

**U.S. - Japan Council (Japan)**  
**Balance Sheet**  
As of 12/31/2013

Koeki Zaidan Hojin Beinichi U.S. Japan Council

(UNIT: JPY)

Account Items	As of December 31, 2013	As of December 31, 2012	VAR
<b>I Asset</b>			
1 Current Assets			
Cash and cash equivalent	25,034,645	44,628,282	(19,593,637)
Prepaid Insurance	394,029	-	394,029
Other Receivable	14,280	-	14,280
<b>Total Current Assets</b>	<b>25,442,954</b>	<b>44,628,282</b>	<b>(19,185,328)</b>
2 Fixed Assets			
(1) Basic Funds			
Cash and cash equivalent	3,000,000	3,000,000	-
<b>Total Basic Funds</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>-</b>
(2) Specific Funds			
Cash and cash equivalent-TOMODACHI Specific Funds	653,567,652	337,809,715	315,757,937
CBCC - TOMODACHI	-	12,926,750	(12,926,750)
<b>Total Specific Funds</b>	<b>653,567,652</b>	<b>350,736,465</b>	<b>302,831,187</b>
(3) Other Fixed Assets			
Other Fixed Assets	89,039	-	89,039
<b>Total Other Fixed Assets</b>	<b>89,039</b>	<b>-</b>	<b>89,039</b>
<b>Total Fixed Assets</b>	<b>656,656,691</b>	<b>353,736,465</b>	<b>302,920,226</b>
<b>Total Assets</b>	<b>682,099,645</b>	<b>398,364,747</b>	<b>283,734,898</b>
<b>II Liabilities</b>			
1 Current Liabilities			
Payroll Liabilities	397,525	178,119	219,406
Due to USJC (US)	24,637,120	31,386,869	(6,749,749)
<b>Total Current Liabilities</b>	<b>25,034,645</b>	<b>31,564,988</b>	<b>(6,530,343)</b>
2 Fixed Liabilities			
<b>Total Fixed Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>25,034,645</b>	<b>31,564,988</b>	<b>(6,530,343)</b>
<b>III Net Assets</b>			
1 Specified Net Assets			
Basic Fund	656,567,652	353,736,465	302,831,187
TOMODACHI Fund	656,567,652	353,736,465	302,831,187
(Apportion to Basic Funds)	3,000,000	3,000,000	-
(Apportion to Specific Funds)	653,567,652	350,736,465	302,831,187
2 General Net Assets	497,348	13,063,294	(12,565,946)
(Apportion to Basic Funds)	-	-	-
(Apportion to Specific Funds)	-	-	-
<b>Total General Assets</b>	<b>497,348</b>	<b>13,063,294</b>	<b>(12,565,946)</b>
<b>Total Net Assets</b>	<b>657,065,000</b>	<b>366,799,759</b>	<b>290,265,241</b>
<b>Total Liabilities and Net Assets</b>	<b>682,099,645</b>	<b>398,364,747</b>	<b>283,734,898</b>

U.S.-Japan Council (Japan)

**Net Asset Gain & Calculation Sheet**

From 1/1/2013 to 12/31/2014

(Unit: JPY)

