

# FY2013 Business Report

Item	Description	Actual Figures in FY2012	Actual Figures in FY2013
<b>Procurement Services and Management Services on International Cooperation Operations</b>			
<b>Grant Aid</b>			
<b>1. Procurement Agent Services and Procurement Management Agent Services</b>			
(1) Procurement agent services for grant assistance for the food security project for underprivileged farmers	Procurement agent services for grant assistance for the food security project for underprivileged farmers (new/continuing)	5/12	3/8
(2) Procurement agent services for grant assistance for the food aid project	Procurement agent services for grant assistance for the food aid project (new/continuing)	12/28	11/16
(3) Expediting implementation of cultural grant aid	Procurement management (new/continuing)	7/20	12 (continuing)
(4) Procurement agent services for non-project grant aid	Procurement agent services for non-project grant aid (new/continuing)	26/33	40/42
(5) Procurement agent services for emergency grant aid	Procurement agent services for emergency grant aid (new/continuing)	0/11	1/8
(6) Procurement agent services for grant aid for conflict prevention and peacebuilding	Procurement agent services for grant aid for conflict prevention and peacebuilding (new/continuing)	0/8	5/8
(7) Procurement agent services for grant aid for disaster prevention and reconstruction	Procurement agent services for grant aid for disaster prevention and reconstruction (new/continuing)	3/3	3/4
(8) Procurement agent services for grant aid for community empowerment	Procurement agent services for grant aid for community empowerment (new/continuing)	8/23	5/27
(9) Procurement agent services for program grant aid for environment and climate change	Procurement agent services for program grant aid for environment and climate change (continuing)	65	57
<b>2. Studies and Screening on International Cooperation Operations</b>			
(1) Study for grass root cultural grant aid	Analysis of project applications for grass root cultural grant aid, etc. (new)	1	1
(2) Study for grant aid	Preliminary study (General cultural grant aid, Grant assistance for the food security project for underprivileged farmers, Grant aid for disaster prevention and reconstruction, Grant aid for community empowerment, Program grant aid for environment and climate change)	32 (new and continuing)	18 (continuing)
(3) Follow-up study	Follow-up study for execution of grant aid	1 (new)	1/1 (new/continuing)
(4) Screening	Grant assistance for Japanese NGO projects (new)	0	1
<b>Technical Cooperation</b>			
(1) Support for local procurement	Dispatch of short-term procurement support staff (new)	1	1
(2) Support for procurement of equipment	Support for procurement of equipment (new)	0	1
<b>Loan Programs</b>			
(1) Check of procurement-related documents on loan projects	Check of procurement-related documents (new)	2	1
(2) Project implementation promotion and study for ODA Loans	Support for project formulation and promotion of disbursement (FY2013) (new)	1	1
	Ex-post procurement audit under Japanese ODA Loans (new)	1	0
(3) Revision of procurement-related documents	Revision of procurement-related documents on loan projects	1 (new)	1 (continuing)
<b>Support Program for Non-Governmental Organizations (NGOs) Working in the International Cooperation Field</b>			
Support for NGOs	Evaluating and choosing NGOs for support and providing funds	14 NGOs	11 NGOs
<b>Education and Support Promoting International Cooperation</b>			
Education and support promoting international cooperation	JICS medical lecture for travellers	—	5 times
	Updating of the website	as needed	as needed
	Publication of Annual Report	Japanese and English editions	Japanese and English editions
	Publication of articles in information magazines concerning international cooperation	as needed	as needed
	Participation in international cooperation festivals and events	2 times	3 times
<b>Other Activities Necessary to Achieve the Purposes of the Foundation</b>			
(1) Project subsidy	Supply of the Equipment under the Machinery and Equipment Project for Saudi Japanese Automobile High Institute in 2013 (new)	1	1
(2) Project Formulation Survey on SME support	"Project Formulation Survey" under the Governmental Commission on the Projects for ODA Overseas Economic Cooperation (new)	—	1
(3) ODA needs survey	ODA needs survey (new)	—	1
(4) Dispatch of experts	Dispatch of experts (new/continuing)	4/2	1/6
(5) Cooperation with private enterprises	Dispatch of Procurement Support Staff for Geothermal Project (Private Partnership) (new)	—	2
(6) International cooperation consulting business	Dispatch of consulting staff to international institution (new)	—	1

# FY2013 Balance Sheet

March 31, 2014

(Unit: yen)

