

# FY2014 Business Report

Item	Description	Actual Figures in FY2013	Actual Figures in FY2014
<b>Procurement Services and Management Services on International Cooperation Operations</b>			
<b>Grant Aid</b>			
<b>1. Procurement Agent Services and Procurement Consulting 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)	3/8	7/7
(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)	11/16	12/16
(3) Expediting implementation of cultural grant aid	Procurement consulting services for cultural grant aid (new/continuing)	12 (continuing)	0/8
(4) Procurement agent services for non-project grant aid	Procurement agent services for non-project grant aid (new/continuing)	40/42	34/60
(5) Procurement agent services for emergency grant aid	Procurement agent services for emergency grant aid (new/continuing)	1/8	2/2
(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)	5/8	3/11
(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)	3/4	0/8
(8) Procurement agent services for grant aid for community empowerment	Procurement agent services for grant aid for community empowerment (new/continuing)	5/27	6/31
(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 (new/continuing)	57 (continuing)	0/45
(10) Grant Assistance in the field of Public-Private Partnership (PPP)	Infrastructure construction projects involving service operations and management components which introduces the concept of PPP	0/0	1/0
<b>2. Studies and Screening on International Cooperation Operations</b>			
(1) Study for cultural grant aid	Cultural grant aid-related study and analysis of project applications for grass root cultural grant aid, etc. (new)	1	1
(2) Preliminary study		18 (continuing)	0 (new)/1 (continuing)
(3) Study on Work Ratio of Construction Machine and Labor		0 (new)/0 (continuing)	1 (new)
(4) Follow-up study	Follow-up study for execution of grant aid (new/continuing)	1/1	0 (new)
(5) Screening	Grant assistance for Japanese NGO projects (new)	1	1
<b>Technical Cooperation</b>			
(1) Support on technical cooperation		1 (new)	1 (new)/1 (continuing)
(2) Support for local procurement	Dispatch of short-term procurement support staff (new)	1	1
(3) Compilation of specifications for equipment export	Compilation of specifications for equipment export	1 (new)	0 (new)/0 (continuing)
<b>Loan Aid</b>			
(1) Procurement management services for loan aid	Check and audit of procurement-related documents (new)	1	2
(2) Study for Japanese ODA Loans, etc.	Study and support on implementation of loan project (new)	1	5
(3) Revision of procurement-related documents	Revision of procurement-related documents on loan projects	1 (continuing)	0 (new)/0 (continuing)
<b>Business Contributing to the Promotion of the Appropriate and Efficient Implementation of International Cooperation Programs Carried Out by International Agencies and Organizations, Foreign Governments and Other Organizations Engaged in International Cooperation</b>			
Business contributing to the promotion of the appropriate and efficient implementation of international cooperation programs carried out by international agencies and organizations, foreign governments and other organizations engaged in international cooperation		1 (new) / 7 (continuing)	6 (new) / 7 (continuing)
<b>Other Activities Necessary to Achieve the Purposes of the Foundation (Cooperation with private enterprises, etc.)</b>			
(1) Project subsidy	Supply of the Equipment under the Machinery and Equipment Project for Saudi Japanese Automobile High Institute in 2014 (new)	1	1
(2) Project Formulation Survey on SME support	Feasibility studies and basic surveys by the Ministry of Foreign Affairs or JICA	1 (new)	3 (new)/0 (continuing)
(3) ODA needs survey	Collecting information and investigation for verification related to support for Syria (Evaluation of support for Syria)	1 (new)	0 (new)/0 (continuing)
(4) Dispatch of experts	Dispatch of experts (new/continuing)	2/6	1/8
(5) Promotion of sport-related programs (SPORT FOR TOMORROW Programme)	SPORT FOR TOMORROW Programme, "UNDOKAI" trial project	0 (new)/0 (continuing)	1 (new)
<b>Support Program for Non-Governmental Organizations (NGOs) Working in the International Cooperation Field</b>			
(1) Support for NGOs	Evaluating and choosing NGOs for support and providing funds	11 NGOs	13 NGOs
<b>Education and Support Promoting International Cooperation</b>			
Education and support promoting international cooperation	JICS Medical Lecture for Travellers	5 times	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	3 times	2 times

# FY2014 Balance Sheet

March 31, 2015

(Unit: yen)

