

**Organizations and Finances
for Fiscal 2002**

Organization

(as of March 3, 2003)

Headquarters

The supervision of the Foundation's activities is the responsibility of the President, who is assisted by four Vice Presidents. The Foundation's operations are overseen by an Auditor. The administrative functions are shared by the General Affairs Department and the Financial and Accounting Department, as well as by the Planning Department (which has been transformed from the former Planning Office), in order to strengthen the function of medium-long range planning and basic research in terms of the Foundation's activities. Specific programs are conducted by the Exchange of Persons, Japanese Studies, Arts, and Media departments, the Japan Foundation Center for Global Partnership (CGP), and the Japan Foundation Asia Center. The Audit Bureau is responsible for the internal auditing of the Foundation's business and financial affairs. In addition, the Cultural Exchange Bureau promotes cultural-exchange programs for regional self-governing bodies and private-sector cultural-exchange groups.

In January 1990, the ASEAN Culture Center was opened for the purpose of introducing the cultures of the ASEAN nations to Japan; and in April 1991, the Center for Global Partnership was opened for the purposes of deepening the relationship between Japan and the United States and contributing to the world through better cooperation between those two nations. In this manner, organizational and program expansion of the Japan Foundation was carried out. Also, in September 1994, the Japan Foundation Forum was opened as a space for the presentation of events relating to cultural exchange in Japan. Then in October 1995, in commemoration of the 50th anniversary of the end of World War II, the former ASEAN Culture Center was enhanced and transformed into the Asia Center in order to create a more forward-looking relationship with the rest of Asia what with the 21st century approaching, and activities were initiated based upon the three pillars of promoting intellectual exchange, supporting the promotion of culture, and promoting better understanding of the rest of Asia within Japan.

Branch Offices

The Foundation operates two affiliated organizations and one branch office in Japan; 19 overseas offices; and eight overseas Japanese-language centers.

The Japan Foundation Japanese-Language Institute, Urawa

To reinforce and expand the comprehensive support system for the development of Japanese-language education overseas, the Institute has three major functions: i) to train Japanese-language instructors overseas, ii) to develop and produce teaching materials, iii) to serve as an information service, with a library and reference service. It is located in Urawa City, Saitama Prefecture, and was opened in July 1989.

The Japan Foundation Japanese-Language Institute, Kansai

The Institute was opened in May 1997 in Rinku Town of Tajiri-cho in Osaka Prefecture for the purpose of responding effectively to the demands for Japanese-language education overseas brought about by a diversification in purpose of the increasing number of students wishing to learn Japanese. Its activities are centered around specialist training in the Japanese language and training for the purpose of encouraging the learning of the Japanese language.

Kyoto Office

The Office holds cultural events designed to introduce Japan to foreign residents in Japan and also runs a library. Furthermore, it assists fellowship recipients working in the Kansai region with their research.

Overseas Offices

In January 2001, the Japan Cultural Center, Seoul was opened. At present, the Japan Foundation maintains three Japan Cultural Institutes, eight Japan Cultural Centers, and eight offices abroad. Their work consists primarily of collecting local information, conducting surveys, expediting programs initiated at Foundation headquarters, and participating in local cultural programs. Furthermore, the Cultural Institutes and Centers are also involved in organizing lectures and film screenings, operating libraries and Japanese-language courses, and other projects.

Overseas Japanese-Language Centers

These centers were opened for the purpose of providing concrete backup for on-site Japanese-language education centered on the intermediate education level. At present, eight such centers are in operation (Bangkok, Kuala Lumpur, Jakarta, London, Los Angeles, São Paulo, Seoul, and Sydney).

The Japan Foundation Center for Global Partnership (NY)

In 1991, this Center was opened within the Japan Foundation New York office in May.

