

Financial Summary

1 General Account

Balance Sheet		(Unit: Millions of yen)	
	As of March 31, 2017	As of March 31, 2018	
Assets			
Current assets			
Cash and deposits	86,547	198,210	
Securities	98,000	—	
Others	26,307	29,272	
Total current assets	210,855	227,482	
Non-current assets			
Tangible assets	41,443	40,342	
Intangible assets	604	1,736	
Investments and other assets	2,054	1,772	
Total non-current assets	44,101	43,849	
Total assets	254,956	271,332	
Liabilities			
Current liabilities			
Operational grant liabilities	—	20,101	
Funds for grant aid	145,895	164,071	
Others	18,240	15,398	
Total current liabilities	164,135	199,569	
Non-current liabilities			
Contra-accounts for assets	4,053	5,208	
Others	464	482	
Total non-current liabilities	4,517	5,690	
Total liabilities	168,652	205,260	
Net assets			
Capital			
Government investment	62,452	62,452	
Total capital	62,452	62,452	
Capital surplus			
Capital surplus	(19,057)	(20,193)	
Total capital surplus	(19,057)	(20,193)	
Retained earnings			
Retained earnings	42,909	23,813	
Total retained earnings	42,909	23,813	
Total net assets	86,304	66,072	
Total liabilities and net assets	254,956	271,332	

(Assets)

For the business year ended March 31, 2018, total assets amounted to ¥271,332 million, increasing ¥16,376 million or 6.4% from the previous business year, primarily due to the ¥111,663 million or 129.0% increase in cash and deposits. The ending balance of cash and deposits of ¥198,210 million includes donated funds for grant aid projects which amount to ¥165,456 million.

(Liabilities)

For the business year ended March 31, 2018, total liabilities were ¥205,260 million, increasing ¥36,608 million or 21.7% year-on-year, primarily due to the ¥20,101 million increase in operational grant liabilities which were ¥0 in the previous business year.

Statement of Income		(Unit: Millions of yen)	
	April 1, 2016– March 31, 2017	April 1, 2017– March 31, 2018	
Ordinary expenses			
Operating expenses			
Expenses for technical cooperation projects	80,681	—	
Expenses for public participation-based cooperation	15,776	—	
Expenses for assistance promotion	22,118	—	
Expenses for priority sectors and regions	—	72,754	
Expenses for private sector partnership	—	4,962	
Expenses for domestic partnership	—	18,666	
Expenses for other operations	—	3,814	
Expenses for operation support	28,996	38,070	
Expenses for grant aid	79,246	90,152	
Others	10,584	830	
General administrative expenses	9,451	8,586	
Financial expenses	90	348	
Others	2	3	
Total ordinary expenses	246,946	238,184	
Ordinary revenues			
Revenues from operational grants	175,834	132,494	
Revenues from grant aid	79,246	90,152	
Others	3,838	5,071	
Total ordinary revenues	258,918	227,716	
Ordinary income (loss)	11,972	(10,468)	
Extraordinary losses			
	45	690	
Extraordinary income			
Settlement revenues from operational grants	24,128	—	
Reversal of contra-accounts for assets	36	59	
Gain on sales of non-current assets	26	31	
Total extraordinary income	24,190	90	
Reversal of reserve fund carried over from the previous Mid-term Objective period	501	15,372	
Total income for the current business year	36,619	4,304	

(Ordinary expenses)

For the business year ended March 31, 2018, ordinary expenses amounted to ¥238,184 million, decreasing ¥8,762 million or 3.5% from the previous business year. The major factor of the decrease was the ¥19,119 million or 13.8% year-on-year decrease in operating expenses of which operational grants are the financial source.

(Ordinary revenues)

For the business year ended March 31, 2018, ordinary revenues totaled ¥227,716 million, decreasing ¥31,202 million or 12.1% year-on-year. The major factor of the decrease was the ¥43,340 million or 24.6% decrease in revenues from operational grants.

