

Japan Student Services Organization (Incorporated Administrative Agency)

<https://www.jasso.go.jp/>

1. Summary of operations implemented using FILP funds

For the purpose of fostering young people of high caliber who will become future leaders of society, and for the purpose of contributing to the maintenance of the principle of equal opportunity in education, Japan Student Services Organization (JASSO) provides non-interest-bearing loans (utilizing FILP) and interest-bearing educational loans for school fees to promising students who have difficulty in continuing their studies for economic reasons.

Note: In operations that are outside of FILP, JASSO provides non-interest-bearing loans and grants for school fees to especially superior students who have serious difficulty in continuing their studies for economic reasons under the Scholarship Programs for Japanese Students. Also, it implements the Support Programs for International Students and the Student Support Programs

2. Amount of lending under FY2021 FILP

(Unit: billion yen)

FY2021 FILP	Estimated outstanding amount of FILP lending at the end of FY2020
620.9	6,452.4

3. Estimated policy cost analysis of the project

(1) Policy cost (Unit: billion yen)

Category	FY2020	FY2021	Fluctuation
1. Government expenditure (subsidies, etc.)	112.7	92.5	-20.3
2. Government revenue (payments to the government, etc.)*1	-	-	-
3. Opportunity cost of capital investments, etc.	0.9	1.2	+0.3
Total (1+2+3=policy cost(A))	113.6	93.7	-19.9
Analysis period (years)	26 years	26 years	-

(2) Breakdown of policy cost by the time of the provision of funds (Unit: billion yen)

Category	FY2020	FY2021	Fluctuation
(A) Policy cost (previously cited)	113.6	93.7	-19.9
1) Opportunity cost of capital investments, etc. provided before the beginning of the analysis period	0.0	0.0	+0.0
2) Policy cost expected to be newly accrued during the analysis period	113.6	93.7	-19.9
Government expenditure (subsidies, etc.)	112.7	92.5	-20.3
Government revenue (payments to the government, etc.)*1	-	-	-
Opportunity cost of surplus, etc.	0.9	1.2	+0.3
Opportunity cost of capital investments, etc.	-	-	-

(3) Year-to-Year comparison analysis

(Computing any fluctuation from previous year)

(Unit: billion yen)

Policy cost		FY2020	FY2021	Simple fluctuation
		Simple comparison (before adjustment)	113.6	93.7
Past year comparison (after adjustment)	1) Adjusting initial years (Analysis results after adjusting initial year to that for FY2021 analysis)	101.7	96.6	-5.0
	2) Adjusting assumed interest rates (Analysis results of re-estimation using assumed interest rate for FY2020)			Real fluctuation (2-1)

【Real fluctuation factor analysis】

○Factors behind policy cost increase

- Increase in cost due to increase in loan losses (+5.4 billion yen)
- Increase in cost due to effects of prepayments (+4.3 billion yen)
- Increase in cost due to new loans provided in FY2021 (+2.0 billion yen)

○Factors behind policy cost decrease

- Decrease in cost settled results in FY2019 and expected revision in FY2020 (-2.1 billion yen)
- Decrease in cost due to actualization of applied interest rates (-1.5 billion yen)
- Decrease in cost due to the impact of a decline in repayment exemptions (-1.0 billion yen)
- Others (e.g., a decrease in cost due to a fall in the average interest rate on outstanding debt) (-12.2 billion yen)

(4) Breakdown of policy cost by causative factor (Unit: billion yen)

(A) Policy cost in FY2021 (previously cited)	93.7
1) Prepayments	-0.7
2) Loan losses	52.0
3) Others (including profit spread)	42.5

(5) Sensitivity analysis (cases where assumptions change)

(Unit: billion yen)

(A) Policy cost (previously cited)	Case before the negative interest rate policy*2	Fluctuation	Fluctuation		
			1. Government expenditure (subsidies, etc.)	2. Government revenue (payments to the government, etc.)*1	3. Opportunity cost of capital investments, etc.
93.7	79.0	-14.8	-17.6	-	+2.8

(A) Policy cost (previously cited)	Case of a 1% increase in loan charge-offs	Fluctuation	Fluctuation		
			1. Government expenditure (subsidies, etc.)	2. Government revenue (payments to the government, etc.)*1	3. Opportunity cost of capital investments, etc.
93.7	94.2	+0.5	+0.5	-	-

(Note) Components in each column may not add up to the total because of rounding.

