

U.S. - JAPAN COUNCIL (JAPAN)
Financial Statements
For the Year from January 1 to December 31, 2021

Table of Content

- 1) Balance Sheet
- 2) Net Asset Gain and Loss Calculation Sheet and the detail by divisions
- 3) Explanatory notes
- 4) Supplemental Statement
- 5) List of Properties

U.S. - Japan Council (Japan)

Balance Sheets As of 12/31/2021

(UNIT:JPY)

| Account Items | As of December 31, 2021 | As of December 31, 2020 | VAR |
|---|-------------------------|-------------------------|------------|
| Assets | | | |
| 1 Current Assets | | | |
| Cash and cash equivalent | 5,927,486 | 6,288,599 | -361,113 |
| Total Current Assets | 5,927,486 | 6,288,599 | -361,113 |
| 2 Fixed Assets | | | |
| (1) Basic Funds | | | |
| Cash and cash equivalent | 3,000,000 | 3,000,000 | 0 |
| Total Basic Funds | 3,000,000 | 3,000,000 | 0 |
| (2) Specific Funds | | | |
| PC | 665,837 | 679,514 | -13,677 |
| Prepaid Insurance | 493,970 | 651,859 | -157,889 |
| Cash and cash equivalent-GENERAL Specific Funds | 119,542,084 | 34,476,413 | 85,065,671 |
| Cash and cash equivalent-TOMODACHI Specific Funds | 214,471,705 | 213,623,178 | 848,527 |
| Total Specific Funds | 335,173,596 | 249,430,964 | 85,742,632 |
| (3) Other Fixed Assets | | | |
| Total Other Assets | 0 | 0 | 0 |
| Total Fixed Assets | 338,173,596 | 252,430,964 | 85,742,632 |
| Total Assets | 344,101,082 | 258,719,563 | 85,381,519 |
| Liabilities | | | |
| 1 Current Liabilities | | | |
| Other payable | 2,231,713 | 2,592,706 | -360,993 |
| Taxes | 168,400 | 351,635 | -183,235 |
| Due to USJC(US) | 3,527,373 | 3,344,258 | 183,115 |
| Total Current Liabilities | 5,927,486 | 6,288,599 | -361,113 |
| 2 Fixed Liabilities | | | |
| Total Fixed Liabilities | 0 | 0 | 0 |
| Total Liabilities | 5,927,486 | 6,288,599 | -361,113 |
| Net Assets | | | |
| 1 Specified Net Assets | | | |
| Donation | 338,173,596 | 252,430,964 | 85,742,632 |
| Total Specified Net Assets | 338,173,596 | 252,430,964 | 85,742,632 |
| (Apportion to Basic Funds) | 3,000,000 | 3,000,000 | 0 |
| (Apportion to Specific Funds) | 335,173,596 | 249,430,964 | 85,742,632 |
| 2 General Net Assets | | | |
| (Apportion to Basic Funds) | 0 | 0 | 0 |
| (Apportion to Specific Funds) | 0 | 0 | 0 |
| Total Net Assets | 338,173,596 | 252,430,964 | 85,742,632 |
| Total Liabilities and Net Assets | 344,101,082 | 258,719,563 | 85,381,519 |

U.S. - Japan Council (Japan)

Net Asset Gain and Loss Calculation Sheets

From January 1, 2021 To December 31, 2021

(UNIT:JPY)

