

# Financial Cooperation from the Private Sector

The Japan Foundation is able to operate its international cultural exchange programs thanks to the generosity of financial contributions from businesses, organizations, and individuals throughout the private sector. Since its establishment, the Foundation has received endowments amounting to approximately ¥900 million from 77 companies, organizations, and individuals. Donations for its annual programs also form a vital source of support.

Donations fall into two broad categories: general donations, which fund the Foundation's cultural exchange programs, and designated donations, which are accepted with the understanding that they will be used to subsidize specific cultural exchange programs operated by public interest organizations at home and abroad. From the establishment of the Foundation through the end of FY2007, donations amounted to ¥2,341.32 million in general donations and ¥64,154.78 million in designated donations.

## 1. General Donations

General donations fund programs run by the Japan Foundation. There are two categories for general donations: the "General Donation System," in which both the timing and amount of the donation are at the donor's discretion, and the "Membership System," in which a fixed donation is made each year through membership dues. The details of these categories are set out in (1) and (2) below.

During FY2007, the Foundation received a total of 1,067 general donations from the above two categories, amounting to ¥38.29 million.

### (1) General Donation System

This system is for corporate and individual donations in which the timing and amount of the donation are at the donor's discretion. At the donor's request, the donation can be put to the uses in A or B below.

#### A. Donations for program expenses

These donations are allocated to expenses for Foundation programs during the same fiscal year in which the donation was received. According to the donor's wishes, the donation can be allocated to expenses for a particular project during the fiscal year, or to programs in general.

The donors for program expenses in FY2007 were as follows:  
Canon Inc. / Nippon Steel Corporation / Suzuki Motor Corporation  
Sumitomo Chemical Co., Ltd. / All Nippon Airways Co., Ltd.  
Daiwa Securities SMBC Co. Ltd. / Takeda Pharmaceutical Company Limited

Tokyo Electric Power Company, Inc. / Toyota Motor Corporation / Nomura Holdings, Inc.

(Donations for the Japan-Hungary Cooperation Forum project to promote Japanese-language education)

- Canon Inc.  
(Donation for Vanishing Points: Contemporary Japanese Art exhibition)
- Shiseido Co., Ltd.  
(Donation for Beautiful New World: Contemporary Visual Culture from Japan exhibition)
- Bridgestone Corporation  
(Donation for Japan Foundation China Center project)
- The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
(Donation for Long-term Invitation Program for Chinese High School Students and Midterm Training)

ANET, Inc. / Nanto Co., Ltd.  
(Donations for Obuchi Japan Foundation Fellowships program  
• 1,407 members of the JR Tokai Monitor Club  
• Two individuals  
(Donations for programs in general)

Donation in kind was accepted as detailed below during FY2007.  
• Cleanup Co., Ltd.  
(Installation of kitchen in Maison de la Culture du Japon à Paris)

#### B. Donations to operational funds (private endowments)

These donations are deposited in the Foundation's funds, and the interest accrued is allocated in perpetuity for program expenses. In the case of private endowments, a corporate or individual benefactor who so desires may establish a special program with a name of the benefactor's choosing. These programs are implemented in consultation with the Foundation and are termed "special benefactions." Such special benefaction programs established to date are detailed in (A) to (D) below.

#### (A) Uchida Fellowship

- a. Benefactor: The late Mr. Uchida Genko
- b. Fellowship Content: Young musicians are invited to Japan from the United States, Europe, and other regions and given the chance to work with renowned Japanese musicians and those active in

the field of music, including participation in joint performances or collaboration on joint works. In FY2007, two fellows from the United States were invited.

#### (B) Japanese Studies Fellowship Program offered by Takasago Thermal Engineering

- a. Benefactor: Takasago Thermal Engineering Co., Ltd.
- b. Fellowship Content: In order to promote Japanese studies in Southeast Asia, this scholarship provides funds to allow young Japanese studies researchers from Southeast Asia to visit Japan for research. In FY2007, the fellowship was awarded to a scholar from Indonesia researching the formation of young women's identities.
- c. Department responsible: Asia and Oceania Division, Japanese Studies and Intellectual Exchange Department

#### (C) The Takeshi Kaiko Memorial Asian Writers Lecture Series

- a. Benefactors: The late Mrs. Kaiko Hatsuko and the late Ms. Kaiko Michiko (family of the writer Kaiko Takeshi)
- b. Content of the Lecture Series: In order to promote literary exchanges by introducing Asian authors and works that are little known in Japan to the general public, this program invites Asian authors and others involved in literature to come to Japan for approximately two weeks, to organize lectures and opportunities for interaction and dialogue throughout the country. In FY2007, Li Rui from China was invited to Japan, and lectured on the theme of "China and My Literary Path: Heartbreaking Anguish" in Osaka, Tokyo, Sendai, and Hakodate.
- c. Department responsible: Community Leaders and Youth Exchange Division, Cultural Affairs Department

#### (D) Ken Watanabe Memorial Fund: Contribution of Books

- a. Benefactor: Mr. Watanabe Yukinobu (father of Mr. Watanabe Ken, a Ministry of Foreign Affairs official who died in a traffic accident during training in the United States)
- b. Content of Contribution: Donation of Japanese studies books to the Tianjin Academy of Social Sciences; in FY2007, a total of 275 books were donated.
- c. Department responsible: Asia and Oceania Division, Japanese Studies and Intellectual Exchange Department

### (2) Membership System

Fixed donations are received in the form of membership dues and are allocated to a variety of programs implemented during the fiscal year in which the donation was made.

