

Financial Conditions

1 Two-Year Financial Statements

1-1 General Account

Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2015	As of March 31, 2016		As of March 31, 2015	As of March 31, 2016
Assets			Liabilities		
I. Current assets			I. Current liabilities		
Cash and deposits	74,554	97,615	Operational grant liabilities	46,241	46,637
Securities	99,000	84,000	Funds for grant aid	116,676	130,378
Inventories			Donations received	353	378
Stored goods	359	411	Accounts payable	19,112	18,250
Payments for uncompleted contracted programs	838	—	Accrued expenses	230	239
Advance payments	16,598	23,362	Lease obligations	142	138
Prepaid expenses	353	346	Advance payments received	813	3
Accrued income	5	1	Deposits received	496	784
Accounts receivable	1,452	1,935	Suspense receipt	0	—
Short-term loans for development projects	413	220	Total current liabilities	184,062	196,808
Allowance for loan losses	(1)	(4)			
Short-term loans for emigration projects	10	3	II. Non-current liabilities		
Allowance for loan losses	(1)	(0)	Contra-accounts for assets		
Short-term installments receivable on settlement projects	0	0	Contra-accounts for assets funded by operational grants	2,162	2,531
Consignment	5	—	Long-term lease obligations	230	130
Suspense payments	20	33	Long-term deposits received	142	125
Advances paid	3	4	Asset retirement obligations	276	276
Total current assets	193,609	207,925	Total non-current liabilities	2,811	3,063
II. Non-current assets			Total liabilities	186,872	199,871
1. Tangible assets					
Buildings	41,011	41,261	Net assets		
Accumulated depreciation	(15,535)	(16,556)	I. Capital		
Accumulated impairment loss	(47)	(47)	Government investment	63,217	63,217
Structures	1,547	1,586	Total capital	63,217	63,217
Accumulated depreciation	(965)	(1,012)			
Accumulated impairment loss	(0)	(0)	II. Capital surplus		
Machinery and equipment	181	180	Capital surplus	332	155
Accumulated depreciation	(119)	(122)	Accumulated depreciation not included in expenses	(16,778)	(17,726)
Vehicles	1,819	1,785	Accumulated impairment loss not included in expenses	(289)	(289)
Accumulated depreciation	(1,254)	(1,229)	Accumulated interest expenses not included in expenses	(7)	(7)
Tools, furniture, and fixtures	2,348	2,298	Total capital surplus	(16,743)	(17,867)
Accumulated depreciation	(1,367)	(1,444)			
Land	14,971	14,971	III. Retained earnings		
Accumulated impairment loss	(235)	(235)	Reserve fund carried over from the previous	2,033	1,777
Construction in progress	71	465	Mid-term Objective period		
Total tangible assets	42,426	41,901	Reserve fund	1,682	3,118
2. Intangible assets			Unappropriated income for the current business year	1,436	1,896
Trademark right	2	2	[Total income for the current business year]	[1,436]	[1,896]
Telephone subscription right	4	4	Total retained earnings	5,151	6,792
Software in progress	—	48			
Total intangible assets	7	54	Total net assets	51,625	52,142
3. Investments and other assets					
Long-term deposits	300	300			
Long-term loans for development projects	396	343			
Allowance for loan losses	(9)	(120)			
Long-term loans for emigration projects	105	39			
Allowance for loan losses	(57)	(33)			
Long-term installments receivable on settlement projects	0	0			
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to loans for development projects	191	—			
Allowance for loan losses	(120)	—			
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to loans for emigration projects	810	619			
Allowance for loan losses	(810)	(619)			
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to installments receivable on settlement projects	3	1			
Allowance for loan losses	(3)	(1)			
Long-term prepaid expenses	110	71			
Long-term guarantee deposits	1,539	1,533			
Total investments and other assets	2,456	2,132			
Total non-current assets	44,889	44,087			
Total assets	238,498	252,012	Total liabilities and net assets	238,498	252,012