(Total income and loss for the current business year)

In addition to the ordinary income noted above, the following items were recorded in the business year under review. There was an extraordinary loss of ¥690 million, including payments to national treasury and other losses, and a reversal of contra-accounts for assets related to the loss on disposal of non-current assets of ¥59 million, and ¥31 million in gain on sales of non-current assets. Moreover, reversal of reserve fund carried over from the previous Mid-term Objective period totaled ¥15,372 million. As a result, total income for the current business year was ¥4,304 million, decreasing ¥32,315 million or 88.2% from the previous business year.

Statement of Cash Flows		(Unit: Millions of yen)	
	April 1, 2016– March 31, 2017	April 1, 2017– March 31, 2018	
I. Cash flows from operating activities			
Payments of operating expenses	(150,814)	(134,815)	
Payments for grant aid	(80,012)	(89,465)	
Payments of personnel expenses	(16,390)	(16,867)	
Proceeds from operational grants	155,450	154,316	
Proceeds from grant aid	98,142	108,614	
Other proceeds and payments	(987)	(5,555)	
II. Cash flows from investing activities	(15,895)	96,273	
III. Cash flows from financing activities	(662)	(752)	
IV. Effect of exchange rate fluctuation on funds	(109)	(175)	
V. Net increase (decrease) in funds	(11,277)	111,573	
VI. Funds at the beginning of the business year	91,615	80,337	
VII. Funds at the end of the business year	80,337	191,910	

(Cash flows from operating activities)

For the business year ended March 31, 2018, cash flows from operating activities amounted to ¥16,227 million, increasing ¥10,838 million or 201.1% year-on-year. The main contributor to the increase was the ¥10,472 million or 10.7% increase in proceeds from grant aid.

(Cash flows from investing activities)

For the business year ended March 31, 2018, cash flows from investing activities amounted to ¥96,273 million, increasing ¥112,168 million or 705.7% from the previous business year. The increase was primarily attributed to the ¥327,000 million or 43.5% decrease in payments for purchase of negotiable deposits.

(Cash flows from financing activities)

For the business year ended March 31, 2018, cash flows from financing activities amounted to a cash outflow of ¥752 million, decreasing ¥90 million or 13.6% from the previous business year. The major contributor to the decrease was the ¥90 million or 17.4% increase in payments to national treasury for unnecessary property.

2 Finance and Investment Account

Balance Sheet		(Unit: Millions of yen)	
	As of March 31, 2017	As of March 31, 2018	
Assets			
Current assets			
Loans	11,661,980	12,005,004	
Allowance for loan losses	(165,531)	(171,804)	
Others	282,319	338,539	
Total current assets	11,778,767	12,171,739	
Non-current assets			
Tangible assets	8,607	8,904	
Intangible assets	647	5,236	
Investments and other assets			
Claims probable in bankruptcy, claims probable in rehabilitation, and other	87,063	87,063	
Allowance for loan losses	(73,484)	(75,454)	
Others	62,546	81,455	
Total non-current assets	85,380	107,204	
Total assets	11,864,147	12,278,942	
Liabilities			
Current liabilities			
Current portion of borrowings from government fund for Fiscal Investment and Loan Program	188,060	150,179	
Others	44,366	63,076	
Total current liabilities	232,426	213,256	
Non-current liabilities			
Bonds	590,596	683,132	
Borrowings from government fund for Fiscal Investment and Loan Program	1,552,259	1,761,334	
Others	6,520	7,508	
Total non-current liabilities	2,149,375	2,451,974	
Total liabilities	2,381,801	2,665,229	
Net assets			
Capital			
Government investment	7,992,228	8,037,408	
Total capital	7,992,228	8,037,408	
Retained earnings			
Reserve fund	1,472,558	1,546,921	
Others	74,363	79,188	
Total retained earnings	1,546,921	1,626,110	
Valuation and translation adjustments			
	(56,803)	(49,805)	
Total net assets	9,482,347	9,613,713	
Total liabilities and net assets	11,864,147	12,278,942	

(Assets)

For the business year ended March 31, 2018, total assets amounted to ¥12,278,942 million, increasing ¥414,795 million or 3.5% from the previous business year, primarily due to the ¥343,024 million or 2.9% increase in loans.