Item	FY2014	FY2013	Variance
<b>I Assets</b>			
<b>1. Current assets</b>			
Cash equivalents	615,980,623	340,671,208	275,309,415
Accrued revenues	286,797,340	435,270,369	(148,473,029)
Prepaid expenses	15,055,381	15,125,040	(69,659)
Advances paid	73,360,758	21,770	73,338,988
Suspense payments	27,993,495	32,247,592	(4,254,097)
<b>Total current assets</b>	<b>1,019,187,597</b>	<b>823,335,979</b>	<b>195,851,618</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	7,533,000	5,181,000	2,352,000
<b>Total specific assets</b>	<b>17,533,000</b>	<b>15,181,000</b>	<b>2,352,000</b>
<b>(3) Other fixed assets</b>			
Vehicles and other transportation devices	2,761,869	2,130,055	631,814
Equipment attached to building	35,327,964	44,211,717	(8,883,753)
Appliances and fixtures	40,823,753	46,028,138	(5,204,385)
Software	6,722,744	25,274,838	(18,552,094)
Deposit and security moneys	79,516,432	78,900,314	616,118
Long-term prepaid expenses	18,258,529	31,851,041	(13,592,512)
Prepaid pension expenses	43,314,908	47,108,385	(3,793,477)
Investment securities	861,507	1,634,783	(773,276)
Lease assets	1,446,681	4,918,677	(3,471,996)
<b>Total other fixed assets</b>	<b>229,034,387</b>	<b>282,057,948</b>	<b>(53,023,561)</b>
<b>Total fixed assets</b>	<b>633,567,387</b>	<b>684,238,948</b>	<b>(50,671,561)</b>
<b>Total assets 1)</b>	<b>1,652,754,984</b>	<b>1,507,574,927</b>	<b>145,180,057</b>
<b>II Liabilities</b>			
<b>1. Current liabilities</b>			
Accrued payments	94,408,050	115,349,353	(20,941,303)
Allowance for bonus	154,989,553	165,448,773	(10,459,220)
Deposit received	7,854,297	7,532,561	321,736
Short-term lease obligations	1,535,440	3,662,194	(2,126,754)
Provision for warranties for the Djibouti project	0	32,854,000	(32,854,000)
Reserve for operational losses	22,014,889	0	22,014,889
Income tax payable	107,512,200	91,845,100	15,667,100
<b>Total current liabilities</b>	<b>388,314,429</b>	<b>416,691,981</b>	<b>(28,377,552)</b>
<b>2. Fixed liabilities</b>			
Reserve for executive officers' retirement benefits	7,533,000	5,181,000	2,352,000
Long-term lease obligations	0	1,535,440	(1,535,440)
<b>Total fixed liabilities</b>	<b>7,533,000</b>	<b>6,716,440</b>	<b>816,560</b>
<b>Total liabilities 2)</b>	<b>395,847,429</b>	<b>423,408,421</b>	<b>(27,560,992)</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>1,256,907,555</b>	<b>1,084,166,506</b>	<b>172,741,049</b>
<b>Total liabilities and net assets</b>	<b>1,652,754,984</b>	<b>1,507,574,927</b>	<b>145,180,057</b>

# FY2014 Statement of Net Equity Increase (Decrease)

April 1, 2014–March 31, 2015

(Unit: yen)