Item	FY2013	FY2012	Variance
<b>I Assets</b>			
<b>1. Current assets</b>			
Cash equivalents	340,671,208	455,703,978	(115,032,770)
Accrued revenues	435,270,369	186,314,886	248,955,483
Advance payments—other	0	400,000	(400,000)
Prepaid expenses	15,125,040	18,189,410	(3,064,370)
Advances paid	21,770	9,470	12,300
Suspense payments	32,247,592	23,736,680	8,510,912
<b>Total current assets</b>	<b>823,335,979</b>	<b>684,354,424</b>	<b>138,981,555</b>
<b>2. Fixed assets</b>			
<b>(1) Endowment</b>			
Endowment in installment deposits	137,000,000	137,000,000	0
Endowment in investment securities	250,000,000	250,000,000	0
<b>Total endowment</b>	<b>387,000,000</b>	<b>387,000,000</b>	<b>0</b>
<b>(2) Specific assets</b>			
Accumulated assets for support to non-governmental organizations	10,000,000	10,000,000	0
Assets reserved for executive officers' retirement benefits	5,181,000	3,115,500	2,065,500
<b>Total specific assets</b>	<b>15,181,000</b>	<b>13,115,500</b>	<b>2,065,500</b>
<b>(3) Other fixed assets</b>			
Vehicles and other transportation devices	2,130,055	5,020,682	(2,890,627)
Equipment attached to building	44,211,717	54,345,504	(10,133,787)
Appliances and fixtures	46,028,138	47,669,416	(1,641,278)
Software	25,274,838	43,690,619	(18,415,781)
Deposit and security moneys	78,900,314	78,704,134	196,180
Long-term prepaid expenses	31,851,041	15,636,305	16,214,736
Prepaid pension expenses	47,108,385	65,633,939	(18,525,554)
Investment securities	1,634,783	2,408,059	(773,276)
Lease assets	4,918,677	8,390,673	(3,471,996)
<b>Total other fixed assets</b>	<b>282,057,948</b>	<b>321,499,331</b>	<b>(39,441,383)</b>
<b>Total fixed assets</b>	<b>684,238,948</b>	<b>721,614,831</b>	<b>(37,375,883)</b>
<b>Total assets 1)</b>	<b>1,507,574,927</b>	<b>1,405,969,255</b>	<b>101,605,672</b>
<b>II Liabilities</b>			
<b>1. Current liabilities</b>			
Accrued payments	115,349,353	116,655,086	(1,305,733)
Allowance for bonus	165,448,773	119,450,337	45,998,436
Deposit received	7,532,561	14,692,656	(7,160,095)
Short-term lease obligations	3,662,194	3,607,579	54,615
Provision for warranties for the Djibouti project	32,854,000	0	32,854,000
Income tax payable	91,845,100	80,196,895	11,648,205
<b>Total current liabilities</b>	<b>416,691,981</b>	<b>334,602,553</b>	<b>82,089,428</b>
<b>2. Fixed liabilities</b>			
Reserve for executive officers' retirement benefits	5,181,000	3,115,500	2,065,500
Long-term lease obligations	1,535,440	5,197,634	(3,662,194)
<b>Total fixed liabilities</b>	<b>6,716,440</b>	<b>8,313,134</b>	<b>(1,596,694)</b>
<b>Total liabilities 2)</b>	<b>423,408,421</b>	<b>342,915,687</b>	<b>80,492,734</b>
<b>III Net Assets</b>			
<b>1. Designated net assets</b>			
Contributions and subscriptions	372,000,000	372,000,000	0
Total designated net assets	372,000,000	372,000,000	0
[Amount of allotment to the endowment]	[372,000,000]	[372,000,000]	[0]
<b>2. General net assets</b>			
[Amount of allotment to the endowment]	(15,000,000)	[15,000,000]	[0]
[Amount of allotment to specific assets]	(10,000,000)	[10,000,000]	[0]
<b>Total net assets 1) - 2)</b>	<b>1,084,166,506</b>	<b>1,063,053,568</b>	<b>21,112,938</b>
<b>Total liabilities and net assets</b>	<b>1,507,574,927</b>	<b>1,405,969,255</b>	<b>101,605,672</b>

# FY2013 Statement of Net Equity Increase (Decrease)

April 1, 2013–March 31, 2014

(Unit: yen)

Item	FY2013	FY2012	Variance
<b>I General Net Assets Increase or Decrease</b>			
<b>1. Current increase or decrease</b>			
(1) Current profits			
1) Profit from the management of the endowment	2,913,724	3,022,721	(108,997)
Interest received from the endowment	2,913,724	3,022,721	(108,997)
2) Profit from business activities	2,645,251,203	2,666,615,135	(21,363,932)
Profit from grant aid programs	2,346,668,648	2,334,271,008	12,397,640
Profit from technical cooperation programs	53,773,250	108,225,280	(54,452,030)
Profit from loan program	155,499,200	140,942,200	14,557,000
Profit from programs with international agencies and organizations, etc.	59,841,394	54,174,357	5,667,037
Profit from other commissioned projects	29,468,711	29,002,290	466,421
3) Miscellaneous profits	1,894,810	1,719,588	175,222
Miscellaneous profits	1,894,810	1,719,588	175,222
<b>Total current profits (A)</b>	<b>2,650,059,737</b>	<b>2,671,357,444</b>	<b>(21,297,707)</b>
(2) Current expenses			
1) Operating expenses	2,160,480,271	2,238,136,730	(77,656,459)
2) Administrative expense	344,309,555	390,829,579	(46,520,024)
<b>Total current expenses (B)</b>	<b>2,504,789,826</b>	<b>2,628,966,309</b>	<b>(124,176,483)</b>
<b>Current increase or decrease for the year (C) = (A) - (B)</b>	<b>145,269,911</b>	<b>42,391,135</b>	<b>102,878,776</b>
<b>2. Nonrecurring increase or decrease</b>			
(1) Nonrecurring increase			
1) Gain on sales of fixed assets	833,852	4,449,071	(3,615,219)
<b>Total nonrecurring increase</b>	<b>833,852</b>	<b>4,449,071</b>	<b>(3,615,219)</b>
(2) Nonrecurring expenses			
1) Loss on sales and retirement of noncurrent assets	0	12,532,964	(12,532,964)
2) Office size reduction expense	0	13,878,224	(13,878,224)
3) Provision for warranties for the Djibouti project	32,854,000	0	32,854,000
<b>Total nonrecurring expenses</b>	<b>32,854,000</b>	<b>26,411,188</b>	<b>6,442,812</b>
<b>Nonrecurring increase or decrease for the year (D)</b>	<b>(32,020,148)</b>	<b>(21,962,117)</b>	<b>(10,058,031)</b>
General net assets increase or decrease for the year before income taxes (E) = (C) + (D)	113,249,763	20,429,018	92,820,745
Income taxes—current (F)	92,136,825	80,962,500	11,174,325
<b>General net assets increase or decrease for the year (G) = (E) - (F)</b>	<b>21,112,938</b>	<b>(60,533,482)</b>	<b>81,646,420</b>
<b>General net assets at beginning of year (H)</b>	<b>691,053,568</b>	<b>751,587,050</b>	<b>(60,533,482)</b>
<b>General net assets at end of year (I) = (G) + (H)</b>	<b>712,166,506</b>	<b>691,053,568</b>	<b>21,112,938</b>
<b>II Designated Net Assets Increase or Decrease</b>			
1) Amount of transfer to general net assets	0	0	0
Amount of transfer to general net assets	0	0	0
<b>Designated net assets increase or decrease for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Designated net assets at beginning of year</b>	<b>372,000,000</b>	<b>372,000,000</b>	<b>0</b>
<b>Designated net assets at end of year (J)</b>	<b>372,000,000</b>	<b>372,000,000</b>	<b>0</b>
<b>III Net Assets at End of Year (I) + (J)</b>	<b>1,084,166,506</b>	<b>1,063,053,568</b>	<b>21,112,938</b>