(Liabilities)

For the business year ended March 31, 2018, total liabilities were ¥2,665,229 million, increasing ¥283,429 million or 11.9% year-on-year, primarily due to the ¥171,194 million or 9.8% increase in borrowings from government fund for Fiscal Investment and Loan Program.

Statement of Income		(Unit: Millions of yen)	
	April 1, 2016– March 31, 2017	April 1, 2017– March 31, 2018	
Ordinary expenses			
Expenses related to operations of cooperation through finance and investment			
Interest on bonds and notes	6,116	7,327	
Interest on borrowings	18,633	17,130	
Interest on interest rate swaps	8,270	7,395	
Operations consignment expenses	24,432	32,484	
Operating and administrative expenses	12,605	14,212	
Provision for allowance for loan losses	21,961	8,244	
Others	7,088	7,258	
Total ordinary expenses	99,105	94,049	
Ordinary revenues			
Revenues from operations of cooperation through finance and investment			
Interest on loans	152,761	145,294	
Dividends on investments	13,645	19,319	
Others	6,270	7,087	
Others	807	1,627	
Total ordinary revenues	173,483	173,328	
Ordinary income	74,378	79,279	
Extraordinary losses			
	21	97	
Extraordinary income			
	6	6	
Total income for the current business year	74,363	79,188	

(Ordinary expenses)

For the business year ended March 31, 2018, ordinary expenses amounted to ¥94,049 million, decreasing ¥5,055 million or 5.1% from the previous business year. The major factor of the decrease was the ¥13,717 million or 62.5% decrease in provision for allowance for loan losses.

(Ordinary revenues)

For the business year ended March 31, 2018, ordinary revenues decreased ¥155 million or 0.1% to ¥173,328 million. The major factor was ¥7,467 million or 4.9% year-on-year decrease in interest on loans.

(Total income and loss for the current business year)

In addition to the ordinary income noted above, there were extraordinary losses of ¥97 million as loss on transfer of benefit obligation relating to Employees' Pension Fund, and extraordinary income of ¥6 million as gain on sales of non-current assets. As a result, total income for the current business year was ¥79,188 million, increasing ¥4,825 million or 6.5% from the previous business year.

Statement of Cash Flows		(Unit: Millions of yen)	
	April 1, 2016– March 31, 2017	April 1, 2017– March 31, 2018	
I. Cash flows from operating activities			
Payments for loans	11,916	30,362	
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(878,084)	(1,112,261)	
Proceeds from collection of loans	(219,212)	(231,406)	
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	700,863	774,113	
Proceeds from issuance of bonds	203,000	402,600	
Proceeds from interest on loans	110,389	114,429	
Other operation proceeds and payments	149,643	142,494	
	(54,683)	(59,608)	
II. Cash flows from investing activities	(21,577)	(34,289)	
III. Cash flows from financing activities	130,038	45,104	
IV. Effect of exchange rate fluctuation on funds	1,084	(1,216)	
V. Net increase (decrease) in funds	121,461	39,962	
VI. Funds at the beginning of the business year	87,531	208,993	
VII. Funds at the end of the business year	208,993	248,954	

(Cash flows from operating activities)

For the business year ended March 31, 2018, cash flows from operating activities amounted to ¥30,362 million, increasing ¥18,446 million or 154.8% year-on-year. The major factor of the increase was the ¥199,600 million or 98.3% 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, 2018, cash flows from investing activities amounted to a cash outflow of ¥34,289 million, declining ¥12,712 million or 58.9% from the previous business year. The decrease was primarily attributed to the ¥206,822 million or 1,400.2% increase in payments into time deposits.

(Cash flows from financing activities)

For the business year ended March 31, 2018, cash flows from financing activities amounted to ¥45,104 million, decreasing ¥84,934 million or 65.3% from the previous business year. The major contributor to the decrease was the ¥84,890 million or 65.3% decrease in receipt of government investment.