| | Account | 12/31/2021 | 12/31/2020 | VAR |
|-----|--|--------------------|--------------------|-------------------|
| | Changes in Net Assets | | | |
| 1 | Operating Activities | | | |
| (1) | Recurring Income | | | |
| | Donation Income | 131,450,714 | 222,034,969 | 90,584,255 |
| | Amount Transferred from Specified Net Assets | 131,450,714 | 222,034,969 | 90,584,255 |
| | | 131,450,714 | 222,034,969 | 90,584,255 |
| (2) | Recurring Expenses | | | |
| | Departmental Expenses | 125,342,757 | 205,912,144 | 80,569,387 |
| | Salaries | 35,262,975 | 52,266,374 | 17,003,399 |
| | Legal Social Welfare | 7,781,743 | 9,982,656 | 2,200,913 |
| | Commuting Expenses | 462,686 | 1,095,127 | 632,441 |
| | Program Implementation Expenses | 52,941,807 | 77,391,298 | 24,449,491 |
| | Contracted Service (USJC-US) | 16,528,702 | 41,090,273 | 24,561,571 |
| | Outsourcing Costs | 0 | 17,463,734 | 17,463,734 |
| | Supplies Expenses | 393,861 | 852,124 | 458,263 |
| | Printing Expenses | 62,106 | 240,189 | 178,083 |
| | Travel Expenses | 42,998 | 359,483 | 316,485 |
| | Meeting/Event Expenses | 0 | 934,426 | 934,426 |
| | Program Publicity Expenses | 10,000,659 | 0 | 10,000,659 |
| | Postage/Communication | 1,511,912 | 312,251 | 1,199,661 |
| | Website Expenses | 353,308 | 284,309 | 68,999 |
| | Rental Expenses | 0 | 3,639,900 | 3,639,900 |
| | Administrative expenses | 6,107,957 | 16,122,825 | 10,014,868 |
| | Supplies Expenses | 222,281 | 67,737 | 154,544 |
| | Travel Expenses | 60,525 | 248,371 | 187,846 |
| | Depreciation | 317,531 | 591,457 | 273,926 |
| | Printing Expenses | 254,710 | 314,599 | 59,889 |
| | Dues/Subs&Entree fee | 0 | 12,220 | 12,220 |
| | Rental Expenses | 1,248,318 | 8,479,961 | 7,231,643 |
| | Insurance Expenses | 338,026 | 511,610 | 173,584 |
| | Professional | 3,247,228 | 4,936,034 | 1,688,806 |
| | Postage/Communication | 185,991 | 149,760 | 36,231 |
| | Bank Charges | 59,006 | 103,180 | 44,174 |
| | Others | 174,341 | 707,896 | 533,555 |
| | Toal Recurring Expenses | 131,450,714 | 222,034,969 | 353,485,683 |
| | Changes in Recurring Income/Expenses | 0 | 0 | 0 |
| 2 | Non-operating Activities | | | |
| (1) | Non Recurring Gain | 0 | 0 | 0 |
| (2) | Non Recurring Loss | 0 | 0 | 0 |
| | Changes in Non Recurring Gain/Loss | 0 | 0 | 0 |
| | Changes in Net Assets | 0 | 0 | 0 |
| | Beginning General Net Assets Balance | 0 | 0 | 0 |
| | Ending General Net Assets Balance | 0 | 0 | 0 |
| | Changes in Specified Net Assets | | | |
| | Donation Income | 207,434,288 | 207,647,307 | 213,019 |
| | Interest Income | 9,898 | 48,420 | 38,522 |
| | Currency Exchange Revaluation | 9,749,160 | 3,672,870 | 13,422,030 |
| | Transfer to General Net Assets | 131,450,714 | 222,034,969 | 90,584,255 |
| | Changes in Specified Net Assets | 85,742,632 | 18,012,112 | 103,754,744 |
| | Beginning Specified Net Assets Balance | 252,430,964 | 270,443,076 | 18,012,112 |
| | Ending Specified Net Assets Balance | 338,173,596 | 252,430,964 | 85,742,632 |
| | Ending Net Assets | 338,173,596 | 252,430,964 | 85,742,632 |

U.S. - Japan Council (Japan)

Statement of Activities (by divisions)

From January 1, 2021 To December 31, 2021

(UNIT:JPY)