# A Brief History of JICS

1989	April	JICS (2 departments and 4 divisions) was founded and opened an office at Ichigaya Honmura-cho, Shinjuku-ku.
	August	JICS began compiling technical specifications and studies for expediting implementation of grant aid for increase of food production.
	December	JICS began on-site surveys of grant aid projects.
1990	January	JICS began follow-up studies for grant aid projects.
	April	JICS began procurement management services for grant aid projects.
	November	JICS began procurement and transportation of equipment for technical cooperation.
1991	April	JICS began small-scale procurement of equipment and materials for JICA projects.
	November	JICS reorganized into 3 departments and 6 divisions.
1992	January	JICS began procurement and transportation of equipment for technical cooperation experts.
	September	JICS began dispatch of long-term grant aid researchers.
1993	October	JICS began providing services for cultural grant aid and non-project grant aid projects.
1994	February	JICS office moved to Shinjuku Mitsui Bldg., Nishi-Shinjuku, Shinjuku-ku.
	April	JICS reorganized into 3 departments, 5 divisions and 5 offices.
1996	March	JICS office moved to Shinjuku Sanshin Bldg., Yoyogi, Shibuya-ku.
1997	July	JICS began providing services for grant aid for child health projects.
1998	January	JICS began procurement management services for grant aid for increase of food production projects.
	March	JICS began providing services for emergency grant aid projects.
1999	February	JICS established a Technical Information Center.
	July	JICS reorganized into 3 departments, 1 office and 13 divisions.
	October	JICS began support for NGO activities.
2001	April	JICS partially revised its Articles of Foundation.
2002	April	JICS began providing services for grant aid for research projects.
	June	JICS began procurement management services for food aid projects.
2003	March	JICS began providing services for grant aid for conflict prevention and peacebuilding projects.
	April	JICS office moved to Shinjuku EAST Building, Tomihisa-cho, Shinjuku-ku.
	May	JICS reorganized into 3 departments and 11 divisions.
	October	JICS began providing services for grant aid for Japanese NGO projects. JICS reorganized into 2 offices, 3 departments and 8 divisions.
2004	June	JICS reorganized into 3 offices, 2 departments and 3 divisions.
2006	August	JICS began providing services for grant aid for disaster prevention and reconstruction.
	December	JICS began providing services for grant aid for community empowerment.
2007	January	JICS established its Office of Management Planning.
	April	JICS partially revised its Articles of Foundation.
2008	October	JICS reorganized into 4 offices, 3 departments and 11 divisions.
2009	April	JICS began providing services for Program grant aid for environment and climate change.
	July	JICS established Special Operations Office.
2012	April	JICS changed the status of the foundation to general incorporated foundation (not-for-profit). JICS implemented organizational restructuring (2 offices, 5 departments and 18 divisions structure).
	July	JICS implemented organizational restructuring (6 offices, 4 departments and 16 divisions structure).
2013	July	JICS implemented organizational restructuring (6 offices, 4 departments and 16 divisions structure).
2014	August	JICS established Compliance and Risk Management Office.

# Board of Directors / Board of Trustees

## Board of Directors As of July 1, 2014

President	Toru Nakatani	
Vice President	Toru Kubo	
Executive Director	Hiroshi Aoki	
Executive Director	Mutsuko Asakura	Professor, Law School at Waseda University
Executive Director	Yutaka Kitani	Advisor, Kikkoman Corporation
Auditor	Tsuyoshi Hinokuchi	Director, Tsuyoshi Hinokuchi Tax Accountant Office
Auditor	Michio Masaki	Attorney at Law, City-Yuwa Partners
Accounting Auditor	Kiyoshi Toi	Certified Public Accountant

## Board of Trustees As of July 1, 2014

Chairman	Shunichi Hiraki	President, The Japan Institute of Economic Feasibility Study
Member	Michiyo Arita	Secretary General, International Cultural Institute
Member	Masaoki Takeuchi	President, International Development Center of Japan
Member	Hiroko Tsuka	Administrative Vice President and Managing Director, Planning Department, The Japan Foundation
Member	Makoto Tochigi	Part-time lecturer at Gakushuin University, Journalist
Member	Hirotake Hirose	General Manager of Economic Cooperation Office, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Member	Yoshihiro Yamaguchi	Senior Executive Director, The Overseas Construction Association of Japan, Inc.
Member	Sachiko Yamano	President, Japan International Cooperation Center