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 grant aid (operation support)	173	192
Expenses for public participation-based cooperation	15,723	16,513
Expenses for emigration projects	305	360
Expenses for disaster relief activities	1,424	785
Expenses for training and securing the personnel	241	1,422
Expenses for assistance promotion	12,444	16,373
Expenses related to operation	6,322	6,400
Expenses for operation support	28,483	28,288
Expenses for grant aid	106,528	91,152
Expenses for facilities	12	16
Expenses for contracted programs	1,128	1,231
Expenses for donation projects	11	12
Depreciation	470	455
General administrative expenses	8,843	9,631
Loan losses	56	32
Provision for allowance for loan losses	65	—
Financial expenses		
Foreign exchange losses	23	324
Miscellaneous loss	1	1
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
Revenues from contracted programs		
Revenues from contracted programs from Japanese government and local governments	1,086	1,231
Revenues from contracted programs from other parties	45	—
Revenues from interest on development projects	24	16
Revenues from settlement projects	7	0
Revenues from emigration projects	16	4
Donations	11	12
Revenues from subsidy for facilities	7	10
Reversal of allowance for loan losses	—	62
Reversal of contra-accounts for assets funded by operational grants	458	361
Financial revenues		
Interest income	38	43
Miscellaneous income	1,931	2,491
Total ordinary revenues	254,339	248,252
Ordinary income	1,020	1,634
Extraordinary losses		
Loss on disposal of non-current assets	75	28
Loss on sales of non-current assets	1	10
Payments to national treasury	12	—
Extraordinary income		
Reversal of contra-accounts for assets funded by operational grants	30	39
Gain on sales of non-current assets	10	9
Net income	972	1,644
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

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 for contracted programs	(962)	(891)
Payments of personnel expenses	(15,427)	(16,273)
Payments for other operations	(663)	(113)
Proceeds from operational grants	159,293	154,036
Proceeds from grant aid	108,121	105,424
Proceeds from contracted programs	1,073	579
Proceeds from interest on loans	43	22
Proceeds from settlement projects	13	2
Interest revenues	7	0
Installments receivable	6	2
Proceeds from donations	22	37
Proceeds from other operations	2,372	2,167
Subtotal	18,092	9,673
Interest income received	38	44
Payments to national treasury	—	(568)
Net cash provided by operating activities	18,131	9,149
II. Cash flows from investing activities		
Payments for purchase of non-current assets	(1,737)	(1,450)
Proceeds from sales of non-current assets	372	22
Proceeds from subsidy for facilities	1,974	250
Proceeds from collection of loans	602	463
Payments into time deposits	(413,000)	(508,000)
Proceeds from time deposit refund	428,000	507,000
Payments for purchase of negotiable deposits	(819,000)	(873,000)
Proceeds from refund of negotiable deposits	820,000	888,000
Net cash provided by investing activities	17,210	13,285
III. Cash flows from financing activities		
Repayments of lease obligations	(152)	(149)
Payments to national treasury for unnecessary property	(342)	—
Net cash used in 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

1-2 Finance and Investment Account

Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2015	As of March 31, 2016		As of March 31, 2015	As of March 31, 2016
Assets			Liabilities		
I. Current assets			I. Current liabilities		
Cash and deposits	127,050	87,531	Current portion of bonds	10,000	—
Loans	11,223,481	11,502,091	Current portion of borrowings from government fund for Fiscal Investment and Loan Program	244,355	219,212
Allowance for loan losses	(145,267)	(153,208)	Accounts payable	6,646	6,024
Advance payments	6,227	9,754	Accrued expenses	7,472	6,794
Prepaid expenses	110	109	Derivatives	35,133	43,259
Accrued income			Lease obligations	93	32
Accrued interest on loans	36,472	34,642	Deposits received	32	24
Accrued commitment charges	1,069	887	Unearned revenue	39	22
Accrued interest	2	0	Provision		
Accounts receivable	502	1,045	Provision for bonuses	235	260
Consignment	1	—	Provision for contingent losses	11,697	15,766
Suspense payments	4	4	Suspense receipt	560	38
Advances paid	0	1	Total current liabilities	316,261	291,432
Short-term guarantee deposits	26,946	43,182			
Total current assets	11,276,598	11,526,038	II. Non-current liabilities		
II. Non-current assets			Bonds	417,305	477,305
1. Tangible assets			Discounts on bonds payable	(216)	(169)
Buildings	3,198	3,245	Borrowings from government fund for Fiscal Investment and Loan Program	1,459,231	1,537,319
Accumulated depreciation	(808)	(900)	Long-term lease obligations	55	33
Accumulated impairment loss	(675)	(675)	Long-term deposits received	533	1,161
Structures	50	50	Provision for retirement benefits	7,331	4,063
Accumulated depreciation	(19)	(21)	Asset retirement obligations	70	70
Accumulated impairment loss	(12)	(12)	Total non-current liabilities	1,884,309	2,019,783
Machinery and equipment	195	194			
Accumulated depreciation	(59)	(62)	Total liabilities	2,200,570	2,311,215
Accumulated impairment loss	(102)	(102)			
Vehicles	350	342	Net assets		
Accumulated depreciation	(223)	(218)	I. Capital		
Tools, furniture and fixtures	642	353	Government investment	7,813,898	7,862,158
Accumulated depreciation	(415)	(208)	Total capital	7,813,898	7,862,158
Land	12,703	12,703			
Accumulated impairment loss	(6,091)	(6,091)	II. Retained earnings		
Construction in progress	8	13	Reserve fund	1,255,358	1,369,796
Total tangible assets	8,742	8,610	Unappropriated income for the current business year	114,438	102,762
2. Intangible assets			[Total income for the current business year]	[114,438]	[102,762]
Trademark right	1	1	Total retained earnings	1,369,796	1,472,558
Software	—	43			
Software in progress	—	192	III. Valuation and translation adjustments		
Total intangible assets	1	236	Valuation difference on available-for-sale securities	(1)	(52)
3. Investments and other assets			Deferred gains or losses on hedges	(47,541)	(67,573)
Investment securities	140	924	Total valuation and translation adjustments	(47,542)	(67,625)
Shares of affiliated companies	43,046	41,753			
Claims probable in bankruptcy, claims probable in rehabilitation, and other	68,325	63,845	Total net assets	9,136,152	9,267,091
Allowance for loan losses	(60,989)	(63,845)			
Long-term prepaid expenses	29	18			
Long-term guarantee deposits	831	727			
Total investments and other assets	51,381	43,422			
Total non-current assets	60,124	52,268			
Total assets	11,336,721	11,578,306	Total liabilities and net assets	11,336,721	11,578,306

