

Financial Statements

1 General Account

Balance Sheet (as of March 31, 2018)

Assets			
I. Current assets			
Cash and deposits		198,210,198,306	
Inventories			
Stored goods	425,736,785	425,736,785	
Advance payments		24,808,350,266	
Prepaid expenses		177,471,776	
Accrued income		396,529	
Accounts receivable		3,798,381,566	
Short-term loans for development projects	28,500,000		
Allowance for loan losses	(11,000)	28,489,000	
Short-term loans for emigration projects	841,177		
Allowance for loan losses	(172,008)	669,169	
Suspense payments		30,562,650	
Advances paid		2,144,302	
	Total current assets		227,482,400,349
II. Non-current assets			
1. Tangible assets			
Buildings	41,896,682,044		
Accumulated depreciation	(18,203,516,519)	23,693,165,525	
Structures	1,614,743,447		
Accumulated depreciation	(1,084,052,681)	530,690,766	
Machinery and equipment	208,713,354		
Accumulated depreciation	(125,269,995)	83,443,359	
Vehicles	2,013,081,961		
Accumulated depreciation	(1,207,693,002)	805,388,959	
Tools, furniture, and fixtures	1,985,905,797		
Accumulated depreciation	(1,146,405,537)	839,500,260	
Land	14,398,036,458		
Accumulated impairment loss	(8,710,639)	14,389,325,819	
Construction in progress		175,165	
	Total tangible assets		40,341,689,853
2. Intangible assets			
Trademark rights		1,511,785	
Telephone subscription right		1,786,900	
Software		162,623,120	
Software in progress		1,569,841,335	
	Total intangible assets		1,735,763,140
3. Investments and other assets			
Long-term loans for development projects	117,500,000		
Allowance for loan losses	(16,500)	117,483,500	
Long-term loans for emigration projects	22,821,735		
Allowance for loan losses	(20,800,029)	2,021,706	
Long-term installments receivable on settlement projects	198,085		
Allowance for loan losses	(198,085)	0	
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to loans for development projects	162,365,511		
Allowance for loan losses	(117,081,101)	45,284,410	
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to loans for emigration projects	363,777,691		
Allowance for loan losses	(363,777,691)	0	
Long-term prepaid expenses		71,731,430	
Long-term guarantee deposits		1,535,468,046	
	Total investments and other assets		1,771,989,092
	Total non-current assets		43,849,442,085
	Total assets		271,331,842,434

(Unit: Yen)

Liabilities			
I. Current liabilities			
Operational grant liabilities	20,100,863,243		
Funds for grant aid	164,070,903,372		
Donations received	389,028,937		
Accounts payable	14,072,302,217		
Accrued expenses	236,006,286		
Lease obligations	87,790,722		
Advance payments received	1,045,145		
Deposits received	611,415,625		
Suspense receipt	2,347		
	<u>Total current liabilities</u>	199,569,357,894	
II. Non-current liabilities			
Contra-accounts for assets	5,208,162,662		
Long-term lease obligations	83,524,179		
Long-term deposits received	122,550,266		
Asset retirement obligations	276,125,850		
	<u>Total non-current liabilities</u>	5,690,362,957	
	<u>Total liabilities</u>		205,259,720,851
Net assets			
I. Capital			
Government investment	62,452,442,661		
	<u>Total capital</u>	62,452,442,661	
II. Capital surplus			
Capital surplus	(979,385,259)		
Accumulated depreciation not included in expenses	(19,196,644,966)		
Accumulated impairment loss not included in expenses	(10,201,839)		
Accumulated interest expenses not included in expenses	(7,189,037)		
	<u>Total capital surplus</u>	(20,193,421,101)	
III. Retained earnings			
Reserve fund carried over from the previous Mid-term Objective period	19,509,259,590		
Unappropriated income for the current business year	4,303,840,433		
[Total income for the current business year]	[4,303,840,433]		
	<u>Total retained earnings</u>	23,813,100,023	
	<u>Total net assets</u>		66,072,121,583
	<u>Total liabilities and net assets</u>		<u>271,331,842,434</u>

Statement of Income (April 1, 2017–March 31, 2018)

Ordinary expenses			
Operating expenses			
Expenses for priority sectors and regions	72,753,806,028		
Expenses for private sector partnership	4,962,479,884		
Expenses for domestic partnership	18,665,968,996		
Expenses for other operations	3,814,352,709		
Expenses for operation support	38,069,811,030		
Expenses for grant aid	90,151,518,954		
Expenses for facilities	10,501,828		
Expenses for contracted programs	196,644,578		
Expenses for donation projects	35,981,241		
Depreciation	587,273,238	229,248,338,486	
General administrative expenses		8,585,574,614	
Financial expenses			
Foreign exchange losses	347,505,507	347,505,507	
Miscellaneous loss		2,529,667	
	Total ordinary expenses		238,183,948,274
Ordinary revenues			
Revenues from operational grants		132,493,969,563	
Revenues from grant aid		90,151,518,954	
Revenues from contracted programs			
Revenues from contracted programs from Japanese government and local governments	192,932,407		
Revenues from contracted programs from other parties	2,984,850	195,917,257	
Revenues from interest on development projects		883,222	
Revenues from settlement projects		218,580	
Revenues from emigration projects		1,657,019	
Donations		35,981,241	
Revenues from subsidy for facilities		10,501,828	
Reversal of allowance for loan losses		49,063,830	
Reversal of contra-accounts for assets		574,840,142	
Financial revenues			
Interest income	10,146,338	10,146,338	
Miscellaneous income		4,191,449,011	
	Total ordinary revenues		227,716,146,985
	Ordinary loss		10,467,801,289
Extraordinary losses			
Loss on disposal of non-current assets		75,743,362	
Loss on sales of non-current assets		3,876,799	
Payments to national treasury		610,718,937	690,339,098
Extraordinary income			
Reversal of contra-accounts for assets		59,016,015	
Gain on sales of non-current assets		31,177,487	90,193,502
Net income			
			11,067,946,885
Reversal of reserve fund carried over from the previous Mid-term Objective period			
			15,371,787,318
Total income for the current business year			
			4,303,840,433

Statement of Cash Flows (April 1, 2017–March 31, 2018)

(Unit: Yen)