## Presidents since JICS was established

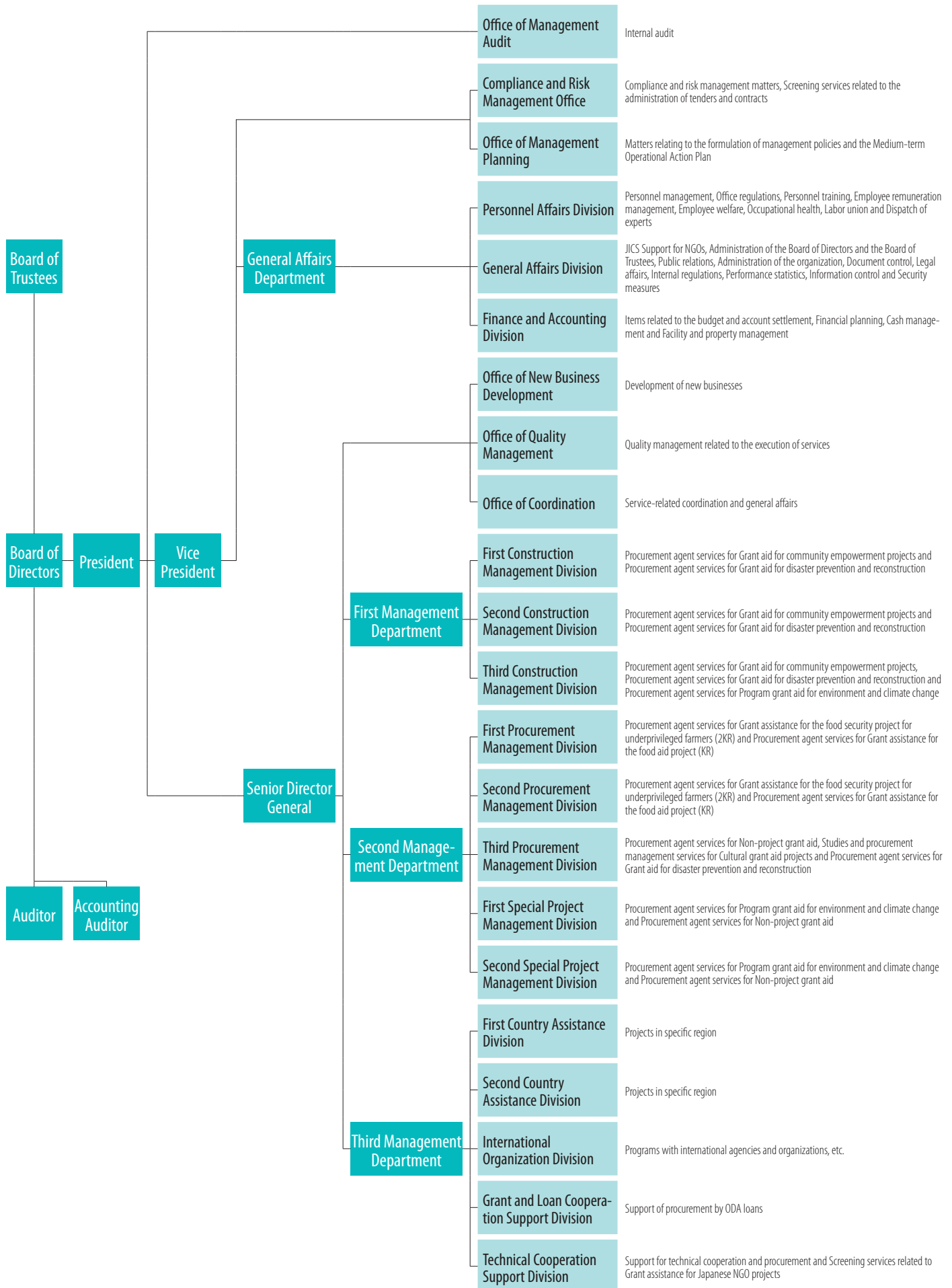
Hiroshi Yokota	April 1989–December 1991
Shigeru Tokuhisa	March 1992–March 1997
Yutaka Nomura	April 1997–March 2004
Takahisa Sasaki	April 2004–August 2010
Toru Nakatani	September 2010–

## Chairman of the Board of Trustees since JICS was established

Fumio Watanabe	Honorary Advisor, Japan Airlines Corporation	April 1989–March 2003
Shigeru Ishikawa	Professor Emeritus, Hitotsubashi University	April 2003–March 2005
Hiroshi Matsumoto	Director, The International House of Japan, Inc.	June 2005–June 2009
Yoriko Meguro	Professor Emeritus, Sophia University	June 2009– March 2012
Shunichi Hiraki	President, The Japan Institute of Economic Feasibility Study	June 2012–

# Organization Chart

(As of August 1, 2014)



# The Articles of Incorporation of Japan International Cooperation System (JICS)

(As of August 1, 2014)

## Chapter 1. General Provisions

### Article 1 (Name)

This corporation is called Japan International Cooperation System (JICS) (hereinafter referred to as the "Foundation").

### Article 2 (Offices)

The Foundation shall locate its principal office in Shinjuku-ku, Tokyo, Japan.

## Chapter 2. Purposes and Business

### Article 3 (Purposes)

The purposes of the Foundation are to perform the procurement and management services in the field of international cooperation business in order to contribute to international peace and stabilization.

### Article 4 (Business)

- 1 The Foundation shall conduct the following businesses in order to accomplish the purpose described in the preceding article:
  - (1) Procurement services in the field of international cooperation business;
  - (2) Management services in the field of international cooperation business;
  - (3) Consultancy services in the field of international cooperation business;
  - (4) Research and studies in the field of international cooperation business;
  - (5) Support to NGO, etc. relating to international cooperation activities;
  - (6) Dissemination and enlightenment of knowledge concerning international cooperation activities; and
  - (7) Other businesses necessary to achieve the purpose of the Foundation.
- 2 Business described in the preceding paragraph shall be conducted in Japan and abroad.

## Chapter 3. Assets and Accounting

### Article 5 (Kinds of Assets)

- 1 The Assets of the Foundation shall consist of endowment and other assets.
- 2 The endowment shall consist of assets which the Board of Directors resolved as endowment.
- 3 Other assets shall be assets other than endowment.

### Article 6 (Management, Investment and Disposal of Assets)

- 1 The President shall manage and invest the assets of the Foundation with the care of good manager to accomplish the purposes of the Foundation, and its management and investment methods shall be determined by the Rules of Management and Investment of Assets which shall be decided by the resolution of Board of Directors.
- 2 Should unavoidable circumstances arise, part of the endowment may be disposed of or removed with the prior approval of the Board of Directors and the Board of Trustees.

### Article 7 (Business Year)

The business year of the Foundation shall commence on April 1 every year and end on March 31 of the following year.