*1 Government revenue (payments to the government, etc.) is booked as a negative amount. Example: -10 b. yen for 10 b. yen in payments to government, etc.

*2 Assumed interest rates (discount factor and future interest rate) are based on the market yield on Japanese government bonds on January 28, 2016, before the introduction of the negative interest rate policy.

4. Outline of estimation and project prospect employed in the analysis

- 1) Non-interest-bearing loans (using FILP) and interest-bearing loans provided under the scholarship programs by Japan Student Services Organization (JASSO) are included in calculation.
- 2) Estimation was made for a case in which 686.1 billion yen in project cost decided on in FY2021 and loans for relevant grades are implemented in addition to the outstanding loan balance of 6,744.4 billion yen at the end of FY2020.
- 3) The analysis period continues for a period of 26 years including the initial period in which loans are provided as described in the above item 2) (the longest period is 6 years for the students studying in medical departments) in addition to the loans already provided and the ensuing period (the longest period is 20 years) in which these loans are recovered in full.
- 4) Interest rates on interest-bearing loans are capped at 3% and no interest accrues when recipient students are in school. No interest accrues on non-interest-bearing loans over full terms.
- 5) With regard to management expenses, expenses pertaining to administration of scholarship programs are extracted from the general management expenses of JASSO and classified into expenses for new loans and those for loan management. Expenses for new loans are calculated based on the amount of scholarship loans provided and those for loan management are calculated based on the ratio of the balance of scholarship loans.
- 6) Prepayments are calculated based on the prepayment ratio planned in the FY2021.
- 7) The loan charge-off is calculated based upon the GAAP for the Incorporated Administrative Agencies. As for the method for estimating the charge-off, future cash flow is first estimated, with the total amount of loans to borrowers that are bankrupt and in the process of reorganization and rehabilitation, etc. (the total installment amount that is in arrears for 10 years or more and the amount based on the charge-off ratio for FY2019) as of the end of each year assumed to be 52.3 billion yen. This amount will be charged off in FY2021 and the remaining years of the analysis period.

Prepayment and loan charge-off ratios for the non-interest-bearing loan program (using FILP)

FY	Result			Estimated	Planned	Assumptions for calculation
	2017	2018	2019	2020	2021	2022 and on
Prepayment ratio	3.573%	3.929%	2.043%	1.415%	1.303%	2022 and on: 1.303%
Loan charge-off ratio	-	-	-	0.007%	0.013%	Cumulative total in and after 2022: 0.744%

Prepayment and loan charge-off ratios for the interest-bearing loan program

FY	Result				Estimated	Planned	Assumptions for calculation
	2016	2017	2018	2019	2020	2021	2022 and on
Prepayment ratio	3.007%	2.832%	2.752%	2.527%	2.302%	2.077%	2022 and on: 2.077%
Loan charge-off ratio	0.004%	0.006%	0.008%	0.010%	0.008%	0.010%	Cumulative total in and after 2022: 3.600%

5. Reasons for granting of subsidies, mechanism and underlying laws

In order to accomplish the purpose of scholarship programs, the Government, for the purpose of achieving its goals, provides financial assistance for administrative expenses, compensation for repayment exemption, and compensation for bad loan charge offs, as well as subsidies from the national treasury to reduce the burden on borrowers.

[Underlying laws and regulations]

•Subsidies and the Government's grants-in-aid are provided under the following law:

Article 23 of the Act on the Japan Student Services Organization

“The Government can subsidize part of the funds required for the scholarship programs operated by Japan Student Services Organization (JASSO) as provided for in Item 1, Paragraph 1, Article 13 of the Act within the limits of the budget.”

•Grants for operating expenses are provided under the following law:

Article 46(1) of the Act on General Rules for Incorporated Administrative Agencies

“The Government can grant subsidies to cover part or whole of the funds required for the operation of incorporated administrative agencies within the limits of the budget.”