I. Cash flows from operating activities	
Payments in the operating expenses	(134,815,098,867)
Payments for grant aid	(89,465,484,938)
Payments for contracted programs	(196,634,977)
Payments of personnel expenses	(16,866,980,274)
Payments for other operations	(659,549,113)
Proceeds from operational grants	154,315,760,000
Proceeds from grant aid	108,613,588,679
Proceeds from contracted programs	290,736,033
Proceeds from interest on loans	2,578,147
Proceeds from settlement projects	(240,532)
Interest revenues	211,981
Installments receivable	(452,513)
Proceeds from donations	15,331,595
Proceeds from other operations	3,374,415,147
Subtotal	24,608,420,900
Interest income received	10,132,874
Payments to national treasury	(8,391,626,823)
Net cash provided by operating activities	16,226,926,951
II. Cash flows from investing activities	
Payments for purchase of non-current assets	(1,820,146,604)
Proceeds from sales of non-current assets	44,485,077
Proceeds from collection of loans	48,670,306
Payments into time deposits	(130,210,000,000)
Proceeds from time deposit refund	130,210,000,000
Payments for purchase of negotiable deposits	(425,000,000,000)
Proceeds from refund of negotiable deposits	523,000,000,000
Net cash used in investing activities	96,273,008,779
III. Cash flows from financing activities	
Repayments of lease obligations	(141,356,803)
Payments to national treasury for unnecessary property	(610,718,937)
Net cash used in financing activities	(752,075,740)
IV. Effect of exchange rate fluctuation on funds	(175,020,934)
V. Net increase (decrease) in funds	111,572,839,056
VI. Funds at the beginning of the business year	80,337,359,250
VII. Funds at the end of the business year	191,910,198,306

Statement of Administrative Service Operation Cost (April 1, 2017–March 31, 2018)

(Unit: Yen)

I. Operating expenses		
(1) Expenses in the statement of income		
Operating expenses	229,248,338,486	
General administrative expenses	8,585,574,614	
Financial expenses	347,505,507	
Miscellaneous loss	2,529,667	
Loss on disposal of non-current assets	75,743,362	
Loss on sales of non-current assets	3,876,799	
Payments to national treasury	610,718,937	238,874,287,372
(2) (Deduction) Self-revenues, etc.		
Revenues from contracted programs	(195,917,257)	
Revenues from interest on development projects	(883,222)	
Revenues from settlement projects	(218,580)	
Revenues from emigration projects	(1,657,019)	
Donations	(35,981,241)	
Reversal of allowance for loan losses	(49,063,830)	
Financial revenues	(10,146,338)	
Miscellaneous income	(4,191,449,011)	
Gain on sales of non-current assets	(31,177,487)	(4,516,493,985)
Total operating expenses		234,357,793,387
II. Depreciation not included in expenses		1,249,821,872
III. Disposal and sale differential not included in expenses		30,387,406
IV. Estimated bonus payments not included in provision		52,133,990
V. Estimated increase in retirement benefits not included in provision		(319,124,159)
VI. Opportunity cost		
Opportunity cost of government investment		18,021,185
VII. (Deduction) Corporation taxes and payments to national treasury		(610,718,937)
VIII. Administrative service operation cost		<u>234,778,314,744</u>

Significant Accounting Policies

1 Revenue recognition method of operational grants

Revenue from operational grants is recognized based on the level of operational achievement.

The revenue recognition method based on term is applied for administrative operations except the operations which have been specified as having a direct correlation between the operational achievement and operational grants.

The revenue from disaster relief operations, which are relief operations for unexpected disasters during the period, is recognized as the related expenses are incurred, since it is difficult to estimate the budget and terms, and specify a correlation between the operational achievement and operational grants.

2 Depreciation method**(1) Tangible assets (except for lease assets)**

Straight-line method

The useful lives of major assets are as follows:

Buildings:	1–50 years
Structures:	1–42 years
Machinery and equipment:	1–17 years
Vehicles:	1–6 years
Tools, furniture, and fixtures:	1–15 years

The estimated depreciation costs for specific depreciable assets (Accounting Standard for Incorporated Administrative Agency No. 87) and

specific removal costs, etc., associated with asset retirement obligations (Accounting Standard for Incorporated Administrative Agency No. 91) are indirectly deducted from capital surplus and reported as accumulated depreciation not included in expenses.

(2) Intangible assets (except for lease assets)

Straight-line method

Software used by JICA is depreciated over its useful life (5 years).

(3) Lease assets

Lease assets are depreciated by the straight-line method over the lease term. Depreciation for lease assets is calculated with zero residual value being assigned to the asset.

3 Provision for bonuses

A provision for bonuses is not accrued since the financial source is secured by operational grants.

The estimated bonus payments not included in the provision in the statement of administrative service operation cost is reported as a current business year estimate of the provision for bonuses, calculated according to the Accounting Standard for Incorporated Administrative Agency No. 88.

4 Provision for retirement benefits

A provision for retirement benefits is not accrued for retirement benefits since the financial source is secured by operational grants.

A provision for retirement benefits is not provided for pension benefits from the defined benefit corporate pension plan since the financial source for defined benefit corporate pension plan insurance fees and reserve shortfall is secured by operational grants.

The estimated increase in retirement benefits not included in the provision in the statement of administrative service operation cost is reported as the current business year increase in the provision for retirement benefits regarding retirement benefits and employees' pension fund, calculated according to the Accounting Standard for Incorporated Administrative Agency No. 38.

5 Basis and standard for the accrual of allowance and loss contingencies**Allowance for loan losses**

To provide for loan losses, JICA records the estimated amount of default as an allowance, taking into account the transition rate to delinquent loans for the ordinary loans. For doubtful loans, collectability is individually taken into consideration and the estimated amount of default is recorded as an allowance.

6 Standard and method for the valuation of inventories**Stored goods**

Stored goods valuation is based on the lower of cost or market using the first-in, first-out (FIFO) method.

7 Translation standard for foreign currency-denominated assets and liabilities into yen

Foreign currency monetary claims and liabilities are translated into Japanese yen at the spot exchange rate at the balance sheet date. Exchange differences are recognized as profit or loss.

8 Method for computing opportunity cost in the Statement of Administrative Service Operation Cost

Interest rate used to compute opportunity cost of government investment:

0.045% with reference to the yield of 10-year fixed-rate Japanese government bonds at the end of March 2018.

9 Accounting treatment for consumption taxes

Consumption taxes and local consumption taxes are included in transaction amounts.