Item	FY2014	FY2013	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	2,941,123	2,913,724	27,399
Interest received from the endowment	2,941,123	2,913,724	27,399
2) Profit from business activities	2,843,535,789	2,645,251,203	198,284,586
Profit from grant aid programs	2,583,866,566	2,346,668,648	237,197,918
Profit from technical cooperation programs	45,000,049	53,773,250	(8,773,201)
Profit from loan program	126,177,030	155,499,200	(29,322,170)
Profit from programs with international agencies and organizations, etc.	49,964,974	59,841,394	(9,876,420)
Profit from other commissioned projects	38,527,170	29,468,711	9,058,459
3) Miscellaneous profits	2,781,392	1,894,810	886,582
Miscellaneous profits	2,781,392	1,894,810	886,582
<b>Total current profits (A)</b>	<b>2,849,258,304</b>	<b>2,650,059,737</b>	<b>199,198,567</b>
(2) Current expenses			
1) Operating expenses	2,106,587,815	2,160,480,271	(53,892,456)
2) Administrative expense	393,019,290	344,309,555	48,709,735
<b>Total current expenses (B)</b>	<b>2,499,607,105</b>	<b>2,504,789,826</b>	<b>(5,182,721)</b>
<b>Current increase or decrease for the year (C) = (A) - (B)</b>	<b>349,651,199</b>	<b>145,269,911</b>	<b>204,381,288</b>
<b>2. Nonrecurring increase or decrease</b>			
(1) Nonrecurring increase			
1) Gain on sales of fixed assets	1,217,311	833,852	383,459
<b>Total nonrecurring increase</b>	<b>1,217,311</b>	<b>833,852</b>	<b>383,459</b>
(2) Nonrecurring expenses			
1) Loss on sales and retirement of noncurrent assets	24,913	0	24,913
2) Provision for warranties for the Djibouti project	0	32,854,000	(32,854,000)
3) Loss on warranties for the Djibouti project	46,495,647	0	46,495,647
4) Provision to reserve for operational losses	22,014,889	0	22,014,889
<b>Total nonrecurring expenses</b>	<b>68,535,449</b>	<b>32,854,000</b>	<b>35,681,449</b>
<b>Nonrecurring increase or decrease for the year (D)</b>	<b>(67,318,138)</b>	<b>(32,020,148)</b>	<b>(35,297,990)</b>
<b>General net assets increase or decrease for the year before income taxes (E) = (C) + (D)</b>	<b>282,333,061</b>	<b>113,249,763</b>	<b>169,083,298</b>
Income taxes—current (F)	109,592,012	92,136,825	17,455,187
<b>General net assets increase or decrease for the year (G) = (E) - (F)</b>	<b>172,741,049</b>	<b>21,112,938</b>	<b>151,628,111</b>
<b>General net assets at beginning of year (H)</b>	<b>712,166,506</b>	<b>691,053,568</b>	<b>21,112,938</b>
<b>General net assets at end of year (I) = (G) + (H)</b>	<b>884,907,555</b>	<b>712,166,506</b>	<b>172,741,049</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>1,256,907,555</b>	<b>1,084,166,506</b>	<b>172,741,049</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).
2014	August	JICS established Compliance and Risk Management Office.
	September	JICS partially revised its Articles of Incorporation.
	November	JICS registered as a First Class Registered Architects Office.

# Board of Directors / Board of Trustees

## Board of Directors As of August 1, 2015

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	Michio Masaki	Attorney at Law, City-Yuwa Partners
Auditor	Naoki Sou	Certified Public Accountant, Tax Accountant
Accounting Auditor	Kiyoshi Toi	Certified Public Accountant

## Board of Trustees As of August 1, 2015

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

## Presidents since JICS was established

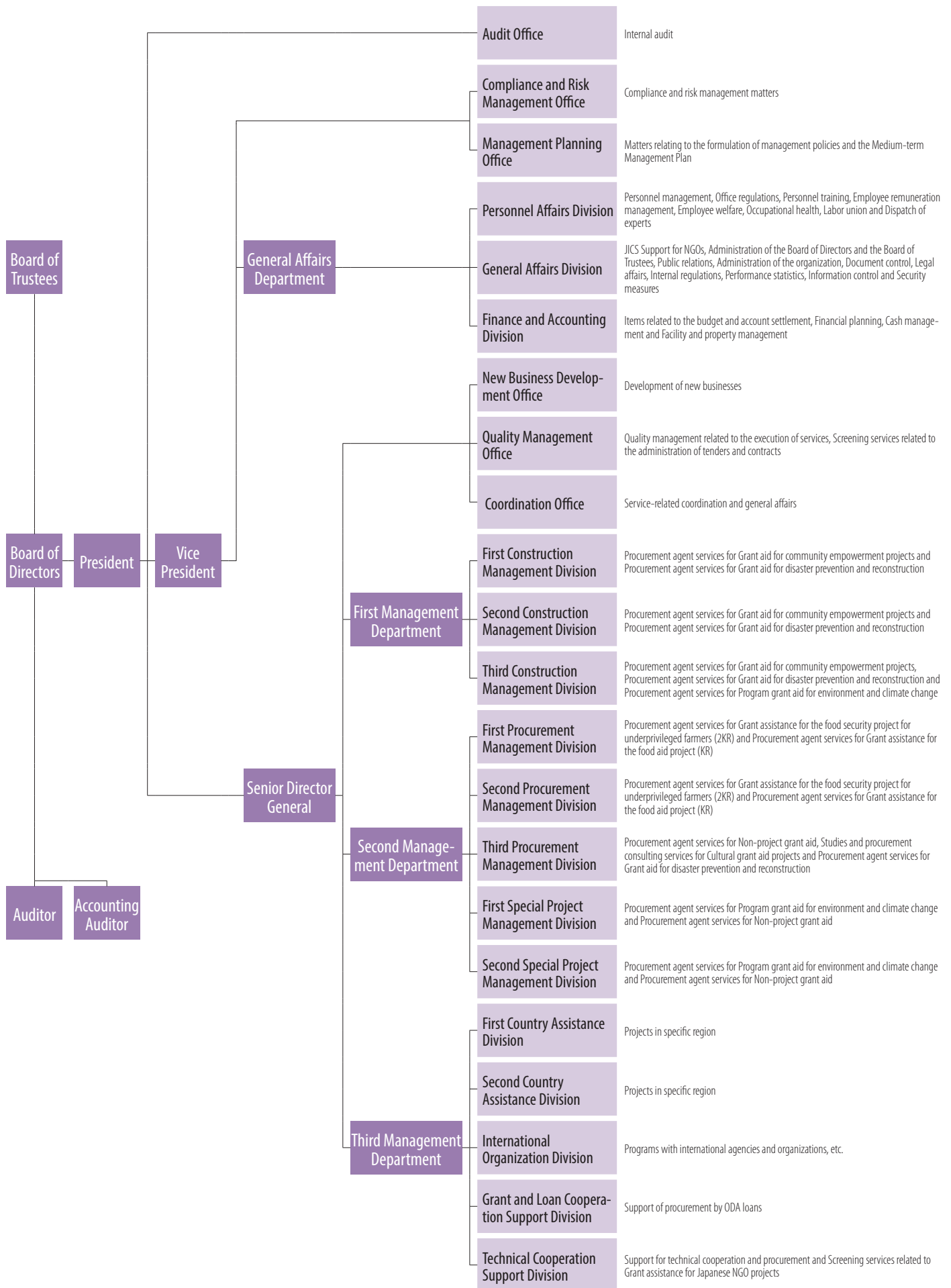
Hiroshi Yokota	April 1989–December 1991
Shigeru Tokuhisa	March 1992–March 1997
Yutaka Nomura	April 1997–March 2004
Takahisa Sasaki	April 2004–August 2010
Toru Nakatani	September 2010–