•Government investment is provided under the following law:

Article 5, Paragraph 2 of the Act on the Japan Student Services Organization

“The Government can provide JASSO with additional capital investment within the limits of the amount specified in the budget, if recognized as necessary.”

(Underlying law for payments to the national treasury)

Act on General Rules for Incorporated Administrative Agencies

Article 46-2: An Incorporated Administrative Agency is to make payment to the national treasury in relation to any Unnecessary Property pertaining to contribution or expenditure from the government (excluding any property which is in the form of contribution of money) (hereinafter referred to as "Unnecessary Property Pertaining to Government Contribution, etc." in this paragraph) with an authorization of the competent minister, without delay; provided, however, that the Incorporated Administrative Agency is not required to obtain an authorization of the competent minister if it specifies the plan referred to in Article 30, paragraph (2), item (v) for a Medium-term Plan of an Agency Managed under the Medium-term Objectives, the plan referred to in Article 35-5, paragraph (2), item (v) for a Medium to Long-term Plan of a National Research and Development Agency, or the plan referred to in Article 35-10, paragraph (3), item (v) for a Business Plan of an Agency Engaged in Administrative Execution, and it makes payment to the national treasury in relation to the Unnecessary Property Pertaining to Government Contribution, etc. in accordance with the relevant plan.

Supplementary Provisions (Act No.37 of May 28, 2010) (excerpt)

(Transitional measure)

Article 3 Transfer of assets that is conducted by an incorporated administrative agency before the date on which the Act comes into effect and that is defined by the competent minister as equivalent to transfer of unnecessary assets involving government investment, etc. stipulated in Article 46-2, Paragraph 1 of the new Act on the date on which the Act comes into effect shall be defined as transfer of unnecessary assets involving government investment, etc. stipulated in Paragraph 2 of the said Article conducted on the date on which the Act comes into effect, and the provisions from Paragraph 1 to Paragraph 2 of the said Article apply. In this case, “may make a payment” in Paragraph 2 of the said Article shall be replaced with “shall make a payment.”

Act on the Japan Student Services Organization

Article 18 (1) When the Organization has the reserves stipulated in Article 44(1) of the Act on the General Rules for Incorporated Administrative Agencies after the adjustments stipulated in Article 44(1) or 44(2) of the Act for the last fiscal year of the period for a medium-term target period (hereinafter referred to as the “medium-term target period” in this paragraph) stipulated by Article 29(2)(i) of the Act, the Organization may use the portion approved by the Minister of Education, Culture, Sports, Science and Technology out of the equivalent to the reserve amount for operations stipulated in Article 13 of the Act for the next medium-term plan period, under the medium-term plan approved pursuant to Article 30(1) of the Act with regard to the next medium-term target period after the relevant medium-term target period.

(2) When the Organization has a surplus after deducting the amount approved in paragraph (1) from the reserve amount stipulated in the same clause, it shall pay the surplus to the national treasury

(3) In addition to the matters stipulated in the above two paragraphs, any other necessary matters regarding procedures for payment to the national treasury and other measures for disposal of reserves shall be stipulated by government ordinance.

6. Special remarks

- 1) The policy costs of Japan Student Services Organization (JASSO)'s non-interest-bearing loan program (using FILP) and interest-bearing loan program are incurred because JASSO provides long-term funds with low interest rates for school fees to superior students who have difficulty in continuing their studies for economic reasons. As a result, these students can be self-supported and study without worry, developing capable and creative human resources that will make significant contribution to society in the future.
- 2) This analysis is for the accounting division of the "administration pertaining to the Category 1 Loans" (using FILP) and the "administration pertaining to the Category 2 Loans" under Article 17 Paragraph 1 Items 2 and 3 of the Ministerial Order Pertaining to JASSO (Incorporated Administrative Agency.)
- 3) The following systematic revisions apply for the newly qualified borrower students as of FY2007 in order to contribute to the reduction of the interest subsidies in the future and to the convenience of the students.
 - (A) Since the funds for the student loan within the period spent at school are interest-free (No interest on non-interest-bearing loans over full terms), such funds shall be short-term private borrowing, etc. in order to reduce the procurement cost of JASSO and JASSO shall refinance them to long-term FILP funds at the end of the loan lending period depending on the selected interest rate.
 - (B) Provide students with options to select from a fixed interest rate or a variable interest rate for their repayment to eliminate the mismatching interest rates by borrowing the Fiscal Loan Fund in accordance with the selections.
- 4) The institution guarantee system by Japan Education Exchanges and Services has been introduced for recruits as well as the conventional personal guarantee since FY2004.
The percentage of recruits in FY2019 using the institution guarantee is 54.0%.
Trend of institution guarantee members over the last three years, etc. are as follows:

<Trend of institution guarantee members (with and no interest)>

Category	FY2017	FY2018	FY2019
Number of members	194,071	207,411	236,080
Percentage	44.0%	47.7%	54.0%

(Note) Figures in the above table represent the number of institution guarantee users and their percentage share of the total number of scholarship loan recruits.

<Trend of payment under guarantee (with and no interest)>

Category	FY2017	FY2018	FY2019
Number of payment under guarantee	9,889	11,220	13,073
Amount of payment under guarantee	21.252 billion yen	23.728 billion yen	27.200 billion yen

(Note) The amount of payment under guarantee covers principal, interest and delinquency charges.

(Reference) Outcome and social and economic benefits of operations

- 1) Interest-bearing loans, etc.
 - (i) Interest-bearing loans (FY2019)

722,165 persons	626.6 billion yen		
Non-interest-bearing loan program (using FILP)		20,111 persons	12.3 billion yen
Interest-bearing loan program		702,054 persons	614.3 billion yen
 - (ii) Interest-bearing loans (FY1984~2019)

5,418,410 persons	12,577.6 billion yen		
Non-interest-bearing loan program (using FILP)		25,181 persons	27.1 billion yen
Interest-bearing loan program		5,393,229 persons	12,550.6 billion yen
 - (iii) Outstanding balance of loans (at the end of FY2019)

3,766,054 persons	6,721.1 billion yen		
Non-interest-bearing loan program (using FILP)		24,911 persons	26.8 billion yen
Interest-bearing loan program		3,741,143 persons	6,694.3 billion yen
 - (iv) Projected lending (FY2020 planned)

850,790 persons	743.2 billion yen		
Non-interest-bearing loan program (using FILP)		17,364 persons	10.5 billion yen
Interest-bearing loan program		833,426 persons	732.7 billion yen
 - (v) Projected lending (FY2021 planned)

769,871 persons	686.1 billion yen		
Non-interest-bearing loan program (using FILP)		4,540 persons	2.8 billion yen
Interest-bearing loan program		765,331 persons	683.2 billion yen

(Note) The number of borrowers in (iii) include those who were repaying loans and those in school.

2) Main policy purposes and social/economic benefits

- (i) Under the Scholarship Loan Program, loans for school fees are provided to students at universities, junior colleges, graduate schools, technical colleges, and special training colleges (professional courses) on the assumption that they will use their income after their graduation from these institutions for repaying the loans.

A part of the non-interest-bearing loan program is a transitional, limited measure to use fiscal loans from FY2017 only for students eligible for non-interest-bearing scholarship loans who have received interest-bearing loans and those who have become eligible for them as a result of the relaxation of academic results requirements for children of low-income households.

Since FY1999, the interest-bearing loan project has been drastically expanded to meet the needs of students through a significant increase in the number of borrowers, the introduction of an option system where students can select monthly loan amounts, the relaxation of lending terms, and other changes.

