

# Financial Summary

## 1 General Account

Balance Sheet (Unit: Millions of yen)		
	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	198,210	214,926
Others	29,272	27,155
Total current assets	227,482	242,081
Non-current assets		
Tangible assets	40,342	39,141
Intangible assets	1,736	3,323
Investments and other assets	1,772	1,666
Total non-current assets	43,849	44,130
Total assets	271,332	286,211
<b>Liabilities</b>		
Current liabilities		
Operational grant liabilities	20,101	31,300
Funds for grant aid	164,071	174,791
Others	15,398	17,513
Total current liabilities	199,569	223,604
Non-current liabilities		
Contra-accounts for assets	5,208	6,999
Others	482	627
Total non-current liabilities	5,690	7,626
Total liabilities	205,260	231,230
<b>Net assets</b>		
Capital		
Government investment	62,452	62,452
Total capital	62,452	62,452
Capital surplus		
Capital surplus	(20,193)	(21,957)
Total capital surplus	(20,193)	(21,957)
Retained earnings		
Retained earnings	23,813	14,485
Total retained earnings	23,813	14,485
Total net assets	66,072	54,981
Total liabilities and net assets	271,332	286,211

(Assets)

For the business year ended March 31, 2019, total assets amounted to ¥286,211 million, increasing ¥14,879 million or 5.5% from the previous business year, primarily due to the ¥16,716 million or 8.4% increase in cash and deposits. The ending balance of cash and deposits of ¥214,926 million includes donated funds for grant aid projects which amount to ¥175,806 million.

(Liabilities)

For the business year ended March 31, 2019, total liabilities were ¥231,230 million, increasing ¥25,970 million or 12.7% year-on-year, primarily due to the ¥11,199 million or 55.7% increase in operational grant liabilities.

Statement of Income (Unit: Millions of yen)		
	April 1, 2017– March 31, 2018	April 1, 2018– March 31, 2019
<b>Ordinary expenses</b>		
Operating expenses		
Expenses for priority sectors and regions	72,754	78,686
Expenses for private sector partnership	4,962	5,016
Expenses for domestic partnership	18,666	18,506
Expenses for other operations	3,814	3,384
Expenses for operation support	38,070	37,417
Expenses for grant aid	90,152	94,985
Others	830	711
General administrative expenses	8,586	8,593
Financial expenses	348	243
Others	3	1
Total ordinary expenses	238,184	247,543
<b>Ordinary revenues</b>		
Revenues from operational grants	132,494	139,031
Revenues from grant aid	90,152	94,985
Others	5,071	4,434
Total ordinary revenues	227,716	238,451
Ordinary income (loss)	(10,468)	(9,093)
<b>Extraordinary losses</b>	690	34
<b>Extraordinary income</b>		
Reversal of contra-accounts for assets	59	60
Gain on sales of non-current assets	31	8
Total extraordinary income	90	68
<b>Reversal of reserve fund carried over from the previous Mid-term Objective period</b>	15,372	12,227
<b>Total income for the current business year</b>	4,304	3,168

(Ordinary expenses)

For the business year ended March 31, 2019, ordinary expenses amounted to ¥247,543 million, increasing ¥9,359 million or 3.9% from the previous business year. The major factor of the increase was the ¥5,933 million or 8.2% year-on-year increase in expenses for priority sectors and regions of which operational grants are the financial source.

(Ordinary revenues)

For the business year ended March 31, 2019, ordinary revenues totaled ¥238,451 million, increasing ¥10,735 million or 4.7% year-on-year. The major factor of the increase was the ¥6,537 million or 4.9% increase 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 income of ¥60 million with the reversal of contra-accounts for assets related to items including the loss on disposal of non-current assets, and ¥8 million in gain on sales of non-current assets. Moreover, reversal of reserve fund carried over from the previous Mid-term Objective period totaled ¥12,227 million. As a result, total income for the current business year was ¥3,168 million, decreasing ¥1,136 million or 26.4% from the previous business year.

Statement of Cash Flows (Unit: Millions of yen)		
	April 1, 2017– March 31, 2018	April 1, 2018– March 31, 2019
<b>I. Cash flows from operating activities</b>		
Payments of operating expenses	(134,815)	(130,351)
Payments for grant aid	(89,465)	(95,355)
Payments of personnel expenses	(16,867)	(17,221)
Proceeds from operational grants	154,316	152,364
Proceeds from grant aid	108,614	105,714
Other proceeds and payments	(5,555)	4,314
<b>II. Cash flows from investing activities</b>	96,273	(2,477)
<b>III. Cash flows from financing activities</b>	(752)	(145)
<b>IV. Effect of exchange rate fluctuation on funds</b>	(175)	(128)
<b>V. Net increase (decrease) in funds</b>	111,573	16,716
<b>VI. Funds at the beginning of the business year</b>	80,337	191,910
<b>VII. Funds at the end of the business year</b>	191,910	208,626

(Cash flows from operating activities)

For the business year ended March 31, 2019, cash flows from operating activities amounted to ¥19,466 million, increasing ¥3,239 million or 20.0% year-on-year. The main contributor to the increase was the ¥8,295 million or 98.8% decrease in payments to national treasury.

(Cash flows from investing activities)

For the business year ended March 31, 2019, cash flows from investing activities amounted to a cash outflow of ¥2,477 million, decreasing ¥98,750 million or 102.6% from the previous business year. The decrease was primarily attributed to the absence of proceeds from refund of negotiable deposits which was ¥98,000 million in the previous business year.

(Cash flows from financing activities)

For the business year ended March 31, 2019, cash flows from financing activities amounted to a cash outflow of ¥145 million, increasing ¥607 million or 80.7% from the previous business year. The major contributor to the decrease was the absence of payments to national treasury for unnecessary property which was ¥611 million in the previous business year.

