57)			
Long-term installments receivable on settlement projects	—	0			
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to loans for development projects	204	191			
Allowance for loan losses	(120)	(120)			
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to loans for emigration projects	836	810			
Allowance for loan losses	(836)	(810)			
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to installments receivable on settlement projects	11	3			
Allowance for loan losses	(11)	(3)			
Long-term prepaid expenses	34	110			
Long-term guarantee deposits	1,543	1,539			
Total investments and other assets	2,876	2,456			
Total non-current assets	48,958	44,889			
Total assets	222,925	238,498	Total of liabilities and net assets	222,925	238,498

Statement of Income

(Unit: Millions of yen)

	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 grant aid (operation support)	146	173
Expenses for public participation-based cooperation	14,683	15,723
Expenses for emigration projects	303	305
Expenses for disaster relief activities	800	1,424
Expenses for training and securing the personnel	176	241
Expenses for assistance promotion	13,804	12,444
Expenses related to operation	5,810	6,322
Expenses for operation support	27,743	28,483
Expenses for grant aid	85,423	106,528
Expenses for facilities	126	12
Expenses for contracted programs	396	1,128
Expenses for donation projects	121	11
Depreciation	434	470
General administrative expenses	8,676	8,843
Loan losses	—	56
Provision for allowance for loan losses	—	65
Financial expenses		
Foreign exchange losses	27	23
Miscellaneous loss	11	1
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
Revenues from contracted programs		
Revenues from contracted programs from Japanese government and local governments	311	1,086
Revenues from contracted programs from other parties	92	45
Revenues from interest on development projects	33	24
Revenues from settlement projects	12	7
Revenues from emigration projects	57	16
Donation revenues	121	11
Revenues from subsidy for facilities	109	7
Reversal of allowance for loan losses	284	—
Reversal of contra accounts for assets funded by operational grants	459	458
Reversal of contra accounts for assets funded by subsidies, etc.	34	—
Financial revenues		
Interest income	25	38
Miscellaneous income	1,929	1,931
Total ordinary revenues	232,411	254,339
Ordinary income (Ordinary loss)	(1,926)	1,020
Extraordinary losses		
Loss on disposal of non-current assets	29	75
Loss on sales of non-current assets	3	1
Payments to national treasury	—	12
Extraordinary income		
Reversal of contra accounts for assets funded by operational grants	—	30
Gain on sales of non-current assets	7	10
Net income (Net loss)	(1,951)	972
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

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		
Payments of operating expenses	(132,534)	(131,256)
Payments for grant aid	(85,366)	(104,538)
Payments for contracted programs	(1,020)	(962)
Payments of personnel expenses	(14,874)	(15,427)
Payments for other operations	(718)	(663)
Proceeds from operational grants	152,973	159,293
Proceeds from grant aid	104,512	108,121
Proceeds from contracted programs	1,279	1,073
Proceeds from interest on loans	94	43
Proceeds from settlement projects	22	13
Interest revenues	12	7
Installments receivable	9	6
Donation revenues	14	22
Proceeds from other operations	2,283	2,372
Subtotal	26,665	18,092
Interest income received	25	38
Net cash provided by operating activities	26,690	18,131
II. Cash flows from investing activities		
Payments for purchase of non-current assets	(1,065)	(1,737)
Proceeds from sales of non-current assets	453	372
Proceeds from subsidy for facilities	—	1,974
Proceeds from collection of loans	883	602
Payments into time deposits	(346,000)	(413,000)
Proceeds from time deposit refund	331,000	428,000
Payments into long-term deposits	(90)	—
Payments for purchase of negotiable deposits	(786,000)	(819,000)
Proceeds from refund of negotiable deposits	766,000	820,000
Net cash provided by investing activities	(34,818)	17,210
III. Cash flows from financing activities		
Repayments of lease obligations	(92)	(152)
Payments to national treasury for unnecessary property	(425)	(342)
Net cash used in 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

