

Financial Summary

1 General Account

Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	74,554	97,615
Securities	99,000	84,000
Others	20,055	26,311
Total current assets	193,609	207,925
Non-current assets		
Tangible assets	42,426	41,901
Intangible assets	7	54
Investments and other assets	2,456	2,132
Total non-current assets	44,889	44,087
Total assets	238,498	252,012
Liabilities		
Current liabilities		
Operational grant liabilities	46,241	46,637
Funds for grant aid	116,676	130,378
Others	21,145	19,792
Total current liabilities	184,062	196,808
Non-current liabilities		
Contra-accounts for assets	2,162	2,531
Others	649	531
Total non-current liabilities	2,811	3,063
Total liabilities	186,872	199,871
Net assets		
Capital		
Government investment	63,217	63,217
Total capital	63,217	63,217
Capital surplus		
Capital surplus	(16,743)	(17,867)
Total capital surplus	(16,743)	(17,867)
Retained earnings		
Retained earnings	5,151	6,792
Total retained earnings	5,151	6,792
Total net assets	51,625	52,142
Total liabilities and net assets	238,498	252,012

(Assets)

For the business year ended March 31, 2016, total assets amounted to ¥252,012 million, increasing ¥13,515 million or 5.7% from the previous business year, primarily due to ¥23,060 million or 30.9% increase in cash and bank deposits.

(Liabilities)

For the business year ended March 31, 2016, total liabilities were ¥199,871 million, increasing ¥12,999 million or 7.0% year-on-year, primarily due to ¥13,703 million or 11.7% increase in funds for grant aid.

Statement of Income

(Unit: Millions of yen)

	April 1, 2014– March 31, 2015	April 1, 2015– March 31, 2016
Ordinary expenses		
Operating expenses		
Expenses for technical cooperation projects	71,068	73,433
Expenses for public participation-based cooperation	15,723	16,513
Expenses for assistance promotion	12,444	16,373
Expenses for operation support	28,483	28,288
Expenses for grant aid	106,528	91,152
Others	10,086	10,872
General administrative expenses	8,843	9,631
Financial expenses	23	324
Others	122	33
Total ordinary expenses	253,319	246,619
Ordinary revenues		
Revenues from operational grants	144,189	152,871
Revenues from grant aid	106,528	91,152
Others	3,623	4,230
Total ordinary revenues	254,339	248,252
Ordinary income	1,020	1,634
Extraordinary losses	89	38
Extraordinary income	40	48
Reversal of reserve fund carried over from the previous Mid-term Objective period	465	253
Total income for the current business year	1,436	1,896

(Ordinary expenses)

For the business year ended March 31, 2016, ordinary expenses amounted to ¥246,619 million, decreasing ¥6,700 million or 2.6% from the previous business year. The major factor of the decrease was the ¥15,376 million or 14.4% year-on-year decrease in expenses for grant aid.

(Ordinary revenues)

For the business year ended March 31, 2016, ordinary revenues totaled ¥248,252 million, decreasing ¥6,087 million or 2.4% year-on-year. The major factor of the decrease was the ¥15,376 million or 14.4% decrease 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 ¥38 million, including a loss on disposal of non-current assets and other losses, and a reversal of contra accounts for assets funded by subsidies related to the loss on disposal of non-current assets of ¥39 million. Extraordinary income amounted to ¥9 million in gain on sales of non-current assets. Moreover, reversal of reserve fund carried over from the previous Mid-term Objective period totaled ¥253 million. As a result, total income for the current business year was ¥1,896 million, increasing ¥460 million or 32.0% from the previous business year.

Statement of Cash Flows

(Unit: Millions of yen)

	April 1, 2014– March 31, 2015	April 1, 2015– March 31, 2016
I. Cash flows from operating activities		
Payments of operating expenses	(131,256)	(143,413)
Payments for grant aid	(104,538)	(91,902)
Payments of personnel expenses	(15,427)	(16,273)
Proceeds from operational grants	159,293	154,036
Proceeds from grant aid	108,121	105,424
Other proceeds and payments	1,936	1,277
II. Cash flows from investing activities	17,210	13,285
III. Cash flows from financing activities	(494)	(149)
IV. Effect of exchange rate fluctuation on funds	12	(223)
V. Net increase/decrease in funds	34,860	22,060
VI. Funds at the beginning of the business year	34,695	69,554
VII. Funds at the end of the business year	69,554	91,615

(Cash flows from operating activities)

For the business year ended March 31, 2016, cash flows from operating activities amounted to ¥9,149 million, declining ¥8,982 million or 49.5% year-on-year. The main contributor to the decrease was the ¥12,158 million or 9.3% increase in payments of operating expenses.

(Cash flows from investing activities)

For the business year ended March 31, 2016, cash flows from investing activities amounted to ¥13,285 million, declining ¥3,926 million or 22.8% from the previous business year. The decrease was primarily attributed to the ¥95,000 million or 23.0% increase in payment into time deposits.

(Cash flows from financing activities)

For the business year ended March 31, 2016, cash flows from financing activities amounted to a cash outflow of ¥149 million, increasing ¥344 million or 69.7% from the previous business year. The major contributor to the increase was the absence of payments to national treasury for unnecessary property which was ¥342 million in the previous business year.