## 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–July 2015

# Organization Chart

(As of August 1, 2015)





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

(As amended on September 25, 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) Design and supervision of architecture and civil engineering work concerning international cooperation;
  - (6) Support to NGO, etc. relating to international cooperation activities;
  - (7) Dissemination and enlightenment of knowledge concerning international cooperation activities; and
  - (8) 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

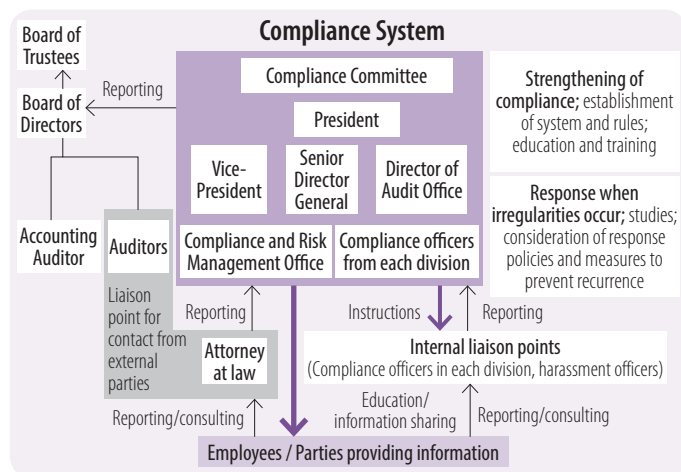
JICS implements procurement and other operations in the international cooperation field with the aim to contribute to peace and stabilization of the international society.

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.

## Compliance System

Within MISSION, VISION, VALUE ("MVV"; refer to the MVV section on the inside front cover of this report), "VALUE" articulates the values each JICS employee must uphold. As part of "VALUE," JICS emphasizes "impartiality, fairness and transparency." To promote enhanced quality in international cooperation, based on MVV JICS has formulated 10 principles as its Code of Conduct (refer to the inside front cover of this report).

In accordance with this philosophy, JICS has established the following compliance system.



### (1) Compliance Committee

The President chairs the Compliance Committee, which considers and deliberates on fundamental policies and plans related to the strengthening of compliance. The committee also formulates fundamental policies related to JICS' response to the occurrence of any compliance

irregularities.

### (2) Compliance and Risk Management Office

This office undertakes administrative duties on behalf of the Compliance Committee. The office also coordinates activities related to the improvement of compliance within JICS' organization and risk analysis and risk mitigation measures across the entire organization aimed at improving risk management.

### (3) Audits by the Auditors, Accounting Auditor and Tax Accountant

The Auditors attend meetings of the Board of Directors and receive reports from the full-time directors twice yearly for the purpose of auditing the performance of duties by the Board of Directors and Executive Directors.

The Accounting Auditor and Certified Tax Accountant principally conduct audits of financial- and accounting-related compliance matters from an independent standpoint. The Accounting Auditor not only audits the situation regarding the financial statements as well as the establishment and operation of internal controls, but also audits deposit accounts for aid funds managed by JICS on behalf of recipient country governments as part of procurement agent services.