		Current Year	Previous Year	VAR
<b>I</b>	<b>Change in Net Assets</b>			
1				
(1)	<b>Recurring Income</b>			
①	Donation Income	293,096,437	71,364,214	221,732,223
	Donation Transferred from Net Assets	293,096,437	58,300,920	234,795,517
	Currency Exchange Revaluation	0	13,061,767	△ 13,061,767
	Interest Received	0	1,527	△ 1,527
		<b>293,096,437</b>	<b>71,364,214</b>	<b>221,732,223</b>
(2)	<b>Recurring Expenses</b>			
①	<b>Departmental Expenses</b>	291,273,321	58,300,920	232,972,401
	Salaries Expense	13,763,538	806,976	12,956,562
	Legal Social Welfare+Welfare	1,873,827	0	1,873,827
	Employee's Benefit	68,720	127,157	△ 58,437
	Commuting Expense	368,020	0	368,020
	Program Implementation Expenses	223,435,945	25,658,898	197,777,047
	Outsourcing Costs (USJC-US)	51,349,000	29,601,562	21,747,438
	Outsourcing Costs	55,940	0	55,940
	Business Taxes and Dues	0	927,962	△ 927,962
	Supplies Expense	1,340	11,129	△ 9,789
	Printing Expense	18,914	39,565	△ 20,651
	Travel Expense	291,510	234,615	56,895
	Meeting Expense	21,462	0	21,462
	Insurance Expenses	0	478,490	△ 478,490
	Event Expense	0	85,767	△ 85,767
	Investigation Expense	0	212,422	△ 212,422
	Postage/Communication	25,105	5,880	19,225
	Bank Charges	0	94,497	△ 94,497
	Homepage Expense	0	16,000	△ 16,000
②	<b>Administrative expenses</b>	1,325,768	0	1,325,768
	Facility Expense	613,237	0	613,237
	Supplies Expense	25,456	0	25,456
	Business Taxes and Dues	61,000	0	61,000
	Lease Expense	121,166	0	121,166
	Depreciation	34,250	0	34,250
	Printing Expense	6,142	0	6,142
	Dues/Subs&Entree fee	194,420	0	194,420
	Insurance Expenses	36,031	0	36,031
	Professional	138,286	0	138,286
	Postage/Communication	11,680	0	11,680
	Bank Charges	84,100	0	84,100
		<b>292,599,089</b>	<b>58,300,920</b>	<b>234,298,169</b>
		<b>497,348</b>	<b>13,063,294</b>	<b>△ 12,565,946</b>
2				
(1)	<b>Non Recurring Gain</b>	0	0	0
(2)	<b>Non Recurring Loss</b>	0	0	0
	<b>Changes in Non Recurring Gain/Loss</b>	0	0	0
	<b>Changes in Net Assets</b>	<b>497,348</b>	<b>13,063,294</b>	<b>△ 12,565,946</b>
	<b>Beginning General Net Assets Balance</b>	<b>13,063,294</b>	<b>0</b>	<b>13,063,294</b>
	General Net Assets BB Adjustment	△ 13,063,294	0	△ 13,063,294
	<b>Ending General Net Assets Balance</b>	<b>497,348</b>	<b>13,063,294</b>	<b>△ 12,565,946</b>
<b>II</b>				
	Donation Income	522,883,307	409,037,385	113,845,922
	Interest Income	44,502	1,527	42,975
	Currency Exchange Revaluation	59,936,521	13,061,767	46,874,754
	Transfer to General Net Assets	△ 293,096,437	△ 71,364,214	△ 221,732,223
	<b>Changes in Net Assets</b>	<b>289,787,893</b>	<b>350,736,465</b>	<b>△ 60,968,572</b>
	<b>Beginning Specified Net Assets Balance</b>	<b>353,736,465</b>	<b>3,000,000</b>	<b>350,736,465</b>
	General Net Assets BB Adjustment	13,063,294	0	13,063,294
	<b>Ending Specified Net Assets Balance</b>	<b>656,567,652</b>	<b>353,736,465</b>	<b>302,831,187</b>
<b>III</b>	<b>Ending Net Assets</b>	<b>657,065,000</b>	<b>366,799,759</b>	<b>290,265,241</b>

Koeki Zaidan Hojin Beinichi U.S. Japan Council  
Notes to Financial Statements  
December 31, 2013

1. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance to the Koeki Hojin Accounting Principle (April, 11, 2008. Revised on October 16, 2009 by Cabinet Public Interest Corporation Commission).

(1) Accounting Policy on Revenue Recognition and Classification

For the calculation of the net assets, portion of contribution designated to a specific purposed assets (donor-imposed restriction) will be recorded as Specific Fund in the specific fund section (as cash received in the operational year) only to the extent of the related program expenses incurred (actual cash payments), the program purpose fulfilled or the restriction is no longer valid, the income will be reclassified to the general net asset section. The balances of the contribution remain as specific assets and carry over until such purpose or payments associated to the programs have been fulfilled or paid.