•Change in the number of borrowers

Non-interest-bearing loan program (using FILP)		Interest-bearing loan program	
(FY2017 planned)	(FY2021 planned)	(FY1999)	(FY2021 planned)
36,000 persons	→ 5,000 persons	208,000 persons	→ 765,000 persons

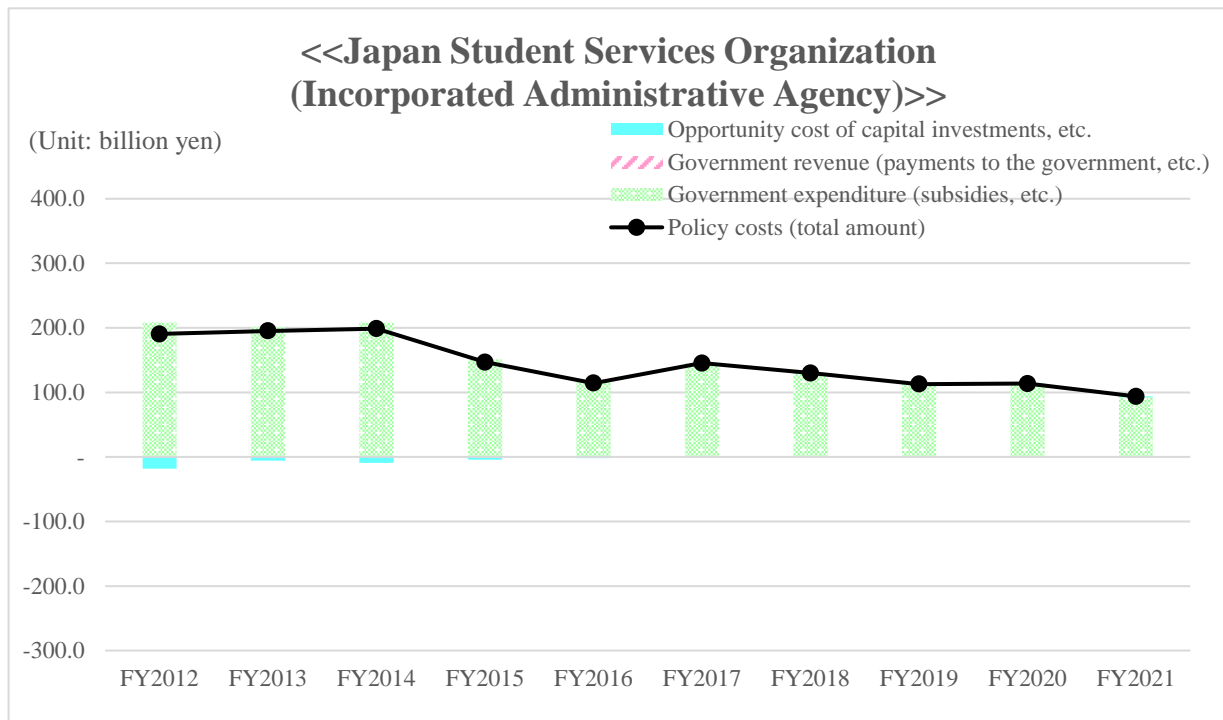
•Change in percentage of borrowers among college students

(FY1999)	(FY2021 planned)
6.1%	→ 22.1%
(3.6 times)	

- (ii) Scholarship loan programs pave the way for students and others to gain independence and study with peace of mind, contribute to developing creative human resources having rich human capacities needed to shoulder the responsibilities of future generations and also to promoting mutual international understanding.

Overview of policy cost analysis results

【Changes in policy costs】



Note: Policy costs for each fiscal year differ in assumptions including interest rates applied to estimates.

(Unit: billion yen)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Policy costs (total amount)	190.5	195.3	198.7	146.9	114.2	145.4	130.1	112.9	113.6	93.7
Government expenditure (subsidies, etc.)	208.6	201.3	208.0	151.4	116.2	145.4	129.3	112.0	112.7	92.5
Government revenue (payments to the government, etc.)	-	-	-	-	-	-	-	-	-	-
Opportunity cost of capital investments, etc.	-18.1	-6.0	-9.3	-4.5	-1.9	-0.1	0.8	0.9	0.9	1.2

【Explanation of policy cost trends】

The Scholarship Loan Program has been enhanced and expanded through the relaxation of qualifications for scholarship loans to meet students' needs for loans to cover school expenses. However, JASSO's policy cost has followed a downtrend due mainly to the implementation of loan repayment recovery promotion measures and a decline in assumed interest rates.