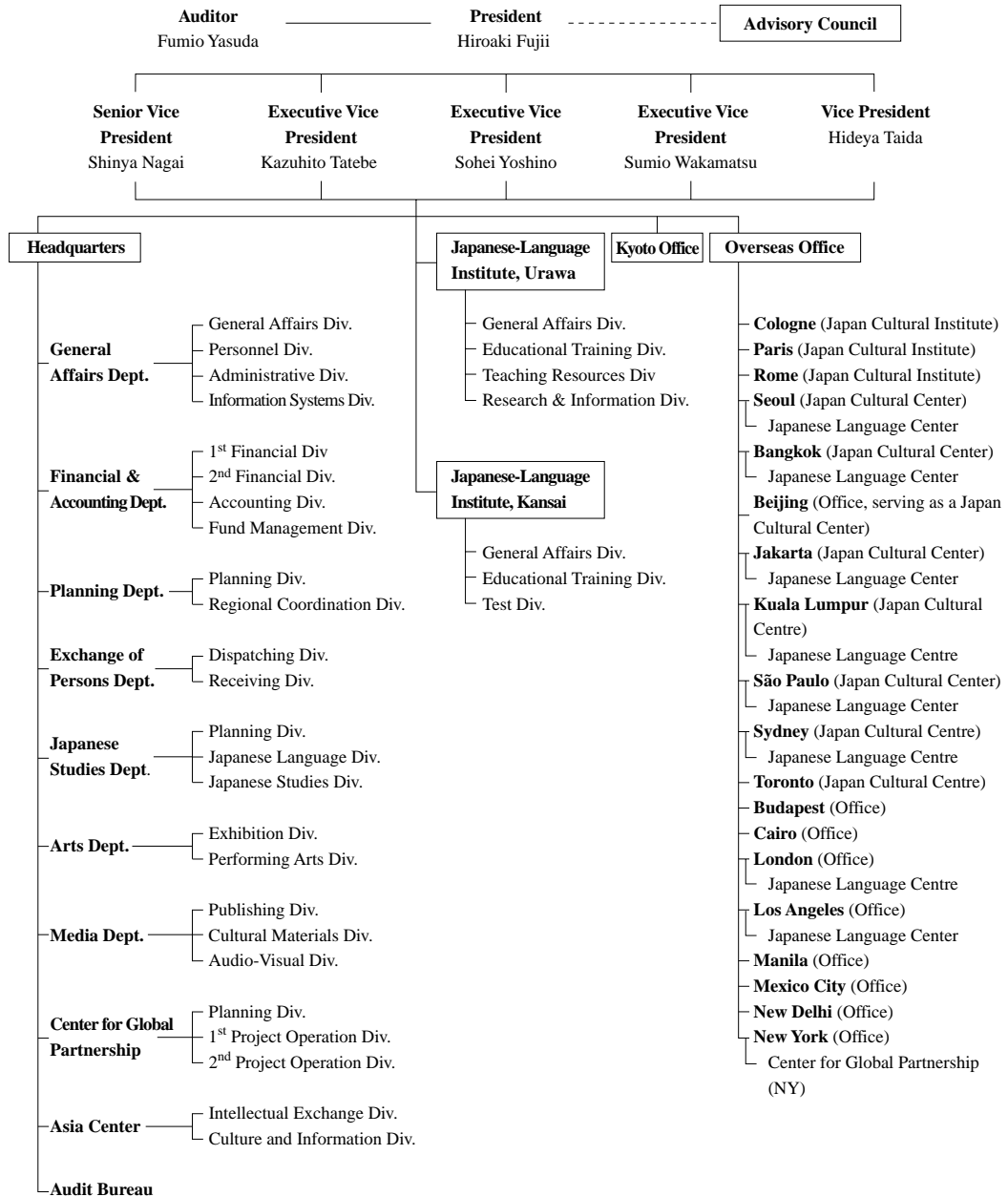
Personnel***Executives***

The Foundation's executives include the President, a Senior Vice President, three Executive Vice Presidents, a Vice President, and an Auditor.

Staff

The fiscal 2002 staff consists of 229 Foundation employees serving at our facilities around the world, and 62 locally recruited employees working at our offices abroad.