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
Bond issuance cost	445	329
Foreign exchange losses	1	—
Personnel expenses	3,233	3,625
Provision for bonuses	235	260
Retirement benefit expenses	—	133
Operating and administrative expenses	13,068	12,542
Depreciation	253	246
Taxes	83	81
Loss on valuation of investment securities	—	78
Loss on valuation of shares of affiliated companies	—	845
Interest expenses	0	—
Provision for allowance for loan losses	17,076	10,798
Provision for allowance for contingent losses	2,526	4,089
Other operating expenses	—	13
Other ordinary expenses	0	—
Total ordinary expenses	94,688	90,942
Ordinary revenues		
Revenues from operations of cooperation through finance and investment		
Interest on loans	169,039	161,474
Interest on bonds	9	9
Dividends on investments	36,187	24,369
Commissions	3,451	3,391
Foreign exchange gains	—	11
Gain on valuation of shares of affiliated companies	3	12
Financial revenues		
Interest income	30	34
Miscellaneous income	406	810
Recoveries of written-off claims	20	20
Total ordinary revenues	209,144	190,130
Ordinary income	114,457	99,728
Extraordinary losses		
Loss on disposal of non-current assets	19	3
Loss on sales of non-current assets	0	3
Total extraordinary losses	19	6
Extraordinary income		
Gain on sales of non-current assets	1	8
Gain on transfer of benefit obligation relating to employees' pension fund	—	3,032
Total extraordinary income	1	3,041
Net income	114,438	102,762
Total income for the current business year	114,438	102,762

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 for loans	(820,439)	(964,720)
Repayments of borrowings from the private sector	(60,700)	(166,300)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(275,876)	(244,355)
Redemption of bonds	—	(10,000)
Interest expenses paid	(50,380)	(47,718)
Payments of personnel expenses	(3,998)	(4,224)
Payments for other operations	(86,947)	(94,450)
Proceeds from collection of loans	672,814	696,469
Proceeds from borrowings from the private sector	60,700	166,300
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
Proceeds from commissions	3,505	3,154
Proceeds from other operations	44,446	40,112
Subtotal	(47,940)	(111,335)
Interest and dividend income received	36,226	24,414
Net cash used in operating activities	(11,714)	(86,921)
II. Cash flows from investing activities		
Payments for purchase of non-current assets	(90)	(340)
Proceeds from sales of non-current assets	12	22
Payments for purchase of investment securities	(188)	(922)
Proceeds from sales and collection of investment securities	—	16
Payments for purchase of shares of affiliated companies	(327)	—
Proceeds from sales and collection of shares of affiliated companies	24,576	461
Payments for purchase of negotiable deposits	(246,500)	(279,900)
Proceeds from refund of negotiable deposits	246,500	279,900
Net cash provided by/used in investing activities	23,982	(763)
III. Cash flows from financing activities		
Repayments of lease obligations	(94)	(95)
Receipt of government investment	48,500	48,260
Net cash provided by 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

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, %)