## 2 Finance and Investment Account

Balance Sheet (Unit: Millions of yen)		
	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Loans	12,005,004	12,300,294
Allowance for loan losses	(171,804)	(165,844)
Others	338,539	385,840
Total current assets	12,171,739	12,520,290
Non-current assets		
Tangible assets	8,904	9,431
Intangible assets	5,236	5,758
Investments and other assets		
Claims probable in bankruptcy, claims probable in rehabilitation, and other	87,063	87,063
Allowance for loan losses	(75,454)	(83,193)
Others	81,455	91,581
Total non-current assets	107,204	110,639
Total assets	12,278,942	12,630,929
<b>Liabilities</b>		
Current liabilities		
Current portion of bonds	20,000	67,305
Current portion of borrowings from government fund for Fiscal Investment and Loan Program	150,179	138,032
Others	43,076	40,805
Total current liabilities	213,256	246,141
Non-current liabilities		
Bonds	683,132	733,299
Borrowings from government fund for Fiscal Investment and Loan Program	1,761,334	1,899,402
Others	7,508	8,757
Total non-current liabilities	2,451,974	2,641,459
Total liabilities	2,665,229	2,887,600
<b>Net assets</b>		
Capital		
Government investment	8,037,408	8,083,418
Total capital	8,037,408	8,083,418
Retained earnings		
Reserve fund	1,546,921	1,626,110
Others	79,188	77,771
Total retained earnings	1,626,110	1,703,881
Valuation and translation adjustments	(49,805)	(43,969)
Total net assets	9,613,713	9,743,329
Total liabilities and net assets	12,278,942	12,630,929

(Assets)

For the business year ended March 31, 2019, total assets amounted to ¥12,630,929 million, increasing ¥351,987 million or 2.9% from the previous business year, primarily due to the ¥295,290 million or 2.5% increase in loans.

(Liabilities)

For the business year ended March 31, 2019, total liabilities were ¥2,887,600 million, increasing ¥222,370 million or 8.3% year-on-year, primarily due to the ¥125,921 million or 6.6% increase in borrowings from government fund for Fiscal Investment and Loan Program.

Statement of Income (Unit: Millions of yen)		
	April 1, 2017– March 31, 2018	April 1, 2018– March 31, 2019
<b>Ordinary expenses</b>		
Expenses related to operations of cooperation through finance and investment		
Interest on bonds and notes	7,327	9,331
Interest on borrowings	17,130	16,541
Interest on interest rate swaps	7,395	6,720
Operations consignment expenses	32,484	33,865
Operating and administrative expenses	14,212	13,621
Provision for allowance for loan losses	8,244	1,779
Others	7,258	8,089
Total ordinary expenses	94,049	89,945
<b>Ordinary revenues</b>		
Revenues from operations of cooperation through finance and investment		
Interest on loans	145,294	138,201
Dividends on investments	19,319	20,872
Others	7,087	6,872
Others	1,627	1,775
Total ordinary revenues	173,328	167,721
Ordinary income	79,279	77,776
<b>Extraordinary losses</b>	97	6
<b>Extraordinary income</b>	6	2
<b>Total income for the current business year</b>	<b>79,188</b>	<b>77,771</b>

(Ordinary expenses)

For the business year ended March 31, 2019, ordinary expenses amounted to ¥89,945 million, decreasing ¥4,104 million or 4.4% from the previous business year. The major factor of the decrease was the ¥6,465 million or 78.4% decrease in provision for allowance for loan losses.

(Ordinary revenues)

For the business year ended March 31, 2019, ordinary revenues decreased ¥5,607 million or 3.2% to ¥167,721 million. The major factor was ¥7,093 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 ¥6 million, including loss on disposal of non-current assets and other losses, and extraordinary income of ¥2 million as gain on sales of non-current assets. As a result, total income for the current business year was ¥77,771 million, decreasing ¥1,417 million or 1.8% from the previous business year.

Statement of Cash Flows (Unit: Millions of yen)		
	April 1, 2017– March 31, 2018	April 1, 2018– March 31, 2019
<b>I. Cash flows from operating activities</b>	30,362	22,218
Payments for loans	(1,112,261)	(1,079,145)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(231,406)	(206,179)
Proceeds from collection of loans	774,113	789,222
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	402,600	332,100
Proceeds from issuance of bonds	114,429	113,966
Proceeds from interest on loans	142,494	135,396
Other operation proceeds and payments	(59,608)	(63,141)
<b>II. Cash flows from investing activities</b>	(34,289)	(13,525)
<b>III. Cash flows from financing activities</b>	45,104	45,848
<b>IV. Effect of exchange rate fluctuation on funds</b>	(1,216)	1,122
<b>V. Net increase (decrease) in funds</b>	39,962	55,663
<b>VI. Funds at the beginning of the business year</b>	208,993	248,954
<b>VII. Funds at the end of the business year</b>	248,954	304,618

(Cash flows from operating activities)

For the business year ended March 31, 2019, cash flows from operating activities amounted to ¥22,218 million, decreasing ¥8,144 million or 26.8% year-on-year. The major factor of the decrease was the ¥70,500 million or 17.5% decrease 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, 2019, cash flows from investing activities amounted to a cash outflow of ¥13,525 million, increasing ¥20,764 million or 60.6% from the previous business year. The increase was primarily attributed to the ¥160,394 million or 72.4% decrease in payments into time deposits.

(Cash flows from financing activities)

For the business year ended March 31, 2019, cash flows from financing activities amounted to ¥45,848 million, increasing ¥744 million or 1.7% from the previous business year. The major contributor to the increase was the ¥830 million or 1.8% increase in receipt of government investment.