Organization Chart



Advisory Council and Committees

Advisory Council

The Advisory Council is established on the basis of the Japan Foundation Law, Article 21, and discusses important matters related to the running of the Foundation's activities including the budget policy, the planning of activities, and guidance on financial planning at the request of the President. There are not more than 20 people of experience and academic standing, well versed in international culture exchange, who make up the members of the Council and are appointed by the President with the approval of the Minister for Foreign Affairs. The term of service is two years, which can be extended.

Advisory Council Members

(in alphabetical order)

Yoshiharu Fukuhara	Honorary Chairman, Shiseido Co., Ltd.
Glen S. Fukushima	CEO, Cadence Design Systems, Japan
Toru Haga	President, Kyoto University of Art and Design
Takeshi Hamashita	Professor, University of Kyoto
Yoshio Hatano	President, Foreign Press Center
Naomichi Ishige	Director-General, National Museum of Ethnology
Kazuki Kasuya	Critic
Motoko Katakura	Professor, Chuo University
Shosaburo Kimura	President, Shizuoka University of Art and Culture
Shin-ichi Kitaoka	Professor, University of Tokyo
Akira Kojima	Managing Director Editorial Page Editor, Nihon Keizai Shimbun
Taichiro Mitani	Professor, Seikei University
Mamoru Ozaki	Advisor, Yazaki Corporation
Shuji Takashina	Professor Emeritus, University of Tokyo
Hiroshi Ueki	President, Japan Shobijutsu Shinkokai
Tazuko Ueno	Professor, Tokyo Women's University
Yasuyuki Wakahara	Former Advisory Director, Asahi Mutual Life Insurance Co.
Yoji Yamada	Film Director
Yoshinori Yamaoka	Executive Secretary, Japan NPO Center

Evaluation Study Committee

The Evaluation Study Committee was established during fiscal 2000, in accordance with the guidelines for the evaluation of programs of the Japan Foundation. It is an organ for lending advice on important articles concerning evaluation of the entire range of Foundation programs in response to inquiries from the President. The membership is limited to seven people who have experience in the necessary academic fields for evaluating Foundation programs. The members are appointed by the President for a two-year term (reappointment is possible).

Evaluation Study Committee Members*(in alphabetical order)*

Ken-ichiro Hirano	Professor, Waseda University
Osami Kiyomoto	Editorial Writer, The Yomiuri Shimbun
Toichi Makita	Assistant Professor, Obirin University
Hiromitsu Muta	Professor, Graduate School of Decision Science and Technology, Tokyo Institute of Technology
Eriko Osaka	General Manager, Chief Curator, Contemporary Art Center, Art Tower Mito
Katsuhiko Sakuma	Professor, University of the Sacred Heart Tokyo
Mitsuhiro Yoshimoto	Senior Consultant for Arts and Cultural Projects, NLI Research Institute

American Advisory Committee for Japanese Studies

In view of the fact that American-Japanese cultural exchange occupies a high proportion of the Foundation's activities, this committee, consisting of 15 American Japanologists, has been established to offer opinions and advice in regard to the whole range of the Foundation's Japanese Studies programs in the United States. The committee also screens and makes recommendations concerning the applications received from the United States for the Foundation's fellowship and institutional support programs.

American Advisory Committee for Japanese Studies Members*(in alphabetical order, without honorific titles)*

Mary E. Berry	Professor, University of California, Berkeley
Mary C. Brinton	Professor, Harvard University
Wayne Farris	Professor, Knoxville University, Tennessee
Helen Hardacre	Professor, Harvard University
James L. Huffman	Professor, Wittenberg University
Gregory J. Kasza	Professor, Indiana University
William W. Kelly	Professor, Yale University
Ellis S. Krauss	Professor, University of California, San Diego
Leonard Lynn	Professor, Case Western Reserve University
Susan J. Napier	Professor, University of Texas, Austin
T. J. Pempel	Professor, University of California, Berkeley
J. Mark Ramseyer	Professor, Harvard Law School
Laurel R. Rodd	Professor, Colorado University, Boulder
Yoshiko Yokochi-Samuel	Professor, Wesleyan University
Kristina K. Troost	Head, International and Area Studies, Parkins Library, Duke University

Special Advisors and Advisory Committee for the Japan Foundation Center for Global Partnership

A “Japan Foundation Center for Global Partnership Advisory Committee” of Japanese and Americans of outstanding academic achievement was organized by the Japan Foundation Center for Global Partnership. This committee holds two regular meetings a year to make decisions on basic policies, important activities, and areas to be given priority among the Foundation programs.