10 Changes in presentation of the Statement of Income

Certain accounts in the statement of income have been reclassified in the business year 2017. To reflect these changes in presentation, the statement of income for the business year 2016 was reclassified as follows:

(Unit: Yen)

Before the change		After the change		Difference
Ordinary expenses		Ordinary expenses		
Operating expenses		Operating expenses		
Expenses for technical cooperation projects	80,680,879,609	Expenses for priority sectors and regions	92,482,794,996	
Expenses for grant aid (operation support)	306,662,973	Expenses for domestic partnership	19,215,439,001	
Expenses for public participation-based cooperation	15,776,368,070	Expenses for private sector partnership	4,672,821,095	
Expenses for emigration projects	360,261,588	Expenses for other operations	3,856,503,104	
Expenses for disaster relief activities	600,474,741	Expenses for operation support	37,950,207,088	
Expenses for training and securing the personnel	1,476,575,107			
Expenses for assistance promotion	22,118,410,699	Expenses for grant aid	79,245,955,630	
Expenses for related to operation	7,069,769,946	Expenses for facilities	9,351,720	
Expenses for operation support	28,996,345,250	Expenses for contracted programs	254,656,876	
Expenses for grant aid	79,245,955,630	Expenses for donation projects	16,856,587	
Expenses for facilities	9,351,720	Depreciation	488,916,671	792,017,301
Expenses for contracted programs	254,656,876	General administrative expenses	8,659,479,900	(792,017,301)
Expenses for donation projects	16,856,587	Financial expenses		
Depreciation	488,916,671	Foreign exchange losses	90,309,286	0
General administrative expenses	9,451,497,201	Miscellaneous loss	2,348,975	0
Financial expenses		Total ordinary expenses	246,945,640,929	0
Foreign exchange losses	90,309,286			
Miscellaneous loss	2,348,975	Ordinary revenues Total ordinary revenues	258,917,940,432	0
Total ordinary expenses	246,945,640,929	Ordinary income	11,972,299,503	0
		Extraordinary losses	44,859,099	0
Ordinary revenues Total ordinary revenues	258,917,940,432	Extraordinary income	24,189,992,225	0
Ordinary income	11,972,299,503	Net income	36,117,432,629	0
		Reversal of reserve fund carried over from the previous Mid-term Objective period	501,370,340	0
Extraordinary losses	44,859,099	Total income for the current business year	36,618,802,969	0
Extraordinary income	24,189,992,225			
Net income	36,117,432,629			
Reversal of reserve fund carried over from the previous Mid-term Objective period	501,370,340			
Total income for the current business year	36,618,802,969			

Notes to the financial statements

(Balance Sheet)

1 Estimated retirement benefits to be provided from the operational grants

¥15,811,396,073

2 Estimated bonus to be provided from the operational grants

¥1,129,848,190

3 Impairment loss on non-current assets

Non-current assets indicating impairment loss

(1) Outline of usage, type, location, book value of non-current assets that indicated an impairment loss

(Unit: Yen)

Name of asset	Usage	Location	Type	Book value
Soubudai Jutaku	Employee housing	Zama city, Kanagawa prefecture	Building	476,373,498

(2) Background and reason for the indication of impairment loss

The asset presented an impairment indicator since the occupancy ratio was less than 50% at the end of business year 2017. However, impairment loss has not been recognized because the building continues to be utilized for employee housing.

4 Donated funds for grant aid

Grant aid is received in the form of donated funds from the government of Japan. JICA administers this grant aid based on grant agreements with the government of the recipient country. At the end of business year 2017, the outstanding balance of unexecuted grant agreements stood at ¥288,852,416,647.

(Statement of Cash Flows)

The funds shown in the statement of cash flows consist of cash, deposit accounts, and checking accounts.

1 Breakdown of balance sheet items and ending balance of funds

(as of March 31, 2018)

Cash and deposits	¥198,210,198,306
Time deposits	¥(6,300,000,000)
Ending balance of funds	¥191,910,198,306

2 Description of significant non-cash transactions

Assets acquired under finance leases

Tools, furniture, and fixtures ¥127,338,623

3 Description of payments to National Treasury

"Payments to National Treasury" presented in "Cash flows from operating activities"

Reserve fund generated during the Third Mid-term Objective period has been paid to the National Treasury in accordance with Paragraph 3, Article 31 (3) of the Act of the Incorporated Administrative Agency - Japan International Cooperation Agency.

(Statement of Administrative Service Operation Cost)

Number of public officers temporarily transferred to JICA and accounted for as opportunity cost

Of the estimated increase in retirement benefits not included in the provision, ¥18,279,915 was recognized as the current-business-year increase in provision for retirement benefits for 32 public officers temporarily transferred to JICA according to JICA's internal rules.

(Financial Instruments)

1 Status of financial instruments

The General Account's fund management is limited to short-term deposits and public and corporate bonds while fund-raising consists mainly of operational grants approved by the competent minister. The General Account does not borrow from the government fund for Fiscal Investment and Loan Program (FILP), nor does it borrow funds from financial institutions or issue FILP Agency Bonds.

2 Fair value of financial instruments

Balance sheet amount, fair value, and difference at the balance sheet date are as follows:

(Unit: Yen)

	Balance sheet amount	Fair value	Difference
(1) Cash and deposits	198,210,198,306	198,210,198,306	0
(2) Accounts payable	(14,072,302,217)	(14,072,302,217)	0

(Note) Liabilities are shown in parentheses ().

(Note 1) Calculation method for fair value of financial instruments and matters concerning accounts payable

[1] Cash and deposits

Cash and deposits are valued at book value because fair value approximates book value since these items are settled in a short period of time.

[2] Accounts payable

Accounts payable are valued at book value because fair value approximates book value since these items are settled in a short period of time.

(Retirement benefits)

1 Overview of retirement benefit plans

To provide retirement benefits for employees, JICA has a defined benefit pension plan comprised of a defined benefit corporate pension plan and a lump-sum severance indemnity plan, and a defined contribution plan comprised of a defined contribution pension plan.

On February 16, 2018, JICA transferred the minimum actuarial liability of the substitutional portion of the Employees' Pension Fund to the National Treasury.

2 Defined benefit pension plan**(1) The changes in the retirement benefit obligation are as follows:**

(Unit: Yen)

Retirement benefit obligation at the beginning of the business year	30,911,805,848
Current service cost	1,070,990,844
Interest cost	140,063,526
Actuarial difference	(416,646,379)
Retirement benefit paid	(1,018,618,533)
Past service cost	0
Contribution by employees	61,587,581
Decrease associated with the transfer of benefit obligation relating to the Employees' Pension Fund	(6,673,026,984)
Retirement benefit obligation at the end of the business year	24,076,155,903

(2) The changes in the plan assets are as follows:

(Unit: Yen)

Plan assets at the beginning of the business year	14,763,005,701
Expected return on plan assets	0
Actuarial difference	317,719,660
Contribution by the company	415,559,808
Retirement benefit paid	(331,278,875)
Contribution by the employee	61,587,581
Decrease associated with the transfer of benefit obligation relating to the Employees' Pension Fund	(6,961,834,045)
Plan assets at the end of the business year	8,264,759,830

(3) Reconciliation of the projected benefit obligations and plan assets and provision for retirement benefits and prepaid pension expenses in the balance sheets

	(Unit: Yen)
Funded retirement benefit obligation	10,339,186,129
Plan assets	(8,264,759,830)
Unfunded benefit obligations of funded pension plan	2,074,426,299
Unfunded benefit obligations of unfunded pension plan	13,736,969,774
Subtotal	15,811,396,073
Unrecognized actuarial differences	0
Unrecognized past service cost	0
Net amount of assets and liabilities in the balance sheets	0
Provision for retirement benefits	0
Prepaid pension expenses	0
Net amount of assets and liabilities in the balance sheets	0

(Note) A provision for retirement benefits is not accrued for the difference between retirement benefit obligations and plan assets and net amount of assets and liabilities in the balance sheet, ¥15,811,396,073, since the financial source is secured by operational grants.