### Article 8 (Business Plan and Income and Expenditure Budget)

- 1 The President shall prepare the business plan and the income and expenditure budget of the Foundation and they must be approved by the Board of Directors no later than the day immediately preceding the commencement date of each business year. The same shall apply in the event of any changes thereto.
- 2 Documents described in the preceding paragraph must be kept in the principal office until the end of applicable business year.

### Article 9 (Business Report and Settlement of Accounts)

- 1 With respect to the business report and the settlement of accounts, the President shall prepare the documents set forth below after the end of each business year, which shall be audited by the Auditors, followed by the audit of Items (3) to (5) by the Accounting Auditors. Upon completion of audit, all of these documents must be approved by the Board of Directors.
  - (1) Business report;
  - (2) Detailed statement on the business report;
  - (3) Balance sheet;

- (4) Profit-and-loss statement (statement of net worth); and
  - (5) Detailed statement on the balance sheet and profit-and-loss statement (statement of net worth)
- 2 Out of the approved documents described in the preceding paragraph, Items (1), (3) and (4) must be reported to the annual meeting of Board of Trustees; provided, however, that in the case any of such documents does not fall under any of the requirements described in Article 48 of Enforcement Regulation of Act on General Incorporated Associations and General Incorporated Foundations applied mutatis mutandis pursuant to Article 64 of said Enforcement Regulation of Act, documents excluding Item (1) must be approved by the annual meeting of Board of Trustees instead of reporting to the annual meeting of Board of Trustees.
  - 3 Documents described in Paragraph 1 and following documents shall be kept in the principal office for five years. Articles of Incorporation shall also be kept in the principal office at all times.
    - (1) Audit report; and
    - (2) Financial audit report

### Article 10 (Restrictions on Disposal of Surplus)

The Foundation may not distribute any surplus.

## Chapter 4. Trustees

### Article 11 (Quorum)

The Foundation shall have five to eleven Trustees.

### Article 12 (Election and Dismissal of Trustees)

- 1 In accordance with the provisions of Articles 179 to 195 of Act on General Incorporated Associations and General Incorporated Foundations, Trustees shall be elected and dismissed by the Board of Trustees.
- 2 Trustees shall meet all of the following requirements:
  - (1) Total number of Trustees who fall under any of the following conditions shall not exceed one-third of total number of Trustees.
    - a. Trustee and its spouse or relatives within the third degree of lineal kinship;
    - b. Trustee and person who are in de facto marriage with the Trustee;
    - c. Employee of Trustee;
    - d. Person who does not fall under b or c and who makes a living by receiving payments or other assets from the Trustee; or
    - e. Spouse of the person who falls under c or d.
    - f. Relative who is within the third degree of lineal kinship and who shares a livelihood with the person who falls under any of the conditions under b through d.
  - (2) Total number of Trustees who holds any of the following positions in the organization identical to the Foundation (except for public-service corporation) shall not exceed one-third of total number of Trustees.
    - a. Executive Director
    - b. Employee
    - c. Director other than Executive Director (representative or administrator of the organization that is not a juristic person if such organization prescribes any representative or administrator) or member who performs the business
    - d. Staff (except the member of the Diet and member of assembly of local authority) of the following organizations:
      - ① National agency
      - ② Local authority
      - ③ Independent administrative agency as provided in Paragraph 1 of Article 2 of Act on General Rules for Independent Administrative Agency
      - ④ National university corporation as provided in Paragraph 1 of Article 2 of National University Corporation Act or inter-university research institute corporation as provided in Paragraph 3 of Article 2 of National University Corporation Act
      - ⑤ Local independent administrative agency as provided in Paragraph 1 of Article 2 of Local Independent Administrative Agency Act
      - ⑥ Public corporation or semi-governmental corporation

### Article 13 (Term of Office of Trustees)

- 1 The term of office of Trustees shall be until the end of the annual meeting of Board of Trustees for the final business year out of the business years which end within four years from the time of their election.
- 2 The term of office of the Trustee, who is elected as an alternate of the Trustee who resigned before the expiration of his/her term of office, shall be the remaining term of office of such resigned Trustee.
- 3 In case total number of Trustees falls below the quorum prescribed in Article 11, Trustees shall have their rights and obligations as Trustee even after their resignation or expiration of their term of office until their successor assumes office.

**Article 14 (Remuneration, etc. to Trustees)**

Trustees may receive remuneration, etc. calculated by criteria of payment of the remuneration, etc. determined separately by the Board of Trustees.

**Chapter 5. Board of Trustees****Article 15 (Structure)**

The Board of Trustees shall consist of all of the Trustees.

**Article 16 (Rights)**

The Board of Trustees shall resolve the following matters:

- (1) Election and dismissal of Executive Directors, Auditors and Accounting Auditors;
- (2) Remuneration, etc. of Executive Directors and Auditors;
- (3) Criteria for payment of remuneration, etc. to Trustee;
- (4) Approval of the balance sheet and profit-and-loss statement (statement of net worth);
- (5) Changes to these Articles of Incorporation;
- (6) Disposal of residual assets;
- (7) Approval of disposal or removal of endowment; and
- (8) Other matters prescribed in law or these Articles of Incorporation as a matter which must be resolved by the Board of Trustees.

**Article 17 (Convening of Meetings)**

The Board of Trustees shall hold the annual meetings in June every year. Should the needs arise, the Board of Trustees shall hold the extraordinary meeting.

**Article 18 (Convocation)**

- 1 Unless otherwise prescribed in law, the Board of Trustees meetings shall be convened by the President pursuant to the resolution of the Board of Directors.
- 2 Trustees are entitled to request the convocation of the Board of Trustees meeting by indicating the purpose and reason for convening the Board of Trustees meeting to the President.