The "Corporate Membership System" is for contributions from companies and organizations, while the "JF Supporters Club" is for contributions from individuals and groups.

#### A. Corporate Membership System

Fixed-sum donations are received each year from companies and organizations in the form of membership dues. The members comprise Regular Members, who are asked to donate at least ¥100,000 yen, and Special Members, who are requested to donate at least ¥500,000.

Donations are allotted to cultural exchange programs taking place in the year in which the donations are made. Members can enjoy privileges such as access to the Foundation's library, receiving the Foundation's publications, and invitations to lectures and other events sponsored or co-sponsored by the Foundation.

As of the end of FY2007, members included:

- (a) Special members  
Kodansha Ltd. / Shochiku Co., Ltd. /  
Electric Power Development Co., Ltd. / Mizuho Bank Ltd. /  
Bank of Tokyo-Mitsubishi UFJ, Ltd. / Wacoal Corp. /
- (b) General members  
Ikenobo / Idemitsu Kosan Co., Ltd. / Insho-sha / Ushio Inc.  
Urasenke Tradition of Tea / NHK International Inc. / Katolec Corp. /

Kansai Urban Banking Corp. / Kinokuniya Company Ltd.  
 Kyoei Fire & Marine Insurance Co., Ltd. /  
 Kodansha International Ltd. / Kodokan Judo Institute /  
 International Hospitality Conference Service Association  
 Kokusai Service Agency / Komazawa University  
 Sakura Motion Picture Co., Ltd. / Shiseido Co., Ltd. / Japan Echo Inc.  
 Publishers Association for Cultural Exchange /  
 Shorinji Kempo Organization / Starlanes Travel Service Corp. /  
 All Japan Kendo Federation  
 Dai-ichi Mutual Life Insurance Company /  
 Daiichi Seiwa Jimusho Co., Ltd. / Daikin Industries, Ltd. /  
 Daiwa Securities SMBC Co., Ltd. / Dentsu Inc. /  
 The Tokyo Commodity Exchange / Tokyo Studio Co., Ltd.  
 Tokyo Business Service Co., Ltd. / Nikko Cordial Securities, Inc.  
 Motion Picture Producers Association of Japan, Inc. /  
 Nippon Origami Association /  
 Japan International Cooperation Center /  
 Nomura Securities Co., Ltd. / Bikon Co., Ltd.  
 Bijutsu Shuppan Design Center Co., Ltd. / Hitachi Ltd.  
 Video Pedic Inc. / Fuji Xerox Co., Ltd. / Honda Motor Co., Ltd. /  
 Bonjinsha Inc. / Matsushita Electric Industrial Co., Ltd.  
 Mizuho Securities Co., Ltd. / Sumitomo Mitsui Banking Corp. /  
 Mitsubishi UFJ Securities Co., Ltd. / Meiji Shoin Holdings /  
 Mori Building Co., Ltd. /  
 Youth for Understanding International Exchange

### (3) JF Supporters Club

Fixed donations are received from individuals and groups in the form of membership dues. Funds from membership fees (¥3,000 for Associates, ¥2,000 for student Associates, and ¥10,000 for Partners) are allocated to general programs in the fiscal year in which they were received. Members, depending on their membership type, are invited to events and can enjoy privileges such as discounted or free publications, etc.

## 2. Designated Donations Program

Under this program, individual and corporate donations to support the international cultural exchange programs of public interest organizations at home and abroad are received by the Foundation with the understanding that they will be used to subsidize specific cultural exchange projects. By providing funds to public interest organizations to support international cultural exchange programs through the Foundation, donors are eligible to receive tax privileges on their donations.

Eligible programs include personnel exchanges, overseas Japanese studies and Japanese-language education; the staging of performances and exhibitions; the holding of seminars, etc.; projects to produce audiovisual materials for introducing Japanese culture overseas; the development of facilities for educational and cultural activities and the purchase and provision of related goods; and research and studies necessary for international cultural exchange. A deliberative council of external experts decides upon the recipients of designated donations.

During FY2007, the Designated Donations Program received ¥1,091.69 million from 780 individuals and 546 companies or groups. The monies were received in 48 payments. These funds were used to subsidize the 32 programs outlined in (1) below. Examples of major projects in 2007 are detailed in (2).