(4) Components of retirement benefit expenses

	(Unit: Yen)
Current service cost	1,070,990,844
Interest cost	140,063,526
Expected return on plans assets	0
Realized actuarial differences	(734,366,039)
Amortization of past service cost	0
Extraordinary additional retirement payments	0
Total	476,688,331
Loss on transfer of benefit obligation relating to Employees' Pension Fund (Note)	288,807,061

(Note) Loss on transfer of benefit obligation relating to the Employees' Pension Fund is presented in the statement of administrative service operation cost as a deduction amount.

(5) Major components of plan assets

Percentages of components to the total are as follows:

Bonds	38%
Stocks	35%
General account of life insurance company	19%
Others	8%
Total	100%

(6) Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on components of plan assets, the actual historical returns, and market condition, etc.

(7) Assumptions used

Principal assumptions used in actuarial calculations at the end of the business year

Discount rate	Defined benefit corporate pension plan	0.23%
	Retirement benefits	0.74%
Long-term expected rate of return on plan assets		0.00%

3 Defined contribution plan

The amount of contribution required to be made to the defined contribution plan is ¥46,387,450.

(Lease transactions)

1. Future minimum lease payments related to operating lease transactions

Future minimum lease payments due within one year of the balance sheet date	¥45,058,224
Future minimum lease payments corresponding to periods more than one year from the balance sheet date	¥54,194,406

2. The impact of the finance lease transactions on the current business year's profits and losses was ¥22,207,448. Total income for the current business year after the deduction of this amount was ¥4,326,047,881.

(Asset retirement obligations)

JICA has a building lease agreement for its head office building, and has

obligations to restore the building to its original state at the termination of the lease period. Therefore, these asset retirement obligations have been recorded. The estimate for the asset retirement obligations assumes a five-year lease period for the projected period of use and a discount rate of 0.529%.

The balance of the asset retirement obligations at the end of the current business year was ¥276,125,850.

(Payments to the National Treasury, etc., for unnecessary property)

Funds retained by JICA

1. Summary of the type and book value of the assets that were paid to the National Treasury as unnecessary property

Type of assets	Book value
Cash and deposits	¥610,718,937

2. Reason for which the property became unnecessary

When the Third Mid-term Objective period closed, the Company examined the reserve fund to determine amounts to pay to the National Treasury in accordance with Article 31 of the Act of the Incorporated Administrative Agency – Japan International Cooperation Agency. The Company identified certain expenses without cash outlay that offset a portion of the reserve, creating a cash surplus. This surplus was paid to the National Treasury as unnecessary property.

3. Method of payment to the National Treasury: Transfer by cash pursuant to Paragraph 1, of Article 46-2 of the Act on General Rules for Incorporated Administrative Agency.

4. Amount and date of payment to the National Treasury: ¥610,718,937, November 27, 2017

5. Capital reduction: Not applicable

(Significant contractual liabilities)

Contractual liabilities JICA is obligated to pay during the next business year and thereafter are ¥8,361,722,464.

(Significant subsequent events)

Not applicable

The financial statements have been audited by an accounting auditor as prescribed in Article 39 of the Act on General Rules for Incorporated Administrative Agencies.

2 Finance and Investment Account

Balance Sheet (as of March 31, 2018)

Assets			
I. Current assets			
Cash and deposits		255,638,891,695	
Securities		5,000,000,000	
Loans	12,005,003,608,497		
Allowance for loan losses	<u>(171,804,355,614)</u>	11,833,199,252,883	
Advance payments		22,629,176,659	
Prepaid expenses		46,547,324	
Accrued income			
Accrued interest on loans	29,393,779,986		
Accrued commitment charges	585,108,240		
Accrued interest	<u>1,892,778</u>	29,980,781,004	
Accounts receivable		1,552,544,987	
Suspense payments		5,158,252	
Advances paid		251,251	
Short-term guarantee deposits		<u>23,686,000,000</u>	
	Total current assets		12,171,738,604,055
II. Non-current assets			
1. Tangible assets			
Buildings	3,249,058,595		
Accumulated depreciation	(1,036,977,297)		
Accumulated impairment loss	<u>(664,850,656)</u>	1,547,230,642	
Structures	50,286,752		
Accumulated depreciation	(23,528,596)		
Accumulated impairment loss	<u>(11,670,468)</u>	15,087,688	
Machinery and equipment	196,235,042		
Accumulated depreciation	(68,733,949)		
Accumulated impairment loss	<u>(102,287,680)</u>	25,213,413	
Vehicles	399,196,099		
Accumulated depreciation	<u>(209,824,296)</u>	189,371,803	
Tools, furniture and fixtures	713,654,212		
Accumulated depreciation	<u>(229,254,026)</u>	484,400,186	
Land	12,703,270,000		
Accumulated impairment loss	<u>(6,091,196,973)</u>	6,612,073,027	
Construction in progress		<u>30,170,571</u>	
	Total tangible assets		8,903,547,330
2. Intangible assets			
Trademark rights		376,543	
Software		4,360,497,062	
Software in progress		<u>875,362,140</u>	
	Total intangible assets		5,236,235,745
3. Investments and other assets			
Investment securities		4,701,414,283	
Shares of affiliated companies		43,545,746,439	
Money held in trust		32,551,007,158	
Claims probable in bankruptcy, claims probable in rehabilitation, and other	87,062,884,239		
Allowance for loan losses	<u>(75,454,149,239)</u>	11,608,735,000	
Long-term prepaid expenses		18,955,998	
Long-term guarantee deposits		<u>637,985,591</u>	
	Total investments and other assets		93,063,844,469
	Total non-current assets		107,203,627,544
	Total assets		<u>12,278,942,231,599</u>

(Unit: Yen)