**Article 19 (Resolution)**

- 1 The resolution of the Board of Trustees shall be adopted with the attendance of majority of Trustees and with the votes of majority of Trustees present excluding the Trustees who have a special interest in the resolution.
- 2 Notwithstanding the provision of the preceding paragraph, following resolution shall be adopted by the votes of two-thirds or more of the Trustees excluding the Trustees who have a special interest in the resolution:
  - (1) Dismissal of an Auditor;
  - (2) Criteria for payment of remuneration to a Trustee;
  - (3) Changes to these Articles of Incorporation; and
  - (4) Other matters prescribed in law.
- 3 With respect to the resolution for proposal on the election of Executive Director or Auditor, the resolution described in Paragraph 1 is required for each candidate. In case the number of candidates for Executive Director or Auditor exceeds the quorum prescribed in Article 21, the Executive Director or the Auditor will be elected from among the candidates who have obtained a majority of votes in the order of candidates with the most number of votes until it reaches the quorum.

**Article 20 (Minutes)**

Minutes of the Board of Trustees shall be made as stipulated by law.

**Chapter 6. Directors and Accounting Auditors****Article 21 (Appointment of Directors)**

- 1 The Foundation shall have the following Directors:
 

Executive Directors	Between three and seven.
Auditors	No more than two.
- 2 One of the Executive Directors shall become the President.
- 3 Out of the Executive Directors other than the Executive Director who becomes the President, no more than three Executive Directors shall become the Vice Presidents.
- 4 The Foundation shall appoint an Accounting Auditor.

**Article 22 (Election of Directors and Accounting Auditors)**

- 1 The Executive Directors, the Auditors and the Accounting Auditors shall be elected by the Board of Trustees.
- 2 The President and the Vice Presidents shall be elected by the resolution of Board of Directors from among the Executive Directors.

- 3 The total number of Executive Directors having a relative who is also an Executive Director shall not exceed one-third of the total number of Executive Directors.

**Article 23 (Duties and Rights of Executive Directors)**

- 1 The Executive Directors constitute the Board of Directors and shall carry out the duties pursuant to the law and these Articles of Incorporation.
- 2 The President shall represent the Foundation and carry out the duties pursuant to the law and these Articles of Incorporation. The Vice Presidents shall respectively carry out the duties determined separately by the Board of Directors.
- 3 The President and the Vice Presidents shall report the progress of their performance of their duties to the Board of Directors at least twice each business year with more than 4-month interval between each report.

**Article 24 (Duties and Rights of Auditors)**

- 1 The Auditors shall audit the Executive Directors' performance of their duties and make an Audit Report pursuant to the law.
- 2 The Auditors may request the Executive Directors and the employees for a business report and may conduct investigation on the business and financial condition of the Foundation at any time.

**Article 25 (Duties and Rights of Accounting Auditor)**

- 1 The Accounting Auditor shall audit the balance sheet, profit-and-loss statement (statement of net worth) and detailed statement of each of such documents and shall make an Accounting Audit Report pursuant to the law.
- 2 Accounting Auditor may view and copy the following items and may request the Executive Directors and the employees to report any matters relating to accounting:
  - (1) Accounting book or related information prepared in writing if it is prepared in writing; and
  - (2) Accounting book or related information in electronic record prepared by method prescribed in the law if it is prepared in electronic record.

**Article 26 (Term of Office of Directors and Accounting Auditor)**

- 1 The term of office of Executive Director shall continue until the closing of annual meeting of the Board of Trustees for the final business year out of the business years that end within two years of his/her appointment.
- 2 The term of office of Auditor shall continue until the closing of the annual meeting of Board of Trustees for the final business year out of the business years that end within four years of his/her appointment.
- 3 The term of office of Executive Director or Auditor elected as an alternate shall continue until the end of the term of office of his/her predecessor.
- 4 In case where the number of Executive Directors or Auditors falls below the quorum stipulated in Article 21, an Executive Director or Auditor shall continue to have his/her rights and obligations as Executive Director or Auditor even after his/her resignation or expiration of his/her term of office until his/her successor assumes office.
- 5 The term of office of Accounting Auditor shall continue until the closing of the annual meeting of Board of Trustees for the final business year that ends within one year of his/her appointment; provided, however, that such Accounting Auditor shall be deemed re-elected if the resolution which decides otherwise is not adopted at such annual meeting of Board of Trustees.

**Article 27 (Dismissal of Directors and Accounting Auditor)**

- 1 If any of the following applies to a Director, such Director may be dismissed by a resolution of the Board of Trustees:
  - (1) Breach of his/her duties or failure to conduct his/her duties
  - (2) Difficulty in, or inability to cope with, the performance of his/her duties due to mental or physical disability
- 2 If any of the following applies to an Accounting Auditor, such Accounting Auditor may be dismissed by a resolution of the Board of Trustees:
  - (1) Breach of his/her duties or failure to conduct his/her duties
  - (2) Misconduct which is inappropriate for Accounting Auditor
  - (3) Difficulty in, or inability to cope with, the execution of his/her duties due to mental or physical disability
- 3 The Auditor may dismiss the Accounting Auditor with the approval of all Auditors in case any of the items under Items (1) to (3) of preceding paragraph applies. In case of dismissal, the Auditor shall report such fact and reason for dismissal to the first Board of Trustees meeting held after the dismissal.

**Article 28 (Remuneration, etc. to Directors and Accounting Auditor)**

- 1 Remuneration, etc. may be paid to Directors and Auditors in the amount calculated pursuant to the standards for payment of remuneration, etc. to be separately decided by the Board of Trustees within the total amount to be separately decided by the Board of Trustees.
- 2 Remuneration, etc. to Accounting Auditor shall be decided by the Board of Directors by a majority of votes of Auditors.