| Account | Public Initiatives | | | 合計 |
|---|--------------------|-------------------|------------------|--------------------|
| | TOMODACHI | General Education | Common | Grand Total |
| Changes in Net Assets | | | | |
| 1 (1) Operating Activities | | | | |
| Recurring Income | | | | |
| Donation Income | 90,675,041 | 34,667,716 | 6,107,957 | 131,450,714 |
| Amount Transferred from Specified Net Assets | 90,675,041 | 34,667,716 | 6,107,957 | 131,450,714 |
| | 90,675,041 | 34,667,716 | 6,107,957 | 131,450,714 |
| (2) Recurring Expenses | | | | |
| Departmental Expenses | 90,675,041 | 34,667,716 | 0 | 125,342,757 |
| Salaries | 17,573,099 | 17,689,876 | 0 | 35,262,975 |
| Legal Social Welfare | 3,877,986 | 3,903,757 | 0 | 7,781,743 |
| Commuting Expenses | 230,577 | 232,109 | 0 | 462,686 |
| Program Implementation Expenses | 52,941,807 | 0 | 0 | 52,941,807 |
| Contracted Service (USJC-US) | 3,921,836 | 12,606,866 | 0 | 16,528,702 |
| Supplies Expenses | 391,243 | 2,618 | 0 | 393,861 |
| Printing Expenses | 62,106 | 0 | 0 | 62,106 |
| Travel Expenses | 13,064 | 29,934 | 0 | 42,998 |
| Program Publicity Expenses | 10,000,659 | 0 | 0 | 10,000,659 |
| Postage/Communication | 1,329,004 | 182,908 | 0 | 1,511,912 |
| Website Expenses | 333,660 | 19,648 | 0 | 353,308 |
| Administrative expenses | 0 | 0 | 6,107,957 | 6,107,957 |
| Supplies Expenses | 0 | 0 | 222,281 | 222,281 |
| Travel Expenses | 0 | 0 | 60,525 | 60,525 |
| Depreciation | 0 | 0 | 317,531 | 317,531 |
| Printing Expenses | 0 | 0 | 254,710 | 254,710 |
| Rental Expenses | 0 | 0 | 1,248,318 | 1,248,318 |
| Insurance Expenses | 0 | 0 | 338,026 | 338,026 |
| Professional | 0 | 0 | 3,247,228 | 3,247,228 |
| Postage/Communication | 0 | 0 | 185,991 | 185,991 |
| Bank Charges | 0 | 0 | 59,006 | 59,006 |
| Others | 0 | 0 | 174,341 | 174,341 |
| Toal Recurring Expenses | 90,675,041 | 34,667,716 | 6,107,957 | 131,450,714 |
| Changes in Recurring Income/Expenses | 0 | 0 | 0 | 0 |
| 2 (1) Non-operating Activities | | | | |
| Non Recurring Gain | 0 | 0 | 0 | 0 |
| (2) Non Recurring Loss | 0 | 0 | 0 | 0 |
| Changes in Non Recurring Gain/Loss | 0 | 0 | 0 | 0 |
| Changes in Net Assets | 0 | 0 | 0 | 0 |
| Beginning General Net Assets Balance | 0 | 0 | 0 | 0 |
| Ending General Net Assets Balance | 0 | 0 | 0 | 0 |
| Changes in Specified Net Assets | | | | |
| Donation Income | 0 | 0 | 0 | 207,434,288 |
| Interest Income | 0 | 0 | 0 | 9,898 |
| Currency Exchange Revaluation | 0 | 0 | 0 | 9,749,160 |
| Transfer to General Net Assets | 0 | 0 | 0 | 131,450,714 |
| Changes in Specified Net Assets | 0 | 0 | 0 | 85,742,632 |
| Beginning Specified Net Assets Balance | 0 | 0 | 0 | 252,430,964 |
| Ending Specified Net Assets Balance | 0 | 0 | 0 | 338,173,596 |
| Ending Net Assets | 0 | 0 | 0 | 338,173,596 |

US-Japan Council (Japan)
Explanatory notes to the financial statements
As of 12/31/2021

1. Significant Accounting Policies

(1) Donation

Donation are recognized as donation income in the period received in the Net Asset Gain and Loss Calculation Sheet, based on the donor imposed restrictions. In our balance sheet, donation which are received but still restricted by the donor at the end of the period, are reported and classified as specified fund. Such donation are classified from specified net asset to general net asset and reported as income upon the achievement of the program purpose and as the amounts become unrestricted.

(2) Consumption tax

We calculate and account for consumption tax based on tax-inclusive accounting method.

2. Balance of the basic fund and specified fund

Following sheet shows the balance of the basic fund and specified fund

(Unit:Yen)

| Subject | Beginning Balance | Increase within the period | Decrease within the period | Ending Balance |
|--------------------------|-------------------|----------------------------|----------------------------|----------------|
| Basic fund | | | | |
| Cash and cash equivalent | 3,000,000 | - | - | 3,000,000 |
| Subtotal | 3,000,000 | - | - | 3,000,000 |
| Specified asset | | | | |
| Equipment | 679,514 | 497,640 | 511,317 | 665,837 |
| Prepaid insurance | 651,859 | 493,970 | 651,859 | 493,970 |
| General Fund | 34,476,413 | 137,862,686 | 52,797,015 | 119,542,084 |
| Tomodachi fund | 213,623,178 | 69,581,500 | 68,732,973 | 214,471,705 |
| Subtotal | 249,430,964 | 208,435,796 | 122,693,164 | 335,173,596 |
| Total | 252,430,964 | 208,435,796 | 122,693,164 | 338,173,596 |

3. Breakdown of basic fund and specified fund

Following sheet shows the breakdown of basic fund and specified fund.