1-2 Finance and Investment Account

Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2014	As of March 31, 2015		As of March 31, 2014	As of March 31, 2015
Assets			Liabilities		
I. Current assets			I. Current liabilities		
Cash and deposits	66,376	127,050	Current portion of bonds	—	10,000
Loans	11,068,669	11,223,481	Current portion of borrowings from government fund for Fiscal Investment and Loan Program	275,876	244,355
Allowance for loan losses	(142,613)	(145,267)	Accounts payable	6,662	6,646
Advance payments	4,088	6,227	Accrued expenses	8,461	7,472
Prepaid expenses	81	110	Derivatives	21,511	35,133
Accrued income			Lease obligations	87	93
Accrued interest on loans	39,185	36,472	Deposits received	21	32
Accrued commitment charges	1,272	1,069	Unearned revenue	174	39
Accrued interest	2	2	Provision		
Accounts receivable	449	502	Provision for bonuses	209	235
Consignment	—	1	Provision for contingent losses	9,220	11,697
Suspense payments	2	4	Suspense receipt	1	560
Advances paid	0	0	Total current liabilities	322,221	316,261
Short-term guarantee deposits	17,289	26,946			
Total current assets	11,054,800	11,276,598	II. Non-current liabilities		
II. Non-current assets			Bonds	320,000	417,305
1. Tangible assets			Discounts on bonds payable	—	(216)
Buildings	3,193	3,198	Borrowings from government fund for Fiscal Investment and Loan Program	1,506,086	1,459,231
Accumulated depreciation	(711)	(808)	Long-term lease obligations	117	55
Accumulated impairment loss	(675)	(675)	Long-term deposits received	9	533
Structures	50	50	Provision for retirement benefits	7,892	7,331
Accumulated depreciation	(17)	(19)	Asset retirement obligations	70	70
Accumulated impairment loss	(12)	(12)	Total non-current liabilities	1,834,175	1,884,309
Machinery and equipment	195	195			
Accumulated depreciation	(55)	(59)	Total liabilities	2,156,396	2,200,570
Accumulated impairment loss	(102)	(102)			
Vehicles	342	350	Net assets		
Accumulated depreciation	(205)	(223)	I. Capital		
Tools, furniture and fixtures	594	642	Government investment	7,765,398	7,813,898
Accumulated depreciation	(307)	(415)	Total capital	7,765,398	7,813,898
Land	12,703	12,703			
Accumulated impairment loss	(6,091)	(6,091)	II. Retained earnings		
Construction in progress	—	8	Reserve fund	1,129,789	1,255,358
Total tangible assets	8,902	8,742	Unappropriated income for the current business year	125,569	114,438
2. Intangible assets			[Total income for the current business year]	[125,569]	[114,438]
Trademark right	0	1	Total retained earnings	1,255,358	1,369,796
Total intangible assets	0	1			
3. Investments and other assets			III. Valuation and translation adjustments		
Investment securities	0	140	Valuation difference on available-for-sale securities	—	(1)
Shares of affiliated companies	67,298	43,046	Deferred gains or losses on hedges	(23,303)	(47,541)
Claims probable in bankruptcy, claims probable in rehabilitation, and other	68,575	68,325	Total valuation and translation adjustments	(23,303)	(47,542)
Allowance for loan losses	(46,566)	(60,989)			
Long-term prepaid expenses	8	29	Total net assets	8,997,452	9,136,152
Long-term guarantee deposits	831	831			
Total investments and other assets	90,146	51,381			
Total non-current assets	99,048	60,124			
Total assets	11,153,848	11,336,721	Total of liabilities and net assets	11,153,848	11,336,721

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
Bond issuance cost	307	445
Foreign exchange losses	17	1
Personnel expenses	3,057	3,233
Provision for bonuses	209	235
Retirement benefit expenses	251	—
Operating and administrative expenses	12,669	13,068
Depreciation	257	253
Taxes	84	83
Loss on valuation of investment securities	2	—
Loss on valuation of shares of affiliated companies	3,906	—
Interest expenses	0	0
Provision for allowance for loan losses	7,755	17,076
Provision for allowance for contingent losses	—	2,526
Other ordinary expenses	0	0
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
Interest on bonds	11	9
Dividends on investments	24,430	36,187
Commissions	3,126	3,451
Gain on valuation of investment securities	8	—
Gain on valuation of shares of affiliated companies	—	3
Reversal of provision for contingent losses	10,877	—
Other operating revenues	5	—
Financial revenues		
Interest income	23	30
Miscellaneous income	386	406
Recoveries of written-off claims	19	20
Total ordinary revenues	217,847	209,144
Ordinary income	125,570	114,457
Extraordinary losses		
Loss on disposal of non-current assets	1	19
Loss on sales of non-current assets	0	0
Total extraordinary losses	1	19
Extraordinary income		
Gain on sales of non-current assets	0	1
Total extraordinary income	0	1
Net income	125,569	114,438
Total income for the current business year	125,569	114,438