【FILP agency's self-assessment of policy cost analysis results (FY2021)】

In the policy cost analysis for FY2021, the policy cost decreased compared with the results of the FY2020 analysis. In the FY2020 analysis, the policy cost increased slightly from the previous year due to the expected impact of an increase in the number of interest-bearing loan borrowers resulting from the significant expansion of scholarship grant programs. However, as a result of reflecting the borrower number trend after the expansion of scholarship grant programs, the results of the FY2021 analysis showed a continued downtrend in the policy cost.

Regarding JASSO's operations, the policy cost is affected by the introduction of a new program or the expansion of an existing one. However, JASSO's assessment is that financial soundness has been secured under the estimation's assumption that the current operational schemes, including fund-raising and loan recovery, will be implemented.

In the sensitivity analysis (case before the negative interest rate policy), the policy cost decreased compared with the basic case because of factors such as the widening of interest rate differences arising from the restriction on borrowings from the Fiscal Loan Fund due to a rise in the assumed interest rates and an increase in the return on investment of surplus funds. Therefore, the analysis indicates no impact on JASSO's financial soundness.

In the sensitivity analysis (case of a 1% increase in loan charge-offs), the policy cost increased compared with the basic case because it was necessary to increase subsidies from the national treasury due to an increase in the charge-off amount. However, as the increase was limited, the impact on financial soundness is considered to be minimal.

(Reference) Financial Statements

Balance Sheet

(Unit: million yen)

Item	End of FY2019 (Result)	End of FY2020 (Estimated)	End of FY2021 (Planned)	Item	End of FY2019 (Result)	End of FY2020 (Estimated)	End of FY2021 (Planned)
(Assets)				(Liabilities and equity)			
Current assets	9,668,245	9,692,086	9,850,709	Current liabilities	973,137	1,005,395	1,212,424
Cash and bank deposits	223,355	190,034	225,426	Debt from grants for operation cost	368	-	-
Loans	9,439,993	9,500,744	9,611,973	Deposited subsidies	780	-	-
First Category Scholarships	2,870,691	2,911,417	2,946,700	Deposited donations	2,417	1,968	1,123
Second Category Scholarships	6,616,516	6,628,056	6,697,406	Japan Student Services Organization bonds to be redeemed within a year	120,000	120,000	120,000
Allowance for bad debts	- 47,213	- 38,730	- 32,133	Long-term debts payable to be repaid within a year	840,963	874,480	1,079,760
Securities	3,598	-	12,000	Accrued payments	1,986	1,986	1,986
Advance payments	7	7	7	Unpaid consumption tax, etc.	31	34	34
Prepaid expenses	19	19	19	Lease liabilities	173	249	204
Accrued income	620	605	603	Accrued expenses	5,384	5,420	7,254
Reserve for possible loan loss	△ 4	△ 4	△ 4	Advances received	204	204	204
Accounts receivable	312	312	312	Deposit payable	429	627	1,428
Return for provision for bonuses	344	368	372	Temporary receipts	59	59	59
Fixed assets	161,782	153,352	147,166	Provisions			
Tangible fixed assets	32,383	32,003	31,116	Provision for bonuses	344	368	372
Buildings	20,591	20,066	19,560	Fixed liabilities	8,774,617	8,753,679	8,695,403
Structures	23	21	19	Asset collateral liabilities	5,990	5,494	4,035
Vehicles and transportation equipment	1	1	1	Grants for asset collateral operation cost	3,235	2,793	2,455
Tools and equipment	1,096	1,242	864	Asset collateral facilities expenses	1	1	1
Land	10,673	10,673	10,673	Asset collateral subsidies	2,747	2,694	1,573
Intangible fixed assets	10,294	9,881	8,489	Asset collateral contributions	7	6	6
Land lease rights	5,451	5,451	5,451	Long-term deposited donations	2,406	1,506	1,529
Software	4,843	4,430	3,038	Japan Student Services Organization bonds	120,000	120,000	120,000
Telephone subscription right	1	1	1	Discount on bond	3	2	0
Investment and other assets	119,104	111,467	107,561	Long-term loans payable	8,641,638	8,621,917	8,565,473
Investment securities	20,400	20,400	8,400	Long-term deposits	70	70	70
Claims in bankruptcy, reorganization, rehabilitation, etc.	119,449	125,879	132,646	Long-term lease liabilities	213	422	219
Allowance for bad debts	- 117,731	- 123,963	- 130,504	Provisions			
Expected value of outstanding financing measures	92,577	84,769	92,829	Provision for retirement benefits	4,297	4,269	4,077
Return for provision for retirement benefits	4,297	4,269	4,077	(Total liabilities)	9,747,753	9,759,074	9,907,826
Guarantee deposits	113	113	113	Capital			
				Government's equity	100	100	100
				Capital surplus	31,948	31,470	31,008
				Capital surplus	- 601	- 601	- 601
				Other administrative costs accumulated	- 26,196	- 26,674	- 27,136
				Amount equivalent to accumulated depreciation cost (-)	- 15,413	- 15,880	- 16,331
				Amount equivalent to accumulated net gains or losses on sale or disposal (-)	- 10,783	- 10,794	- 10,805
				Private-sector contributions	58,745	58,745	58,745
				Retained earnings	50,225	54,793	58,940
				Reserve carried forward during former medium-term target period	45,781	45,635	45,490
				Reserve fund	-	4,445	9,157
				Unappropriated income for the current year	4,445	4,713	4,293
				(Of this, gross profit)	(4,445)	(4,713)	(4,293)
				(Total equity)	82,273	86,363	90,048
Total assets	9,830,027	9,845,437	9,997,875	Total liabilities and equity	9,830,027	9,845,437	9,997,875