Liabilities			
I. Current liabilities			
Current portion of bonds		20,000,000,000	
Current portion of borrowings from government fund for Fiscal Investment and Loan Program		150,179,140,000	
Accounts payable		9,698,029,069	
Accrued expenses		5,788,404,227	
Derivatives		14,786,306,427	
Lease obligations		146,786,342	
Deposits received		1,475,413,014	
Unearned revenue		29,500,912	
Provision			
Provision for bonuses	299,206,990		
Provision for contingent losses	10,598,349,655	10,897,556,645	
Suspense receipt		254,424,251	
	Total current liabilities		213,255,560,887
II. Non-current liabilities			
Bonds		683,132,300,000	
Discounts on bonds payable		(511,988,015)	
Borrowings from government fund for Fiscal Investment and Loan Program		1,761,333,996,000	
Long-term lease obligations		264,098,611	
Long-term deposits received		3,482,110,590	
Provision for retirement benefits		4,203,029,335	
Asset retirement obligations		70,374,150	
	Total non-current liabilities		2,451,973,920,671
	Total liabilities		2,665,229,481,558
Net assets			
I. Capital			
Government investment		8,037,407,840,510	
	Total capital		8,037,407,840,510
II. Retained earnings			
Reserve fund		1,546,921,423,987	
Unappropriated income for the current business year		79,188,199,636	
[Total income for the current business year]		[79,188,199,636]	
	Total retained earnings		1,626,109,623,623
III. Valuation and translation adjustments			
Valuation difference on available-for-sale securities		825,870,545	
Deferred gains or losses on hedges		(50,630,584,637)	
	Total valuation and translation adjustments		(49,804,714,092)
	Total net assets		9,613,712,750,041
	Total liabilities and net assets		<u>12,278,942,231,599</u>

Statement of Income (April 1, 2017–March 31, 2018)

Ordinary expenses			
Expenses related to operations of cooperation through finance and investment			
Interest on bonds and notes	7,326,628,700		
Interest on borrowings	17,129,716,620		
Interest on interest rate swaps	7,395,217,720		
Other Interest expenses	1,072,381		
Operations consignment expenses	32,483,902,798		
Bond issuance cost	557,428,609		
Personnel expenses	3,895,897,131		
Provision for bonuses	299,206,990		
Retirement benefit expenses	137,434,028		
Operating and administrative expenses	14,211,824,486		
Depreciation	461,213,132		
Taxes	80,204,280		
Loss on valuation of investment securities	174,271,092		
Loss on valuation of shares of affiliated companies	144,271,351		
Loss on investment in money held in trust	1,496,956,731		
Provision for allowance for loan losses	8,243,754,317		
Other operating expenses	10,253,259		
Other ordinary expenses	165,253	94,049,418,878	
	Total ordinary expenses		94,049,418,878
Ordinary revenues			
Revenues from operations of cooperation through finance and investment			
Interest on loans	145,294,026,977		
Interest on bonds	35,195		
Dividends on investments	19,319,269,360		
Commissions	3,307,928,027		
Foreign exchange gains	1,247,622,840		
Reversal of provision for allowance for contingent losses	2,531,838,198	171,700,720,597	
Financial revenues			
Interest income	265,642,131	265,642,131	
Miscellaneous income		1,341,852,540	
Recoveries of written-off claims		19,878,116	
	Total ordinary revenues		173,328,093,384
	Ordinary income		79,278,674,506
Extraordinary losses			
Loss on disposal of non-current assets		19,918,110	
Loss on sales of non-current assets		178,739	
Loss on transfer of benefit obligation relating to Employees' Pension Fund		76,771,497	96,868,346
Extraordinary income			
Gain on sales of non-current assets		6,393,476	6,393,476
Net income			79,188,199,636
Total income for the current business year			79,188,199,636

Statement of Cash Flows (April 1, 2017–March 31, 2018)

(Unit: Yen)

I. Cash flows from operating activities	
Payments for loans	(1,112,260,552,210)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(231,405,795,000)
Interest expenses paid	(28,807,382,166)
Payments for personnel expenses	(4,484,778,574)
Payments for other operations	(77,893,057,638)
Proceeds from collection of loans	774,112,730,179
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	402,600,000,000
Proceeds from issuance of bonds	114,429,196,331
Proceeds from interest on loans	142,494,434,147
Proceeds from commissions	2,958,736,026
Proceeds from other operations	29,035,273,786
Subtotal	10,778,804,881
Interest and dividend income received	19,583,233,800
Net cash provided by operating activities	30,362,038,681
II. Cash flows from investing activities	
Payments for purchase of non-current assets	(4,966,055,905)
Proceeds from sales of non-current assets	57,675,132
Payments for purchase of investment securities	(2,316,175,719)
Proceeds from sales and redemption of investment securities	373,465,981
Payments for purchase of shares of affiliated companies	(1,524,650,100)
Proceeds from sales and redemption of shares of affiliated companies	927,360,000
Payments for increase of money held in trust	(17,448,681,227)
Payments into time deposits	(221,592,949,000)
Proceeds from time deposit refund	215,201,041,000
Payments for purchase of negotiable deposits	(30,100,000,000)
Proceeds from refund of negotiable deposits	27,100,000,000
Net cash used in investing activities	(34,288,969,838)
III. Cash flows from financing activities	
Repayments of lease obligations	(75,853,680)
Receipt of government investment	45,180,000,000
Net cash provided by financing activities	45,104,146,320
IV. Effect of exchange rate fluctuation on funds	(1,215,617,532)
V. Net increase (decrease) in funds	39,961,597,631
VI. Funds at the beginning of the business year	208,992,616,064
VII. Funds at the end of the business year	248,954,213,695

Statement of Administrative Service Operation Cost (April 1, 2017–March 31, 2018)

(Unit: Yen)

I. Operating expenses	
(1) Expenses in the statement of income	
Expenses related to operations of cooperation through finance and investment	94,049,418,878
Loss on disposal of non-current assets	19,918,110
Loss on sales of non-current assets	178,739
Loss on transfer of benefit obligation relating to Employees' Pension Fund	76,771,497
	94,146,287,224
(2) (Deduction) Self-revenues, etc.	
Revenues from operations of cooperation through finance and investment	(171,700,720,597)
Financial revenues	(265,642,131)
Miscellaneous income	(1,341,852,540)
Recoveries of written-off claims	(19,878,116)
Gain on sales of non-current assets	(6,393,476)
	(173,334,486,860)
Total operating expenses	(79,188,199,636)
II. Estimated increase in retirement benefits not included in provision	4,859,214
III. Opportunity cost	
Opportunity cost of government investment	3,606,668,028
IV. Administrative service operation cost	(75,576,672,394)

Significant Accounting Policies

1 Depreciation method

(1) Tangible assets (except for lease assets)

Straight-line method

The useful lives of major assets are as follows:

Buildings:	2–50 years
Structures:	2–46 years
Machinery and equipment:	2–17 years
Vehicles:	2– 6 years
Tools, furniture and fixtures:	2–15 years

(2) Intangible assets (except for lease assets)

Straight-line method

Software used by JICA is depreciated over its useful life (5 years).

(3) Lease assets

Lease assets are depreciated by the straight-line method over the lease term. Depreciation for lease assets is calculated with zero residual value being assigned to the asset.