2 Finance and Investment Account

Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Loans	11,223,481	11,502,091
Allowance for loan losses	(145,267)	(153,208)
Others	198,384	177,155
Total current assets	11,276,598	11,526,038
Non-current assets		
Tangible assets	8,742	8,610
Intangible assets	1	236
Investments and other assets		
Claims probable in bankruptcy, claims probable in rehabilitation and other	68,325	63,845
Allowance for loan losses	(60,989)	(63,845)
Others	44,045	43,422
Total non-current assets	60,124	52,268
Total assets	11,336,721	11,578,306
Liabilities		
Current liabilities		
Current portion of borrowings from government fund for Fiscal Investment and Loan Program	244,355	219,212
Others	71,906	72,220
Total current liabilities	316,261	291,432
Non-current liabilities		
Bonds	417,305	477,305
Borrowings from government fund for Fiscal Investment and Loan Program	1,459,231	1,537,319
Others	7,773	5,159
Total non-current liabilities	1,884,309	2,019,783
Total liabilities	2,200,570	2,311,215
Net assets		
Capital		
Government investment	7,813,898	7,862,158
Total capital	7,813,898	7,862,158
Retained earnings		
Reserve fund	1,255,358	1,369,796
Others	114,438	102,762
Total retained earnings	1,369,796	1,472,558
Valuation and translation adjustments	(47,542)	(67,625)
Total net assets	9,136,152	9,267,091
Total liabilities and net assets	11,336,721	11,578,306

(Assets)

For the business year ended March 31, 2016, total assets amounted to ¥11,578,306 million, increasing ¥241,584 million or 2.1% from the previous business year, primarily due to the ¥278,610 million or 2.5% increase in loans.

(Liabilities)

For the business year ended March 31, 2016, total liabilities were ¥2,311,215 million, increasing ¥110,645 million or 5.0% year-on-year, primarily due to the ¥52,945 million or 3.1% increase in borrowings from government fund for Fiscal Investment and Loan Program.

Statement of Income

(Unit: Millions of yen)

	April 1, 2014– March 31, 2015	April 1, 2015– March 31, 2016
Ordinary expenses		
Expenses related to operations of cooperation through finance and investment		
Interest on bonds and notes	5,431	5,751
Interest on borrowings	24,068	21,180
Interest on interest rate swaps	9,291	8,228
Operations consignment expenses	18,978	22,204
Operating and administrative expenses	13,068	12,542
Provision for allowance for loan losses	17,076	10,798
Others	6,776	9,699
Total ordinary expenses	94,688	90,402
Ordinary revenues		
Revenues from operations of cooperation through finance and investment		
Interest on loans	169,039	161,474
Dividends on investments	36,187	24,369
Others	3,463	3,423
Others	456	864
Total ordinary revenues	209,144	190,130
Ordinary income	114,457	99,728
Extraordinary losses	19	6
Extraordinary income	1	3,041
Total income for the current business year	114,438	102,762

(Ordinary expenses)

For the business year ended March 31, 2016, ordinary expenses amounted to ¥90,402 million, decreasing ¥4,286 million or 4.5% from the previous business year. The major factor of the decrease was the ¥6,278 million or 36.8% decrease in provision for allowance for loan losses.

(Ordinary revenues)

For the business year ended March 31, 2016, ordinary revenues decreased ¥19,014 million or 9.1% to ¥190,130 million. The major factor was ¥11,817 million or 32.7% year-on-year decrease in dividends on investments.

(Total income and loss for the current business year)

In addition to the ordinary income noted above, there were extraordinary losses of ¥6 million as loss on disposal of non-current assets, and extraordinary income of ¥3,041 million as gain on transfer of benefit obligation relating to employees' pension fund. As a result, total income for the current business year was ¥102,762 million, declining ¥11,676 million or 10.2% from the previous business year.

Statement of Cash Flows

(Unit: Millions of yen)

	April 1, 2014– March 31, 2015	April 1, 2015– March 31, 2016
I. Cash flows from operating activities	(11,714)	(86,921)
Payments for loans	(820,439)	(964,720)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(275,876)	(244,355)
Proceeds from collection of loans	672,814	696,469
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	197,500	297,300
Proceeds from issuance of bonds	106,621	59,671
Proceeds from interest on loans	164,815	157,425
Other operation proceeds and payments	(57,150)	(88,711)
II. Cash flows from investing activities	23,982	(763)
III. Cash flows from financing activities	48,406	48,165
IV. Net increase/decrease in funds	60,674	(39,518)
V. Funds at the beginning of the business year	66,376	127,050
VI. Funds at the end of the business year	127,050	87,531

(Cash flows from operating activities)

For the business year ended March 31, 2016, cash flows from operating activities amounted to a cash outflow of ¥86,921 million, declining ¥75,207 million or 642.0% year-on-year. The major factor of the decrease was the ¥144,281 million or 17.6% increase in payments for loans.

(Cash flows from investing activities)

For the business year ended March 31, 2016, cash flows from investing activities amounted to a cash outflow of ¥763 million, declining ¥24,745 million or 103.2% from the previous business year. The decrease was primarily attributed to the ¥24,116 million or 98.1% decrease in proceeds from sales and collection of shares of affiliated companies.

(Cash flows from financing activities)

For the business year ended March 31, 2016, cash flows from financing activities amounted to ¥48,165 million, declining ¥241 million or 0.5% from the previous business year. The major contributor to the decrease was the ¥240 million or 0.5% decrease in receipt from government investment.