Advisory Committee Members (in alphabetical order, without honorific titles)

Keiko Chino	Editorial Writer, The Sankei Shimbun
Thomas S. Foley	Former US Ambassador to Japan
William E. Franklin	President, Franklin International, Ltd.
Barry D. Gaberman	Senior Vice President, Ford Foundation
Ruby P. Hearn	Senior Vice President Emerita, The Robert Wood Johnson Foundation
Makoto Iokibe	Professor, Kobe University
Martin Meyerson	President Emeritus, University of Pennsylvania
Mike M. Mochizuki	Professor, George Washington University
Toshiaki Ogasawara	Chairman and Publisher, The Japan Times, Ltd.
Shijuro Ogata	Former Deputy Governor, Bank of Japan
Ken-ichiro Ohara	President, Ohara Museum of Art
Takeo Shiina	Senior Advisor, IBM Japan, Ltd.
Joan E. Spero	President, Doris Duke Charitable Foundation
Akihiko Tanaka	Professor, University of Tokyo
Ezra F. Vogel	Research Professor, Harvard University

Advisory Committee (in alphabetical order, without honorific titles)

Special Assistants to the President

Shunsuke Miyao	Yukio Okamoto	Yoshihiko Wakumoto
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Special Advisors for CGP

Japanese

Shin-ichiro Asao	Gaishi Hiraiwa	Tadao Umesao
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American

David Rockefeller	George P. Schultz
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Finances

Budget for Fiscal 2002

The activities of the Foundation are principally financed with the operating income derived from endowments from the government and private organizations, and by government subsidies and private contributions.

Income

(1) Operating income

The operating income derived from an endowment capital was used in the various cultural exchange programs of the Foundation (primarily for non-ODA-recipient countries).

(2) Government subsidies

Funds from the National Treasury, allocated from the general account and from the budget of the Ministry of Foreign Affairs were used for personnel and administrative expenses, as well as for the implementation of cultural exchange programs mainly in ODA-recipient countries.

(3) Donations and sundry income

For stable growth and development, the Foundation looks to positive financial assistance from the private sector, including the business community, for use in the implementation of cultural-exchange programs in non-ODA-recipient countries.

Expenditures

(1) Cultural-exchange program expenses

The expenses incurred by international cultural exchange activities consist of all costs involved in all Foundation-related programs. They are broken down into the following categories:

Personnel exchange, Japanese studies, Arts, Media (publications and audio-visual materials), Surveys and research, Overseas offices' activities, Japan Foundation Forum activities, CGP activities, Asia Center activities, Cultural exchange facilities, and Facilities maintenance expenses.

(2) General administration expenses

These expenses include salaries for the Foundation's staff and other administrative costs.

1. Budget for Fiscal 2002

(Unit: ¥ million)

Income		Expenditures			
Source of income	Total	Activities	Government subsidies	Operating income and others	Total
Government subsidies	14,682	Exchange of Persons	1,535	191	1,726
Operating income	2,533	(Invitations to Japan)	(797)	(142)	(939)
Donations	1,110	(Overseas Dispatch of Persons)	(738)	(49)	(788)
Sundry income	67	Japanese Studies	4,971	507	5,478
		(Japanese Studies)	(400)	(173)	(574)
		(Japanese-Language Education)	(2,279)	(204)	(2,483)
		(Japanese-Language Institute, Urawa)	(1,200)	(63)	(1,263)
		(Japanese-Language Institute, Kansai)	(1,091)	(68)	(1,159)
		Events	1,014	78	1092
		(Performing Arts)	(531)	(31)	(562)
		(Exhibitions)	(391)	(40)	(431)
		(International Conferences)	(91)	(7)	(99)
		Media	704	178	882
		(Publications)	(216)	(84)	(300)
		(Audio-visual)	(488)	(94)	(582)
		Surveys and research	150	20	170
		Overseas Offices	765	186	951
		Operations of projects of the Japan Foundation Forum	577	22	599
		Center for Global Partnership programs	—	1,056	1,056
		Asia Center programs	1,010	—	1,010
		Facilities maintenance	—	1,000	1,000
		Total programs	10,726	3,238	13,964
		General administration	3,921	398	4,319
		Reserves	35	63	98
Total	18,381	Total	14,682	3,700	18,381