2 Provision for bonuses

The provision for bonuses is calculated and provided for based on estimated amounts of future payments attributable to the services that have been rendered by officers and employees applicable to the current business year.

3 Provision for retirement benefits

The provision for retirement benefits is calculated and provided for based on estimated amounts of future payments attributable to the retirement of employees, and is accrued in line with the retirement benefit obligations and estimated plan assets applicable to the business year ended March 31, 2018. In calculating the retirement benefit obligations, the estimated amount of retirement benefit payments is attributed to the period based on the straight-line basis. The profit and loss appropriation method for actuarial differences and past service costs are presented as follows:

Actuarial differences are recognized as a lump-sum gain or loss in the business year in which they occur.

Past service costs are recognized as a lump-sum gain or loss in the business year in which they occur.

The estimated increase in retirement benefits not included in the provision in the statement of administrative service operation cost is reported as the current business year increase in the provision for retirement benefits regarding retirement benefits, calculated according to the Accounting Standard for Incorporated Administrative Agency No. 38.

4 Basis and standard for the accrual of allowance and loss contingencies

(1) Allowance for loan losses

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 for the business year 2017.

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. 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.

(2) Provision for contingent losses

Provision for contingent losses is provided to prepare for the occurrence of contingent losses for a portion of the undisbursed balance of loan commitments, which JICA is absolutely obligated to extend. The amount of the provision is estimated based on the possibility of losses in the future.

5 Standard and method for the valuation of securities

(1) Held-to-maturity securities

Held-to-maturity securities are carried at amortized cost (straight-line method).

(2) Shares of affiliated companies

Shares of affiliated companies are stated at cost, determined using the moving-average method.

However, when the amount corresponding to the equity holding has fallen below the cost at acquisition, the amount corresponding to the equity holding is used.

(3) Other investment securities

[1] Securities whose fair value can be readily determined

Such investment securities are stated at fair value.

[2] Securities whose fair value cannot be readily determined

Such Investment securities are carried at cost based on the moving average method.

Investments in limited partnerships and other similar partnerships, which are regarded as securities under Article 2, Clause 2 of the Japanese Financial Instruments and Exchange Law, Act No. 25 of 1948, are recognized at an amount equivalent to JICA's percentage share of the net assets of such partnerships, based upon the most recent financial statements available depending on the report date stipulated in the partnership agreement.

(4) Securities held as trust assets in money-held-in trust account

The securities are valued in the same way as (3) above.

6 Standard and method for the valuation of derivative transactions

All derivative financial instruments are carried at fair value.

7 Method for amortization of discount on bonds payable

Discount on bonds payable is amortized over the duration of the bonds.

8 Translation standard for foreign currency-denominated assets and liabilities into yen

Foreign currency money claims and liabilities are translated into Japanese yen mainly at the spot exchange rate at the balance sheet date. Exchange differences are recognized as profit or loss.

9 Method for computing opportunity cost in the statement of administrative service operation cost

Interest rate used to compute opportunity cost concerning government investment:

0.045% with reference to the yield of 10-year fixed-rate Japanese government bonds at the end of March 2018.

10 Method of hedge accounting

(1) Method of hedge accounting

Interest rate swaps are accounted for using the deferral hedge accounting

method or the exceptional accrual method. Currency swaps are accounted for by the assignment method. As for interest rate and currency swaps, the interest rate part is accounted for using the exceptional accrual method and the currency part is accounted for by the assignment method.

(2) Hedging instruments and hedged items

- [1] Hedging instruments...Interest rate swaps
Hedged items...Loans and foreign currency bonds
- [2] Hedging instruments...Currency swaps
Hedged items...Foreign currency bonds
- [3] Hedging instruments...Interest rate and currency swaps
Hedged items...Foreign currency bonds

(3) Hedging policy

JICA enters into interest rate swaps, currency swaps, or interest rate and currency swaps for the purpose of hedging interest rate or currency fluctuation risks.

(4) Method of evaluation of hedge effectiveness

Hedges that offset market fluctuations of loans are assessed based on discrepancies with regard to maturity and notional principal and others between hedged loans and hedging instruments.

As for interest rate swaps that satisfy the requirements of the exceptional accrual method, currency swaps that satisfy the requirements of the assignment method, and interest rate and currency swaps that satisfy the requirements of the exceptional accrual method and the assignment method, JICA is not required to periodically evaluate hedge effectiveness.

11 Accounting treatment for consumption taxes

Consumption taxes and local consumption taxes are included in transaction amounts.

Notes to the financial statements

(Balance Sheet)**1 Joint obligations**

JICA is jointly liable for obligations arising from the following bonds issued by the former Japan Bank for International Cooperation which was succeeded by the Japan Bank for International Cooperation:

Fiscal Investment and Loan Program (FILP) Agency Bonds
¥100,000,000,000

2 Undisbursed balance of loan commitments

Most of JICA's loans are long term. Ordinarily, when receiving a request for disbursement of a loan from a borrower, corresponding to the intended use of funds as stipulated by the loan agreement, and upon confirming the fulfillment of conditions prescribed under the loan agreement, JICA promises to loan a certain amount of funds within a certain range of the amount required by the borrower, with an outstanding balance within the limit of loan commitments. The undisbursed balance of loan commitments as of March 31, 2018 was ¥6,851,729,728,648.

(Statement of Income)**1 Gain (loss) on valuation of investment securities and gain (loss) on valuation of shares of affiliated companies**

Gain (loss) on valuation of investment securities and gain (loss) on valuation of shares of affiliated companies include gain and loss resulting from valuations, sales and liquidation of these securities.

2 Recoveries of written-off claims

Recoveries of written-off claims include the amount recovered in excess of book value of the loans transferred to JICA on October 1, 2008, that are associated with the Overseas Economic Cooperation Account of the former Japan Bank for International Cooperation.

(Statement of Cash Flows)

The funds shown in the statement of cash flows are deposit accounts and checking accounts.

1 Breakdown of balance sheet items and ending balance of funds

(as of March 31, 2018)	
Cash and deposits	¥255,638,891,695
Time deposits	¥(6,684,678,000)
Ending balance of funds	¥248,954,213,695

2 Description of significant non-cash transactions

Assets acquired under finance leases	
Tools, furniture and fixtures	¥453,668,523

(Statement of Administrative Service Operation Cost)

Number of public officers temporarily transferred to JICA and accounted for as opportunity cost

Of the estimated increase in retirement benefits not included in the provision, ¥4,859,214 was recognized as the current-business-year increase of provision for retirement benefits for 32 public officers temporarily transferred to JICA according to JICA's internal rules.