### (1) Programs supported during FY2007

- Development for the Rotary Ambassadorial Scholarships and other Rotary Educational Programs 1 (U.S.)
- Development for the Rotary Ambassadorial Scholarships and other Rotary Educational Programs 2 (U.S.)
- U.S.-Japan Bridging Foundation Scholarship Program (U.S.)
- Utopia Hokkaido is cleared Hidezo Imaruoka Large-sized Photograph Exhibition” and “Japan and China high school student photography technical exchange meeting” (China and Japan)
- The Fund Raising Project for Helping Establish the “Ishikawa Memorial Fund for Comparative Japanese Law” (U.S.)
- The University of Alberta Prince Takamado Japan Canada Memorial Fund (Canada)
- Japan and Her Neighbors: Changing Relations (U.S.)
- Japanese Legal Studies Program of University of Michigan Law School (U.S.)
- Nagashima Ohno & Tsunematsu Program for Japanese Law and Culture at the Stanford Law School (U.S.)
- Nagashima Ohno & Tsunematsu Scholarship Fund, Columbia Law School (U.S.)
- Nagashima Ohno & Tsunematsu Program for Japanese Law and Culture at the University of Chicago Law School (U.S.)

- Nagashima Ohno & Tsunematsu Program for Japanese Law and Culture at Duke Law School (U.S.)
- Japan Return Programme Nihongo Summit 2006 (Japan)
- LSH Asia Scholarship (Japan)
- The 2nd JRP Nihongo/Japanese Culture World Conference, Beijing (China)
- Project-Fund for Sprachzentrum für Japanisch e.V. (Germany)
- Hakusyoukai Noh Performance in Beijing (China)
- Music From Japan Festival 2007 (U.S.)
- Shitennoji Wasso (Japan and Korea)
- 14th Honolulu Festival (U.S.)
- World Partnership Forum in Ibaraki (Japan)
- Mi-Bemol Saxophone Ensemble in Malaysia (Malaysia)
- The Japan-China Exchange Year of Culture and Sports 2007 (China)
- Project of the Japanese Executive Committee for Japan-India Friendship Year (India)
- Japan-Korea Interchange Festival 2007 in Seoul (Korea)
- The World Festival of Children's Performing Arts in Toyama, 2008 (Japan)
- Radio Program Introducing a J-pop Music to Chinese Young People (China)
- Conservation Work of the Japanese House and Garden “Shofuso” in Philadelphia, U.S.A (U.S.)
- Asian University for Women (Bangladesh)
- KEEP International Training and Exchange Center Project (Japan)
- Modern Tea House Project in Frankfurt (Germany)
- Construction and Exposition of Monument Commemorating Centennial of Japan-Brazil Immigration (Brazil)

### (2) Examples of projects during FY2007

#### A. The University of Alberta Prince Takamado Japan Canada Memorial Fund (Canada)

- Organizer: The University of Alberta
- Designated donation (amount of designated subsidy): 35 million (FY2007, to be continued until FY2008)
- Program Content: The Prince Takamado Japan Canada Memorial Fund was established within the University of Alberta Endowment Fund. The interest earned by the fund is to be used for three projects, which will be held every year: All Canada Japanese Speech contest, aimed at university students from overseas studying Japanese in Canada; Essay Competition, aimed at Canadian university students; and Study Scholarship in Japan, aimed at Canadian undergraduate and graduate students at CANJAS institutions.

#### B. The Japan-China Exchange Year of Culture and Sports 2007

- Organizer: Executive Committee for the Japan-China Exchange Year of Culture and Sports 2007
- Designated donation (amount of designated subsidy): 487.25 million
- Program Content: The Japan-China Exchange Year of Culture and Sports 2007 commemorated the 35th anniversary of the normalization of diplomatic relations between Japan and China. The Executive Committee organized five projects with the aim of furthering mutual understanding and trust between the two countries at the grassroots level: the Japan-China Festival in Beijing, Tsugaru Shamisen and Taiko in Shanghai, the Grand Finale Reception and Concert in Beijing, the Special PR Project, and the Year-round PR Project. The Japan-China Festival in Beijing attracted some 100,000 visitors, and all the projects were highly praised for offering a broad introduction to both Japan and China

## 3. Tax Privileges

The Japan Foundation is a “Designated Public Benefit Organization” (or *Tokutei Koh-eki Zoushin Houjin*), in accordance with Article 77 of the Corporate Tax Enforcement Order and Article 217 of the Income Tax Enforcement Order. Therefore, donations to the Foundation are subject to the following tax privileges.

### (1) Corporations

Deductible expenses may be declared in addition to the standard deduction for donations.

The upper limit for financial losses associated with the donation is calculated using the following formula:

Upper limit of financial loss = {(amount of capital) × (period of months / 12 × 0.0025) + (amount of income for fiscal period in question × 0.025)} × 0.5

### (2) Individuals

An amount equal to the donation minus ¥5,000, up to 40% of gross income, is tax deductible. Donations of inherited assets are also eligible for tax privileges.