### (4) Audit Office

As the department responsible for internal audits, Audit Office reports directly to the President. The office conducts audits from a standpoint independent from other departments and reports to the President on whether operations are being carried out appropriately and efficiently.

## Compliance-related Measures

To fulfill the JICS Code of Conduct shown above, JICS has built up its compliance systems.

- (1) The compliance manual issued to the employees which explains the compliance system and precautions to be taken during daily operations.
- (2) Instruction seminars for the employees by the Director of Compliance and Risk Management Office and an external professional.
- (3) Internal audit for procurement agent service procedures such as tendering and contracting in order to check if such procedures comply with the relevant rules and regulations.
- (4) Whistleblower system which prevents the legal violations and copes with the actual matters.
- (5) Procedure for eliminating anti-social forces both from JICS organizational operations and from our projects and for dealing with the actual racketeering by interceding in civil disputes and threatening the use of violence.
- (6) The Conflicts of Interest Management Committee which enables JICS to start up businesses in new domains and to collaborate with other organizations while continuing existing operations like procurement agent services which require JICS to be impartial, fair and transparent, through preparing to be accountable for the problems to be arisen from conflict of interest or such transactions.
- (7) Measures to prevent and eliminate harassment behavior, appointment of peer counselors, and education for employees to ensure orderliness and discipline in a fair workplace.
- (8) Security measures for the staff travelling overseas on confirming security conditions through predeparture meeting or briefing, taking into account the travel advice released by the Ministry of Foreign Affairs of Japan.
- (9) Health Committee which works to ensure the employees' safety and health in the workplace and to maintain a comfortable workplace environment.
- (10) Check-ups of project offices overseas by accounting staff which includes check-ups for management of cash and account, and instruction for bookkeeping in overseas offices.
- (11) Instruction on JICS Code of Conduct for local staff who are involved in projects on-site in the recipient countries.

## 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 and related rules for the protection of personal information. In FY2014, those rules and regulations were revised in terms of reinforcing the recognition of personal information protection. In association with these activities, JICS received accreditation under the PrivacyMark System administrated by the Japan Institute for Promotion of Digital Economy and Com-

munity (JIPDEC). PrivacyMark accreditation was renewed the second time round on June 17, 2015. 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.



**Name of Organization:**

Japan International Cooperation System (JICS)

**Head Office:**

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

**Main Contact Information and Website:**

Tel: +81-3-5369-6960

Fax: +81-3-5369-6961

E-mail: [jics@jics.or.jp](mailto:jics@jics.or.jp)

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

**President:**

Toru Nakatani

**Vice President:**

Toru Kubo

**Date of Establishment:**

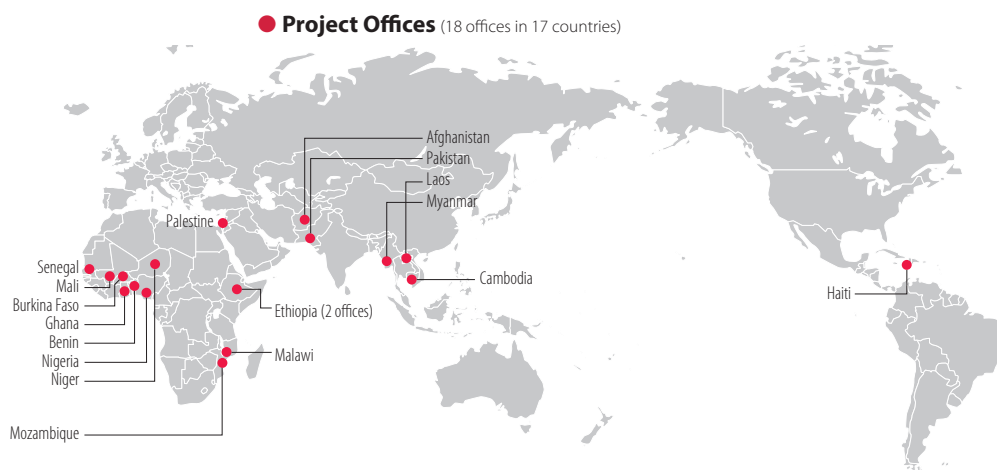
April 12, 1989

**Endowment:**

¥387 million

**Number of Employees:**

173 (as of September 1, 2015)



## Japan International Cooperation System Annual Report 2015

Published November 30, 2015 (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

Tel: +81-3-5369-6960

[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

©2015 Japan International Cooperation System