(Financial instruments)**1 Status of financial instruments****(1) Policy regarding financial instruments**

The Finance and Investment Account undertakes financial cooperation operations by providing debt and equity financing. In undertaking these operations, it raises funds by borrowing from the Japanese Government under the FILP, borrowing from financial institutions, issuing bonds, and receiving capital investment from the Japanese Government. From the perspective of asset-liability management (ALM), derivative transactions are entered into for mitigating the adverse impact caused by interest rate and foreign exchange fluctuations.

(2) Details of financial instruments and related risks

The financial assets held in the Finance and Investment Account are loans mainly to developing regions, and are exposed to credit risk attributed to defaults by its borrowers and interest rate risk. Securities, investment securities, and shares of affiliated companies are held for policy-oriented purposes, and are exposed to credit risk of issuers, interest rate risk, and market price volatility risk.

Borrowings and bonds are exposed to liquidity risk as their payments or repayments cannot be duly serviced in such a situation where the account is unable to have access to markets for certain reasons.

In addition to the above, foreign currency claims and liabilities are exposed to foreign exchange fluctuation risk.

(3) Risk management system for financial instruments**[1] Credit risk management**

The Finance and Investment Account has established and operates a system for credit management. This system encompasses credit appraisal, credit limit setting, credit information monitoring, internal rating, guarantee and collateral setting, problem loan management, etc., in accordance with integrated risk management rules and various credit risk-monitoring rules. This credit management is carried out by the operational departments (including region department), in addition to the Credit Risk Analysis and Environmental Review Department and General Affairs Department. Additionally, the Risk Management Committee of the Finance and Investment Account and Board Meeting convene on a regular basis for the purpose of deliberating or reporting. Moreover, the Office of Audit monitors the status of credit management.

The credit risks of issuers of investment securities and shares of affiliated companies are monitored by the Private Sector Partnership and Finance Department, which regularly confirms their credit information, etc.

Counterparty risk in derivative transactions is monitored by regularly confirming the exposure and credit standing of counterparties and by securing collateral as necessary.

[2] Market risk management**(i) Interest rate risk management**

Interest rates are determined in accordance with the methods prescribed by laws or statements of operational procedures. Interest rate swap transactions are conducted to hedge against the risk of interest rate fluctuations in light of their possible adverse impact.

(ii) Foreign exchange risk management

Foreign currency claims and liabilities are exposed to foreign exchange fluctuation risk; as such, foreign currency claims are funded by foreign currency liabilities, and currency swaps and other approaches are employed to avert or reduce foreign exchange risk.

(iii) Price volatility risk management

Stocks and other securities that are held for policy-oriented purposes are monitored for changes in value affected by the market environment or financial condition of the companies, exchange rates, and other factors.

This information is reported on a regular basis to the Risk Management Committee of the Finance and Investment Account and Board Meeting.

[3] Liquidity risk management related to fund raising

The Finance and Investment Account prepares a funding plan and executes fund raising based on the government-affiliated agencies' budgets, as resolved by the National Diet of Japan.

[4] Derivative transaction management

Pursuant to rules concerning swaps, derivative transactions are implemented and managed by separating the sections related to execution of transactions, assessment of hedge effectiveness, and logistics management based on a mechanism with an established internal system of checks and balances.

2 Fair value of financial instruments

Balance sheet amount, fair value, and difference at the balance sheet date are as follows:

	(Unit: Yen)		
	Balance sheet amount	Fair value	Difference
(1) Loans	12,005,003,608,497		
Allowance for loan losses	(171,804,355,614)		
	11,833,199,252,883	12,326,420,704,963	493,221,452,080
(2) Investment securities			
Other investment securities	1,579,104,002	1,579,104,002	0
(3) Claims probable in bankruptcy, claims probable in rehabilitation, and other	87,062,884,239		
Allowance for loan losses	(75,454,149,239)		
	11,608,735,000	11,608,735,000	0
(4) Borrowings from government fund for FILP (including borrowings due within one year)	[1,911,513,136,000]	[1,994,372,272,939]	[82,859,136,939]
(5) Bonds (including bonds due within one year)	[703,132,300,000]	[756,198,868,887]	[53,066,568,887]
(6) Derivative transactions			
Derivative transactions not qualifying for hedge accounting	30,561,550	30,561,550	0
Derivative transactions qualifying for hedge accounting	[14,816,867,977]	[14,816,867,977]	0
	[14,786,306,427]	[14,786,306,427]	0

* Liabilities are shown in brackets [].

(Note 1) Method for calculating fair values of financial instruments

[1] Loans

The fair values of loans with floating interest rates are calculated at their book values, as policy interest rates (bank rates) are immediately reflected in their floating interest rates, and therefore, fair value approximates book value. On the other hand, fair values of loans with fixed interest rates are calculated by discounting the total amount of the principal and interest using a rate that combines a risk-free rate with the respective borrowers' credit risk.

[2] Investment securities

The fair value of other investment securities is based on quoted market prices.

[3] Claims probable in bankruptcy, claims probable in rehabilitation, and other

Regarding claims probable in bankruptcy, claims probable in rehabilitation, and other, the estimated uncollectible amount is calculated based on the expected recoverable amount through collateral and guarantees. Therefore, fair value approximates the balance sheet amount, less the current estimated uncollectible amount, and hence is calculated accordingly.

[4] Borrowings from government fund for FILP (including borrowings due within one year)

The fair value of borrowings from government fund for FILP (including borrowings due within one year) is calculated by discounting the total amount of principal and interest using interest rates expected to be applied to new borrowings for the same total amount.

[5] Bonds (including bonds due within one year)

The fair value of bonds (including bonds due within one year) is determined using market observable prices if available. For bonds without market observable prices, the fair values are calculated by discounting contractual cash flows at the risk free rate. As for hedged bonds for which the exceptional accrual method and assignment method are applied, the fair value of such interest rate swaps and currency swaps is applied.

[6] Derivative transactions

Derivative transactions are interest rate-related transactions (interest rate swaps), and fair values are based on discounted present values. Interest rate swaps for which the exceptional accrual method is applied and currency swaps for which the assignment method is applied are accounted for together with the corresponding bond. The fair value of these hedging instruments is included in the fair value of the underlying bonds.

(Note 2) The following are financial instruments whose fair values are deemed to be extremely difficult to determine. They are not included in the fair value information of financial instruments.

	(Unit: Yen)
	Balance sheet amount
Investment securities *1	3,122,310,281
Shares of affiliated companies *1	43,545,746,439
Money held in trust *2	32,551,007,158
Undisbursed balance of loan commitments *3	0

*1 These financial instruments have no market prices, and the calculation of their fair values is deemed to be impractical.

*2 The money held in trust is composed of the assets in the trust for which it is difficult to determine the fair value.