	FY2014			FY2015		
	Average Balance	Interest*	Yield	Average Balance	Interest*	Yield
Interest-earning assets	11,324,753	208,719	1.84	11,512,398	188,367	1.64
Loans	11,161,194	172,490	1.55	11,341,184	164,865	1.45
Investments	56,033	36,189	64.59	44,678	23,459	52.51
Deposits + Securities	107,525	39	0.04	126,537	43	0.03
Interest-bearing liabilities	2,075,593	29,499	1.42	2,106,101	26,931	1.28
Borrowings	1,705,606	24,068	1.41	1,651,870	21,180	1.28
Bonds	369,987	5,431	1.47	454,232	5,751	1.27

* 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 FY2014	End of FY2015
Deposits + Securities	127,050	87,531

Yield/Interest rate

(Unit: %)

	End of FY2014	End of FY2015
Total average interest rate spread	(1.77)	(1.91)
Yields on interest-earning assets	1.84	1.64
Costs of interest-bearing liabilities	3.62	3.54

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 FY2014	End of FY2015
Loans	145,267	153,208
Claims probable in bankruptcy, claims probable in rehabilitation, and other	60,989	63,845
Total	206,256	217,054

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 FY2014	End of FY2015
Shares of affiliated companies (PKR)	218,306	240,000
Investment securities (US\$)	2,700	2,700
Investment securities (US\$)	1,169	8,145

Maturity Structure of Loans as of March 31, 2016

(Unit: Billions of yen)

Maturity	Collection from Loans
1 year or less	691.1
over 1 year, up to 2 years	714.4
over 2 years, up to 3 years	717.2
over 3 years, up to 4 years	699.6
over 4 years, up to 5 years	688.7
over 5 years, up to 10 years	2,934.4
over 10 years, up to 15 years	1,929.8
over 15 years, up to 20 years	1,439.7
over 20 years, up to 25 years	988.2
over 25 years, up to 30 years	460.9
over 30 years, up to 35 years	204.8
over 35 years, up to 40 years	61.1
over 40 years	0.0
Total	11,530.1

Note: The figures exclude principal in arrears for over three months as of the end of March 2016 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, 2016

(Unit: Billions of yen)

Maturity	Repayment of Borrowings
1 year or less	219.2
over 1 year, up to 2 years	188.1
over 2 years, up to 3 years	166.2
over 3 years, up to 4 years	154.1
over 4 years, up to 5 years	122.1
over 5 years, up to 10 years	587.3
over 10 years, up to 15 years	206.0
over 15 years, up to 20 years	87.0
over 20 years, up to 25 years	26.6
over 25 years	0.0
Total	1,756.5

Maturity Structure of Bonds as of March 31, 2016

(Unit: Billions of yen)

Fiscal Investment and Loan Program (FILP) Agency 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	20.0
over 3 years, up to 4 years	10.0
over 4 years, up to 5 years	0.0
over 5 years, up to 10 years	120.0
over 10 years, up to 15 years	155.0
over 15 years, up to 20 years	110.0
over 20 years, up to 25 years	0.0
over 25 years, up to 30 years	5.0
over 30 years	0.0
Total	420.0

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	57.3 [\$500 million]*
over 4 years, up to 5 years	0.0
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 ¥926,042 million as of the end of FY2015.

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 2016 Reporting Period
Loans to Debtor in Legal Bankruptcy	—
Past Due Loans	63,845
Loans in Arrears by 3 Months or More	—
Restructured Loans	749,879
Total (1)	813,724
Balance of Loans Receivable (2)	11,565,936
(1)/(2)	7.04%

Note 2. Deferred principal included in loans as shown in the chart above accounts for ¥688,259 million of the Restructured Loans of ¥749,879 million. Other deferred principal, accounting for a total of ¥237,783 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 selfassessments 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 selfassessments, 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 2016 Reporting Period		
Loans Payable* ¹ (% of total credit transactions)	Bankrupt or De Facto Bankrupt Assets	— (—)
	Doubtful Assets	63,845 (0.55)
	Special Attention Assets	749,879 (6.46)
	Sub Total	813,724 (7.01)
	Normally Performing Assets	10,788,298 (92.99)
Loan-loss Reserve* ¹	Bankrupt or De Facto Bankrupt Assets	—
	Doubtful Assets	63,845
	Special Attention Assets	64,185
	Sub Total	128,030
	General Loan-loss Reserve for loans not requiring close monitoring	89,023
	Special Allowance for Foreign Debt	—
	Total	217,054
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	63,845 (100.00)
	Special Attention Assets	64,185 (8.56)
	Sub Total	128,030 (15.73)

*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 ¥688,259 million of the Special Attention Assets of ¥749,879 million, and for ¥237,783 million of the Normally Performing Assets of ¥10,788,298 million.