(Unit:Yen)

| Subject | Ending balance | (amount of appropriation from specified net asset) | (amount of appropriation from general net asset) | (amount of liability) |
|--------------------------|----------------|---|---|-----------------------|
| Basic Fund | | | | |
| Cash and cash equivalent | 3,000,000 | 3,000,000 | - | - |
| Subtotal | 3,000,000 | 3,000,000 | - | - |
| Specified fund | | | | |
| Equipment | 665,837 | 665,837 | - | - |
| Prepaid insurance | 493,970 | 493,970 | - | - |
| General Fund | 119,542,084 | 119,542,084 | - | - |
| Tomodachi fund | 214,471,705 | 214,471,705 | - | - |
| Subtotal | 335,173,596 | 335,173,596 | - | - |
| Total | 338,173,596 | 338,173,596 | - | - |

4. Asset subject to lien

N/A

5. The acquisition cost of fixed asset, amount of accumulated depreciation and the ending balance

Following sheet shows the acquisition cost, amount of accumulated depreciation and the ending balance of the fixed asset

(Unit:Yen)

| | Acquisition cost | Amount of accumulated depreciation | Book value |
|-----------|------------------|------------------------------------|------------|
| Equipment | 2,428,287 | 1,762,450 | 665,837 |

6. Contingent liability for guaranteed obligation

N/A

7. Breakdown, increase and decrease amount and ending balance of the grant

N/A

8 Breakdown of the amount of appropriation from specified net asset to general net asset
Following chart shows the breakdown of the amount of appropriation from specified net asset to general net asset
(Unit:Yen)

| Contents | Amount of value |
|--|--------------------|
| Amount of transfer to recurring income | |
| Amount of the income which became unrestricted upon the achievement of the program purpose | 131,450,714 |
| Total | <u>131,450,714</u> |

9 .Detail of internal transaction
N/A

10 . Important subsequent event
N/A

US-Japan Council (Japan)
Supplemental statement
As of 12/31/2021

1. Statement of basic fund and specified asset

We omitted the statement of basic fund and specified fund as those are noted at paragraph 2 “Breakdown of basic fund and specified fund” within explanatory notes to the financial statements

U.S. - Japan Council (Japan)
List of Properties
As of December 31, 2021

(Unit: JPY)

| Balance Sheet Account Item | | Location, quantity, etc | Intended use, etc | Amount |
|----------------------------|--------------------------|---|--|--------------------|
| (Current Assets) | Cash and cash equivalent | Ordinary Account - Bank of Mitsubishi UFJ (MUFG) etc. | Use as working capital (to be transferred from MUFG- Specific Fund (TOMODACHI)) | 5,927,486 |
| Total Current Assets | | | | 5,927,486 |
| (Fixed Assets) | Cash and cash equivalent | Bank of Mitsubishi UFJ (MUFG) | Equity Funds for Koeki Hojin | 3,000,000 |
| Specific Funds | Equipment | PC | Fixed Net Assets | 665,837 |
| | Prepaid Insurance | Prepaid Insurance | | 493,970 |
| | General Education Fund | Bank account and cash on hand | Used for General Education Program - funds to be appropriated to General Education | 119,509,592 |
| | | Advance receivable from Tax office | Overpayment of withholding tax | 32,492 |
| | TOMODACHI Fund | Bank account and cash on hand | Used for TOMODACHI fund -funds be appropriated to TOMODACHI Initiatives | 206,647,625 |
| | | Advance receivable from USJC(US) | Advance receivable and advanced expenses to be reimbursed from USJC(US) | 7,791,803 |
| | | Advance receivable from Tax office | Overpayment of withholding tax | 32,277 |
| Total Specific Funds | | | | 335,173,596 |
| Total Fixed Assets | | | | 338,173,596 |
| Total Assets | | | | 344,101,082 |
| (Current Liabilities) | | Accrued Expenses - Others | Used for TOMODACHI fund and General Education | 2,231,713 |
| | | Accrued Expenses - Taxes | | 168,400 |
| | | Due to USJC(US) | Used for General Education | 3,527,373 |
| Total Current Liabilities | | | | 5,927,486 |
| Total Liabilities | | | | 5,927,486 |
| Net Assets | | | | 338,173,596 |