### Article 29 (Exemption from Liability or Limitation of Liability)

- 1 The Foundation may exempt the liability of Executive Directors and Accounting Auditors under Paragraph 1 of Article 111 of the Act on General Incorporated Associations and General Incorporated Foundations as applied mutatis mutandis pursuant to Paragraph 1 of Article 198 of such Act with the resolution of the Board of Directors pursuant to Paragraph 1 of Article 114 of such Act as applied mutatis mutandis pursuant to Article 198 of such Act up to the amount obtained by subtracting the minimum liability amount prescribed in the law from the amount of liability of such Executive Directors and Accounting Auditors.
- 2 The Foundation may enter into contracts with Outside Directors and Accounting Auditor which limit the liability of the Outside Directors under Paragraph 1 of Article 111 of the Act on General Incorporated Associations and General Incorporated Foundations as applied mutatis mutandis pursuant to Article 198 of such Act with the resolution of Board of Directors pursuant to Paragraph 1 of Article 115 of such Act as applied mutatis mutandis pursuant to Article 198 of such Act; provided, however, that the limitation of liability based on the contracts shall be the minimum liability amount prescribed in the law.

## Chapter 7. Board of Directors

### Article 30 (Structure, etc.)

The Board of Directors shall consist of all of the Executive Directors.

### Article 31 (Authority)

The Board of Directors shall perform the following duties:

- (1) Decision on the performance of work of the Foundation
- (2) Supervision over the Executive Directors' performance of their duties
- (3) Selection and dismissal of the President and Vice Presidents

### Article 32 (Convocation)

- 1 The Board of Directors shall be convened by the President.
- 2 If the post of President is vacant or the President is involved in an accident, each of the Directors shall convene the meeting on behalf of the President.

### Article 33 (Resolution)

- 1 Resolution of the Board of Directors shall be adopted with the attendance of majority of Executive Directors and with the votes of majority of Executive Directors present excluding those having a special interest in the resolution.
- 2 Notwithstanding the preceding paragraph, the resolution of the Board of Directors shall be deemed to have been adopted if the requirements as stipulated in Article 96 of the Act on General Incorporated Associations and General Incorporated Foundations as applied mutatis mutandis pursuant to Article 197 of such Act have been fulfilled.

### Article 34 (Minutes)

- 1 Minutes of the Board of Directors shall be made as stipulated in the law.
- 2 The President and the Auditors present at the Board of Directors meeting shall sign their names and affix their seals on such minutes.

## Chapter 8. Advisor

### Article 35 (Advisor)

- 1 The Foundation may have Advisors not exceeding five persons.
- 2 The Board of Directors shall appoint the Advisors from among academic experts, etc. after deciding on their term of office.
- 3 The Advisors shall work without any remuneration; provided, however, that Advisors are entitled to receive any expenses which are necessary to perform their duties.
- 4 The Advisors may provide advices and comments in response to requests from the President.

## Chapter 9. Amendment to Articles of Incorporation and Dissolution of the Foundation

### Article 36 (Amendment to Articles of Incorporation)

- 1 Amendment to these Articles of Incorporation may be made with the approval of Board of Trustees.
- 2 The preceding paragraph shall also apply to Articles 3, 4 and 12 of these Articles of Incorporation.

### Article 37 (Dissolution)

The Foundation shall be dissolved if the Foundation is unable to achieve its purposes due to loss of endowment or for other reasons prescribed in the law.

### Article 38 (Disposal of Residual Assets)

The residual assets of the Foundation in case of liquidation of the Foundation shall be donated to the juridical person provided in Item 17 of Article 5 of the Act on General Incorporated Associations and General Incorporated Foundations, national government or local authority.

## Chapter 10. Method of Public Notice

### Article 39 (Method of Public Notice)

- 1 Public notices by the Foundation shall be made through electronic public notice.
- 2 In case that public notice cannot be made electronically due to accidents and other unavoidable reasons, public notice shall be made by placing such notice in the official gazette.

### Supplementary Provision

- 1 These Articles of Incorporation shall come into force on the date of registration of establishment of a public incorporated organization as defined in Paragraph 1 of Article 106 of the Act on Arrangements of Relevant Acts Accompanying the Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations as applied mutatis mutandis pursuant to Paragraph 1 of Article 121 of such Act.
- 2 Notwithstanding the provisions of Article 7 of the Act on Arrangements of Relevant Acts Accompanying the Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, in the event that the registration for the dissolution of special civil law corporation and the establishment of general incorporated association or general incorporated foundation take place as provided in Paragraph 1 of Article 106 of such Act as applied mutatis mutandis pursuant to Paragraph 1 of Article 121 of such Act, the date immediately preceding the date of registration for dissolution shall be the final date of the business year and the date of registration for establishment shall be the starting date of the business year.
- 3 The first President of the Foundation shall be Toru Nakatani, the first Vice President shall be Toshiyuki Ezuka and the first Accounting Auditor shall be Kiyoshi Toi.
- 4 The first Trustees shall be the following:  
Michiyo Arita, Hajime Suzuki, Masaoki Takeuchi, Makoto Tochigi  
Tetsuya Nakao, Shunichi Hiraki, Kenichi Yanagisawa and Sachiko Yamano
- 5 The Executive Directors and Auditors who come into office on the date of registration shall be the following:  
Executive Director: Toru Nakatani, Toshiyuki Ezuka, Yutaka Kitani, Minoru Ijima and Sumiko Yazawa  
Auditor: Tsuyoshi Hinokuchi and Michio Masaki

# Compliance

## JICS' Compliance Policy

JICS implements procurement and other operations in the international cooperation field to aim to contribute to peace and stabilization of the international society.

These operations encompass a wide range of stakeholders, including the Government of Japan, Japanese citizens, recipient governments, the citizens of recipient countries, tenderers, contractors (suppliers, construction companies, consultants, etc.), and employees. It may be said that JICS' mission hinges on how well it is able to help stakeholders benefit from these operations.

JICS' procurement operations are equivalent to public procurement and must be performed in an appropriate manner ensuring transparency and fairness. From this perspective, compliance is not only the cornerstone of JICS' organization and operations but may also be seen as something that leads to increased benefits for

stakeholders, and thus ranks as one of JICS' most important issues.