(2) Accounting Policy on Consumption Tax, etc.

The accounting of Consumption Tax, etc. is based on pre-tax accounting method.

2. Overview

The U.S.-Japan Council (Japan), (hereafter the "Foundation") originally incorporated in Japan as an "Ippan Zaidan Hojin" (general incorporated foundation) as of 3/26/2012. In 1/1/2013, the Foundation was granted exempt status and became a Koeki Zaidan Hojin. Due to the change to Koeki Hojin status, the beginning balance of general net assets was reclassified to specified net assets.

3. Increase/Decrease and Balance of General Funds and Specified Funds

Increase/decrease and balance of general funds and specified funds are as follows.

(Unit: Yen)

Description	Beginning Balance	Current Period Increase	Current Period Decrease	Period End Balance
Basic Assets				
Bank Deposit	3,000,000	-0-	-0-	3,000,000
Subtotal	3,000,000	-0-	-0-	3,000,000
Specific Funds				
TOMODACHI Fund	350,736,465	595,927,624	293,096,437	653,567,652
Subtotal	350,736,465	595,927,624	293,096,437	653,567,652
Total	353,736,465	595,927,624	293,096,437	656,567,652

4. Breakdown of Basic Assets and Specified Funds Sources

The breakdown of basic asset and specified fund sources is as follows.

(Unit: Yen)

Description	Period End Balance	(Allocation from Specified Funds)	(Allocation from General Net Assets)	(Corresponds to Debt/Liabilities)
Basic Assets				
Current Account	3,000,000	3,000,000	-0-	-0-
Subtotal	3,000,000	3,000,000	-0-	-0-
Specific Funds				
TOMODACHI Fund	653,567,652	653,567,652	-0-	-0-
Subtotal	653,567,652	653,567,652	-0-	-0-
Total	656,567,652	653,567,652	-0-	-0-

5. Securities Investments  
Not applicable.

6. Total Property and Equipment, net of amortization

	Total
Property and Equipment	123,289
Amortization	34,250
Property and Equipment, net	89,039

7. Contingency on Guarantee on liabilities and assets  
Not applicable.

8. Breakdown of Grants and Their Recipients, Current Period Increase/Decrease and Balance  
Not applicable.

9. Breakdown of Transfer from Specified Funds to General Funds  
Breakdown of Transfer from Specified Funds to General Funds is as follows.

(Unit: Yen)

Description	Amount
Amount Converted due to Achieving Program Goal	293,096,437
Total	293,096,437

10. Related Entities to U.S.-Japan Council (Japan) and Details of the Relationship  
Not applicable.

11. Important Subsequent Events  
Not applicable.

# List of Properties/ 財 産 目 録

As of December 31, 2013

自 平成 25 年 1 月 1 日 至 平成 25 年 1 2 月 3 1 日

Koeki Zaidan Hojin Beinichi U.S. Japan Council  
(単位：円)

Remark	Amount		
I Current Assets			
Current Account (Mitsubishi Tokyo Bank)	25,034,645		
Other Receivable	14,280		
Prepaid Insurance	394,029		
<b>Total Current Asset</b>		25,442,954	
Current Account (Mitsubishi Tokyo Bank)	3,000,000		
<b>Total Basic Asset</b>		3,000,000	
Current Account (Mitsubishi Tokyo Bank)	653,567,652		
<b>Total Specified Asset</b>		653,567,652	
Laptop Computer x 1	123,289		
Accumulated Depreciation	(34,250)		
<b>Total Fixed Assets</b>		89,039	
<b>Total Assets</b>			682,099,645
II			
Withheld Income Tax	397,525		
TOMODACHI Program payable to USJC US	24,637,120		
<b>Total Current Liabilities</b>		25,034,645	
<b>Total Fixed Assets</b>		-	
<b>Total Liabilities</b>			25,034,645
III			
<b>Total Net Assets</b>			657,065,000