Note: The totals are not exact since the figures are rounded up or down to the nearest million yen.

2. Transition of Public Endowment and Budget

The change of public endowment and budget in the past five years is as follows.

(1) Public endowment

(Unit: ¥ million)

	1998	1999	2000	2001	2002
Additional endowment	—	—	—	—	—
Accumulated public endowment	106,211	106,211	106,211	106,211	106,211

(2) Income

(Unit: ¥ million)

	1998	1999	2000	2001	2002
Government subsidies	15,163	15,087	16,604	16,124	14,682
Operating income	4,036	3,652	3,441	2,795	2,533
Donations	1,100	1,100	1,100	1,140	1,110
Sundry income	72	79	68	63	67
Total	20,371	19,919	21,212	20,123	18,381

(3) Expenditures

(Unit: ¥ million)

Fiscal year	1998	1999	2000	2001	2002
Activities					
Exchange of Persons	2,066	2,302	2,403	2,175	1,726
Japanese studies	5,905	5,777	6,259	6,173	5,478
Events	1,285	1,239	1,712	1,374	1,092
Media	924	894	1,355	1,127	882
Surveys and research	180	200	206	182	170
Overseas Offices	976	983	961	959	951
Operations of projects of the Japan Foundation Forum	614	602	601	600	599
Center for Global Partnership programs	1,702	1,495	1,403	1,068	1,056
Cultural cooperation programs	223	—	—	—	—
Asia Center programs	1,138	1,075	1,069	1,177	1,010
Cooperation program for cultural-exchange facilities	1,000	1,000	1,000	1,000	1,000
Facility maintenance	—	—	—	—	—
Total programs	16,014	15,567	16,969	15,836	13,964
General administration	4,269	4,261	4,152	4,199	4,319
Reserves	88	91	91	87	98
Total	20,371	19,919	21,212	20,123	18,381

Note: The totals are not exact since the figures are rounded up or down to the nearest million yen.

Financial Cooperation from the Private Sector

Since cultural exchange seeks by its very nature to deepen mutual understanding and establish long-term friendly relations between the peoples of the world, it is desirable that activities in the field be based on broad popular support. For this reason, the Foundation requires, and actively seeks, assistance and financial cooperation from companies, organizations, and individuals in the private sector.

Gifts to the Foundation from the private sector are divided into two categories: contributions and donations. Donations from the private sector are further divided into two categories: i) general donations (including donations from the Association for the Support of the Japan Foundation, which are assigned to the budget for general cultural-exchange activities) and ii) specified donations, which go toward specific cultural-exchange programs with the overseas organizations specified by the donors. Private donations to the Japan Foundation since its establishment until fiscal 2002 totaled ¥2.15457 billion, with designated donations amounting to ¥60.2891 billion.

1. Private Donations

Private donations to the Foundation are allocated to the financing of its cultural-exchange programs (and are not used for general administrative expenses). Such donations can be received by the Foundation under either i) the “General Donation System” or ii) the “Membership System,” under which contributing members can join either the Friends’ Society or the Patrons’ Society (both described below). During fiscal 2002, the number of general donations is five and amounted to a total of over ¥13.63 million.

(1) General donation system

In this system, the term and amount of donation is not determined.