(Note) Components may not add up to the total because of rounding.

Income Statement

(Unit: million yen)

Item	FY2019 (Result)	FY2020 (Estimated)	FY2021 (Planned)
Ordinary expenses	83,756	374,666	319,816
Administrative expenses for scholarships	64,753	118,410	65,907
Administrative expenses for scholarship grants	-	22	18
Administrative expenses for scholarship grants to support learning	-	237,316	236,067
Administrative expenses for support programs for international students	16,349	16,304	15,340
Administrative expenses for student support programs	294	282	292
General and administrative expenses	2,361	2,332	2,192
Ordinary income	86,804	377,991	323,963
Income from grants for operating expenses	11,643	15,192	14,485
Income from facility usage fee	-	634	-
Interest on student loans	29,709	26,611	23,765
Interest on delinquent accounts	3,945	2,687	2,687
Income from foreign student dormitories	638	597	597
Income from Japanese schools	321	325	325
Income from fees for the Examination for Japanese University Admission for International Students	728	426	426
Other operating income	279	1,500	177
Trustee income	33	33	-
Income from subsidies, etc.	29,347	322,896	269,294
Expected value of financing measures	5,683	803	7,735
Income from donations	2,062	3,665	2,047
Income regarding return for provision for bonuses	344	368	372
Income regarding return for provision for retirement benefits	217	217	217
Reversal of asset collateral liabilities	1,775	2,002	1,829
(Reversal of grants for asset collateral operation cost)	(848)	(812)	(708)
(Reversal of asset collateral subsidies)	(926)	(1,189)	(1,121)
(Reversal of asset collateral contributions)	(1)	(1)	(1)
Financial income	78	34	6
Ordinary profit	3,047	3,326	4,148
Temporary losses	4,729	4	4
Loss on retirement of fixed assets	4	4	4
Transfer of provision for bonuses accompanying accounting standard revision	328	-	-
Retirement allowance cost accompanying accounting standard revision	4,397	-	-
Temporary profits	5,981	1,245	4
Reversal of allowance for doubtful receivables	1,248	1,241	-
Reversal of grants for asset collateral operation cost	4	4	4
Income regarding return for provision for bonuses	328	-	-
Income regarding return for provision for retirement benefits	4,397	-	-
Reversal of provision for environment protection measures	4	-	-
Net profit	4,299	4,567	4,148
Reversal of reserve carried forward during former medium-term target period	145	145	145
Gross profit	4,445	4,713	4,293

(Note) Components may not add up to the total because of rounding.