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		
Payments for loans	(742,635)	(820,439)
Repayments of borrowings from the private sector	(91,700)	(60,700)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(317,109)	(275,876)
Interest expenses paid	(46,551)	(50,380)
Payments of personnel expenses	(3,621)	(3,998)
Payments for other operations	(100,049)	(86,947)
Proceeds from collection of loans	705,353	672,814
Proceeds from borrowings from the private sector	91,700	60,700
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
Proceeds from commissions	3,193	3,505
Proceeds from other operations	75,523	44,446
Subtotal	(72,563)	(47,940)
Interest and dividend income received	24,464	36,226
Net cash used in operating activities	(48,098)	(11,714)
II. Cash flows from investing activities		
Payments for purchase of non-current assets	(81)	(90)
Proceeds from sales of non-current assets	1	12
Payments for purchase of investment securities	(101)	(188)
Proceeds from sales and collection of investment securities	46	—
Payments for purchase of shares of affiliated companies	—	(327)
Proceeds from sales and collection of shares of affiliated companies	5,269	24,576
Payments for purchase of negotiable deposits	(317,300)	(246,500)
Proceeds from refund of negotiable deposits	317,300	246,500
Net cash provided by investing activities	5,134	23,982
III. Cash flows from financing activities		
Repayments of lease obligations	(80)	(94)
Receipt of government investment	50,600	48,500
Net cash provided by 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

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, %)

	FY2013			FY2014		
	Average Balance	Interest*	Yield	Average Balance	Interest*	Yield
Interest-earning assets	11,197,935	202,653	1.81	11,324,753	208,719	1.84
Loans	11,027,462	182,088	1.65	11,161,194	172,490	1.55
Investments	72,673	20,530	28.25	56,033	36,189	64.59
Deposits + Securities	97,800	34	0.03	107,525	39	0.04
Interest-bearing liabilities	2,123,253	32,338	1.52	2,075,593	29,499	1.42
Borrowings	1,833,308	27,388	1.49	1,705,606	24,068	1.41
Bonds	289,945	4,950	1.71	369,987	5,431	1.47

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

Balance of Deposits and Securities—Application of Surplus Funds

(Unit: Millions of yen)

	End of FY2013	End of FY2014
Deposits + Securities	66,376	127,050

Yield/Interest rate

(Unit: %)

	End of FY2013	End of FY2014
Total average interest rate spread	(1.99)	(1.77)
Yields on interest-earning assets	1.81	1.84
Costs of interest-bearing liabilities	3.80	3.62

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 Bonds
 + Dividends on Investments + Interest Income + Commissions
 + Gain and Loss Associated with the Valuation of Investment Securities
 / Shares of Affiliated Companies

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 = Operations Consignment Expenses

+ Personnel Expenses

(including Provisions to Allowance for Retirement Benefits / Bonuses)

+ Operating and Administrative Expenses + Depreciation + Tax

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

Breakdown of Allowance for Possible Loan Losses

(Unit: Millions of yen)

	End of FY2013	End of FY2014
Loans	142,613	145,267
Claims probable in bankruptcy, claims probable in rehabilitation, and other	46,566	60,989
Total	189,180	206,256

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 of loan claims after the deductions of the amount expected to be collected through the disposal of collateral and execution of guarantees, or the same amount is written off directly. 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 overall assessment of the solvency of the debtors after the deductions of the amount expected to be collected through the disposal of collateral and the execution of guarantees, or the same amount is written off directly. There were no write-offs from the above-mentioned outstanding balance of loan claims. 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. The allowance for possible losses on specific overseas loans is provided based on the expected loss amount taking into consideration the political and economic situation of these countries.

All claims are assessed initially by the operational departments (including regional 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 an allowance is provided based on the results of the assessments.