JICS places the fulfillment of the JICS Vision (please refer to "Mission, Vision and Value" on the inside front cover of this report) as our primary objective. At the same time, in accordance with the JICS Code of Conduct, we are building systems to ensure a high level of fairness and transparency in the execution of our operations, implementing training programs with the goal of promoting consciousness change and skills enhancement among all employees, and conducting appropriate organizational administration. In addition, we are working to ensure proper implementation of projects in accordance with guidelines related to operational execution. In order to further reinforce these efforts, JICS established the Compliance and Risk Management Office as a specialist organizational unit on August 1, 2014.

## JICS Code of Conduct

Based on the precepts of the JICS Mission, Vision and Value, we pledge to act in accordance with the ten principles shown below, with the goal of promoting higher-quality international cooperation.

### 1. Behaving in accordance with our responsibilities as a public service corporation

We will act responsibly based on awareness of our role as an organization involved in international cooperation, to meet society's expectations toward us as a public-service corporation.

### 2. Providing high-quality services

We will endeavor to provide high-quality services in a timely and effective manner that are valuable in the implementation of international cooperation and which ensure the satisfaction and trust of stakeholders.

### 3. Strictly observing laws and rules

We will strictly observe all relevant laws, internal rules, societal norms and international rules. Furthermore, we will act according to social common sense and will not engage in inappropriate conduct. We will report to or consult the responsible person specified in the rule upon discovering or committing any violation of laws, rules etc.

### 4. Exercising due consideration for local conditions

In our overseas activities, we will observe local laws and exercise due consideration for local conditions, including traditions, customs, culture and the environment.

### 5. Practicing information disclosure

To ensure greater transparency in the management of our operations, we will maintain a proactive stance toward information disclosure covering such areas as details of our projects and our administrative situation.

### 6. Managing information appropriately

We will strictly manage all information in our possession, including personal information, through compliance with laws and relevant rules concerning the protection of personal information, the implementation of information security measures and strict adherence to confidentiality obligations.

### 7. Respecting human rights

We will respect human rights in all circumstances and will not discriminate on the basis of sex, age, nationality, race, ethnicity, beliefs, religion, social status or physical disability.

### 8. Acting resolutely in response to anti-social groups

We will adopt a resolute stance toward anti-social groups or organizations that threaten social order or safety.

### 9. Working to protect the environment

Based on awareness that addressing environmental problems is an important part of our mission, we will undertake proactive efforts on our own initiative that contribute to environmental protection.

### 10. Creating a safe and satisfying workplace environment

To maintain orderly workplaces and enable officers and employees to work to the best of their abilities, we will strive to build safe and satisfying workplaces. To ensure the safety of officers and employees, both in Japan and abroad, we will develop a crisis management system and strive to achieve safe management at all times.

## Compliance-related Measures

To fulfill the JICS Code of Conduct shown above, as an organization JICS has formulated the following provisions and is building up its compliance systems.

- JICS has established the Compliance and Risk Management Office, which operates for improvement of compliance and risk management structure of the organization as well as verifies the validity of tender procedure such as tendering and contracting.
- JICS promotes compliance through the activities of the Compliance Committee as well as through the establishment of working groups as deemed necessary to deal with specific key issues.
- We have established the Office of Management Audit, which undertakes internal audits. In addition, external audits are conducted by certified public accountants and certified tax accountants.
- We established a whistleblower system with the goal of preventing the occurrence of legal violations as well as facilitating appropriate responses to reports of compliance violations.
- We eliminate anti-social forces from our organization activities and operations as well as secure the safety of our staff in case of racketeering by interceding in civil disputes and threatening the use of violence.
- We have established the Conflicts of Interest Management Committee, which deals with and achieves our accountability on the conflict of interest and such transactions. Through the Committee, we execute new business development, collaborate with other organization and participate in a joint enterprise while we secure our impartiality, fairness and transparency.
- To ensure orderliness and discipline in a fair workplace, JICS has implemented measures to prevent and eliminate harassment behavior, has assigned counseling staff internally and implements educational programs for employees.
- In response to overseas travel alerts released by the Ministry of Foreign Affairs, JICS holds safety countermeasure meetings to consider and confirm the safety and adequacy of overseas operational travel by employees and to deliberate on safety countermeasures and provides safety countermeasure briefings for employees.
- JICS has established the Health Committee, which works to ensure employee safety and health in the workplace and implements activities aimed at maintaining a comfortable working environment.

## Personal Information Protection Measures

JICS clearly specifies its personal information protection policy, the types of personal information it is obligated to protect, and the actions it takes that are necessary for the protection of personal information. With the goal of ensuring that administrative systems comply with these policies, JICS has formulated a set of basic regulations for the protection of personal information. In relation to these personal information protection measures, on June 17, 2011, JICS received accreditation under the PrivacyMark System administered by the Japan Institute for

Promotion of Digital Economy and Community (JIPDEC). PrivacyMark accreditation was renewed on June 17, 2013. On an organization-wide basis, JICS will continue to handle personal information in an appropriate manner, while at the same time working to further increase awareness among its employees of issues related to personal information protection.



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Toru Nakatani

**Vice President:**

Toru Kubo

**Date of Establishment:**

April 12, 1989

**Endowment:**

¥387 million

**Number of Employees:**

170 (as of September 1, 2014)

**● Project Offices** (18 offices in 16 countries)**Japan International Cooperation System  
Annual Report 2013**

Published November 28, 2014 (English Edition)

Compiled and published by Japan International Cooperation System

Shinjuku EAST Building (2F-3F), 10-5, Tomihisa-cho, Shinjuku-ku, Tokyo 162-0067, JAPAN

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[http://www.jics.or.jp/jics\\_html-e/index.html](http://www.jics.or.jp/jics_html-e/index.html)

Editorial assistance: Five Cs, Inc.

Printed in Japan

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