General donations come from individuals and corporations who wish to fund the activities of the Foundation. There are two way in which donations are used: they can be i) utilized during the year of contribution, according to the wishes of the contributors, or ii) placed in a fund to finance programs with the capital gains earned over the long term.

Concerning the latter, contributors (both corporations and individuals) may indicate special projects, and if the fund surpasses a determined amount, if they so desire, they may also give the fund a name of their choosing.

Uchida Fellowship (donated by Mr. Genko Uchida)

Young musicians are invited to Japan from the United States and Europe, and provided with opportunities to communicate with renowned Japanese musicians and those active in the field of music and to hold joint performances or create joint works with them. (Exchange of Persons Department, Receiving Division)

The Takasago Thermal Engineering Fund (donated by the Takasago Thermal Engineering Co., Ltd.)

To nurture successive generations in Japanese Studies in Southeast Asia, scholarships are provided to graduate students in the region. (Japanese Studies Department, Japanese Studies Division)

The Takeshi Kaiko Memorial Asian Writers Lecture Series (donated by the late Hatsuko Kaiko and the late Michiko Kaiko)

Asian authors are invited to Japan to give lecture tours in a number of cities for both the introduction of Asian literature that has seldom been introduced in Japan previously, and the promotion of exchange between people involved in Japanese literature and those involved in Asian literature through the providing of a venue for exchange. (Asia Center, Culture and Information Division)

Ken Watanabe Memorial Fund (donated by Yukinobu Watanabe, father of Ken Watanabe, a Ministry of Foreign Affairs officer killed in a traffic accident while undergoing training in the United States)

Continuous donations of books related to Japan are made to Japanese studies organizations in China that carry out high quality Japanese studies. (Media Department, Cultural Materials Division)

(2) Membership system

a) Patrons' Society

Membership of the Association is in two categories: Regular Membership, for which the yearly fees are based upon a unit of ¥100,000 for corporations and ¥20,000 for individuals; and Special Membership, for which the yearly fees consist of five or more units. Donations are allotted to the cultural exchange programs, and members receive the Foundation's publications, invitations to lectures and exhibitions sponsored or co-sponsored by the Foundation, and the right to use the Foundation's library. As of March 31, 2003, the number of Society members is 206.

b) Friends' Society

This system was established for the purpose of promoting better understanding of Japan Foundation programs and increasing awareness of its activities among private individuals. In return for payment of the annual membership fee (¥4,000 for general members and ¥2,000 for students), members receive the Foundation's publications, including The Japan Foundation News, invitations to lectures and exhibitions sponsored or co-sponsored by the Foundation, and the right to use the Foundation's library. As of March 31, 2003, the number of Society members is 174.

2. Designated Donations Program

In this program, donors specify the use of donations for the purpose of contributing to specific cultural-exchange projects carried out by overseas non-profit organizations. The fields of projects that are acceptable in this program are: personnel exchange, Japanese studies and Japanese-language education, performances and exhibitions, seminars and international conferences, education for

promoting international mutual understanding, and support for cultural exchange facilities.

During fiscal 2002, the number of specified donations totaled 41 and amounted to over ¥997.47 million.

3. Tax Exemption

In accordance with Article 217 of the Income Tax Law and Article 77 of the Corporate Tax Law, the Japan Foundation is designated as an organization that makes a significant contribution to promoting the public good (Designated Public Benefit Organization). Donations and membership fees to the Japan Foundation are subject to tax exemptions as below.

(1) Individuals

With a limit of 25% of gross income, an amount equal to the donation minus ¥10,000 is tax deductible.

(2) Corporations

This is separate from a normal donation financial loss calculation. The following formula is used to calculate the upper limit of financial loss:

Financial-loss limit =

$[(\text{amount of capital}) \times (\text{period of months} / 12) \times 0.0025 + (\text{amount of income} \times 0.025)] \times 0.5$

Number of Programs, by Region

Region	Asia	Oceania	N & S America	Europe	Middle East & North Africa	Africa	Totals
Number of Program	11	0	13	4	0	0	28
Amount (Yen)	708,154,000	0	269,222,000	20,100,000	0	0	997,477,000