*3 The fair values of the undisbursed balances of loan commitments are deemed to be extremely difficult to determine. The main reason is the difficulty of reasonably estimating future extensions of loans, because of the extremely diverse range of implementation formats for projects in the developing countries where these loans are provided.

(Money held in trust)

1 Money held in trust for the purpose of investment

Not applicable.

2 Money held in trust for the purpose of investment and held-to-maturity

Not applicable.

3 Other (other than for the purpose of investment and held-to-maturity)

	(Unit: Yen)				
	Balance sheet amount	Acquisition cost	Difference	The amount by which the balance sheet amount exceeds the acquisition cost	The amount by which the balance sheet amount does not exceed the acquisition cost
Money held in trust for others	32,551,007,158	33,797,336,360	1,246,329,202	0	1,246,329,202

(Note) "The amount by which the balance sheet amount exceeds the acquisition cost" and

"The amount by which the balance sheet amount does not exceed the acquisition cost" are the breakdown of "Difference".

(Retirement benefits)

1 Overview of retirement benefit plans

To provide retirement benefits for employees, JICA has a defined benefit pension plan comprised of a defined benefit corporate pension plan and a lump-sum severance indemnity plan, and a defined contribution plan comprised of a defined contribution pension plan.

On February 16, 2018, JICA transferred the minimum actuarial liability of the substitutional portion of the Employees' Pension Fund to the National Treasury.

2 Defined benefit pension plan

(1) The changes in the retirement benefit obligation are as follows:

	(Unit: Yen)
Retirement benefit obligation at the beginning of the business year	8,217,062,313
Current service cost	284,720,691
Interest cost	37,232,077
Actuarial differences	(110,754,100)
Retirement benefit paid	(270,772,015)
Past service cost	0
Contribution by employees	16,344,459
Decrease associated with the transfer of benefit obligation relating to the Employees' Pension Fund	(1,773,842,616)
Retirement benefit obligation at the end of the business year	6,399,990,809

(2) The changes in the plan assets are as follows:

	(Unit: Yen)
Plan assets at the beginning of the business year	3,924,343,287
Expected return on plan assets	0
Actuarial differences	86,086,950
Contribution by the company	108,862,364
Retirement benefit paid	(88,061,473)
Contribution by employees	16,344,459
Decrease associated with the transfer of benefit obligation relating to the Employees' Pension Fund	(1,850,614,113)
Plan assets at the end of the business year	2,196,961,474

(3) Reconciliation of the retirement benefit obligations and plan assets and provision for retirement benefits and prepaid pension expenses in the balance sheets

	(Unit: Yen)
Funded retirement benefit obligation	2,748,391,249
Plan assets	(2,196,961,474)
Unfunded benefit obligations of funded pension plan	551,429,775
Unfunded benefit obligations of unfunded pension plan	3,651,599,560
Subtotal	4,203,029,335
Unrecognized actuarial differences	0
Unrecognized past service cost	0
Net amount of assets and liabilities in the balance sheets	4,203,029,335
Provision for retirement benefits	4,203,029,335
Prepaid pension expenses	0
Net amount of assets and liabilities in the balance sheets	4,203,029,335

(4) Components of retirement benefit expenses

	(Unit: Yen)
Current service cost	284,720,691
Interest cost	37,232,077
Expected return on plans assets	0
Realized actuarial differences	(196,841,050)
Amortization of past service cost	0
Extraordinary additional retirement payments	0
Total	125,111,718
Loss on transfer of benefit obligation relating to Employees' Pension Fund (Note)	76,771,497

(Note) Recorded as a component of extraordinary losses.

(5) Major components of plan assets

Percentages of components to the total are as follows:

Bonds	38%
Stocks	35%
General account of life insurance company	19%
Others	8%
Total	100%

(6) Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on components of plan assets, its performance and market condition, etc.

(7) Assumptions used

Principal assumptions used in actuarial calculations at the end of the business year

Discount rate	Defined benefit corporate pension plan	0.23%
	Retirement benefits	0.74%
Long-term expected rate of return on plan assets		0.00%

3 Defined contribution plan

The amount of contribution required to be made to the defined contribution plan is ¥12,322,310.

(Lease transactions)

Future minimum lease payments related to operating lease transactions	
Future minimum lease payments due within one year of the balance sheet date	¥381,024
Future minimum lease payments corresponding to periods more than one year from the balance sheet date	¥887,896

(Asset retirement obligations)

JICA has a building lease agreement for its head office building, and has an obligation to restore the building to its original state at the termination of the lease period. Therefore, the asset retirement obligations have been recorded. The estimate for the asset retirement obligations assumes a five-year lease period for the projected period of use and a discount rate of 0.529%.

The balance of the asset retirement obligations at the end of the current business year was ¥70,374,150.

(Profit and loss under the equity method)

JICA does not maintain any specific affiliated companies and, as such, does not prepare consolidated financial statements. However, profit or loss under the equity method related to affiliated companies is as follows:

Investment amount in affiliated companies	¥43,545,746,439
Investment amount when applying the equity method	¥55,269,119,662
Valuation gain on investments when applying the equity method	¥16,309,398,168

(Significant contractual liabilities)

Contract liabilities JICA is obliged to pay during the next business year and thereafter are ¥22,598,304,400.

(Significant subsequent events)

Not applicable.

Details of loans							(Unit: Millions of Yen)
Classification	Balance at the beginning of the period	Increase during the period	Decrease during the period		Balance at the end of the period	Remarks	
			Collection, etc.	Write-off			
Loans	11,661,980	1,117,984	774,960	—	12,005,004		
Claims probable in bankruptcy, claims probable in rehabilitation, and other	87,063	—	—	—	87,063		
Total	11,749,043	1,117,984	774,960	—	12,092,066		

Details of borrowings							(Unit: Millions of Yen)
Classification	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Average interest rate (%)	Maturity date	Remarks
Borrowings from government fund for Fiscal Investment and Loan Program	1,740,319	402,600	231,406	1,911,513 (150,179)	0.838	June 2018– November 2042	

* Figures in parentheses () indicate the amount of borrowings repayable within one year.

Details of bonds							(Unit: Millions of Yen, Thousands of US\$)
Security name	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Coupon (%)	Maturity date	Remarks
FILP Agency Bonds	480,000	60,000	—	540,000 (20,000)	0.080– 2.470	December 2018– September 2046	
Japan International Cooperation Agency Government-guaranteed bonds	110,596 [1,000,000]	59,562 [500,000]	7,026 [—]	163,132 [1,500,000] (—)	1.875– 2.750	November 2019– April 2027	

* Figures in parentheses () indicate the amount of bonds redeemable within one year. The amount in [] is denominated in a foreign currency.

The financial statements have been audited by an accounting auditor as prescribed in Article 39 of the Act on General Rules for Incorporated Administrative Agencies.