Principal Assets in Foreign Currency

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

	End of FY2013	End of FY2014
Shares of affiliated companies (PKR)	196,871	218,306
Investment securities (US\$)	—	2,700
Investment securities (US\$)	—	1,169

Maturity Structure of Loans as of March 31, 2015

(Unit: Billions of yen)

Maturity	Collection from Loans
1 year or less	678.7
over 1 year, up to 2 years	684.0
over 2 years, up to 3 years	709.0
over 3 years, up to 4 years	709.3
over 4 years, up to 5 years	688.8
over 5 years, up to 10 years	2,991.7
over 10 years, up to 15 years	1,900.0
over 15 years, up to 20 years	1,325.2
over 20 years, up to 25 years	942.2
over 25 years, up to 30 years	417.9
over 30 years, up to 35 years	167.2
over 35 years, up to 40 years	44.7
over 40 years	0.0
Total	11,258.8

Note: The figures exclude principal in arrears for over three months as of the end of March 2015 from the total projected collection from "Loans" and "Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims."

Maturity Structure of Borrowings from Government Fund for Fiscal Investment and Loan Program (FILP) as of March 31, 2015

(Unit: Billions of yen)

Maturity	Repayment of Borrowings
1 year or less	244.4
over 1 year, up to 2 years	219.2
over 2 years, up to 3 years	188.1
over 3 years, up to 4 years	166.2
over 4 years, up to 5 years	143.4
over 5 years, up to 10 years	472.0
over 10 years, up to 15 years	164.4
over 15 years, up to 20 years	82.1
over 20 years, up to 25 years	23.9
over 25 years	0.0
Total	1,703.6

Maturity Structure of Bonds as of March 31, 2015

(Unit: Billions of yen)

Fiscal Investment and Loan Program (FILP) Agency Bonds

Maturity	Redemption
1 year or less	10.0
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	20.0
over 4 years, up to 5 years	10.0
over 5 years, up to 10 years	90.0
over 10 years, up to 15 years	95.0
over 15 years, up to 20 years	140.0
over 20 years, up to 25 years	0.0
over 25 years, up to 30 years	5.0
over 30 years	0.0
Total	370.0

Government-Guaranteed Bonds

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	0.0
over 4 years, up to 5 years	57.3 [\$500 million]*
over 5 years	0.0
Total	57.3

* Figure in parentheses denotes the amount of money in foreign currency.

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.^(Note 1) 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).

Note 1. 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 ¥979,224 million as of the end of FY2014.

1 Risk Monitored Loans ^(Note 2)

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 ^(Note 3)

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.

(2) Past Due Loans ^(Note 3)

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”

(Unit: Millions of yen)

	March 2015 Reporting Period
Loans to Debtor in Legal Bankruptcy	—
Past Due Loans	68,325
Loans in Arrears by 3 Months or More	—
Restructured Loans	771,263
Total (1)	839,588
Balance of Loans Receivable (2)	11,291,805
(1)/(2)	7.44%

Note 2. Deferred principal included in loans as shown in the chart above accounts for ¥3,227 million of the Past Due Loans of ¥68,325 million, and for ¥701,234 million of the Restructured Loans of ¥771,263 million. Other deferred principal, accounting for a total of ¥274,763 million, are of loans that are not categorized as Risk Monitored Loans.

Note 3. 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.”

2 Loan Assets Required to Be Disclosed under the Financial Revitalization Act ^(Note 4)

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).”

(4) Normally Performing Assets

“Normally Performing Assets” are loans to borrowers with no particular

(Unit: Millions of yen)

March 2015 Reporting Period		
Loans Payable* ¹ (% of total credit transactions)	Bankrupt or De Facto Bankrupt Assets	— (—)
	Doubtful Assets	68,325 (0.60)
	Special Attention Assets	771,588 (6.81)
	Sub Total	839,588 (7.41)
	Normally Performing Assets	10,489,915 (92.59)
Loan-loss Reserve* ¹	Bankrupt or De Facto Bankrupt Assets	—
	Doubtful Assets	60,989
	Special Attention Assets	68,983
	Sub Total	129,972
	General Loan-loss Reserve for loans not requiring close monitoring	76,283
	Special Allowance for Foreign Debt	1
	Total	206,256
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	60,989 (89.26)
	Special Attention Assets	68,983 (8.94)
	Sub Total	129,972 (15.48)

*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.

problem in their financial conditions, categorized in the asset quality selfassessments 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 4. Deferred principal included in loans as shown in the chart above accounts for ¥3,227 million of the Doubtful Assets of 68,325 million, for ¥701,234 million of the Special Attention Assets of ¥771,263 million, and for ¥274,763 million of the Normally Performing Assets of ¥10,489,915 million.