

On the article that ran in the *Yomiuri Shimbun* (morning edition) on August 14

In an article printed in the *Yomiuri Shimbun* (morning edition) on August 14, it was reported that some overseas offices of the Japan Foundation had not submitted periodic operating reports from fiscal 2004 to 2005.

This issue of overseas offices not submitting the periodic operation reports had already been mentioned in the “Japan Foundation Regular Operation Audit Report,” dated April 19, 2005 (Note 1). The issue has been made public on the Japan Foundation website since May 2005 in accordance with the “Law on the Disclosure of Information Held by Independent Administrative Institutions.”

From the perspective of observing internal regulations and streamlining operations, and based on the operating audit report, the Foundation has been working on the following improvements since fiscal 2005.

- 1 The Foundation headquarters has been giving strict guidance to overseas offices to observing internal regulations. The fact that some overseas offices did not submit the periodic operation report is inappropriate from the perspective of observing internal regulations. Based on the audit report, the Foundation headquarters has once again demanded the submission of the periodic operation reports and has imposed strict guidance upon the overseas offices.
- 2 Meanwhile, such cases and the audit report revealed that the operation report forms that the overseas offices must submit to headquarters (Note 2) were ineffective, and included an overlapping of the points to be reported. Therefore, to speed up and streamline business operations, we have reviewed the content of the reports.

Specifically, we revised the regulation pertaining to the periodic operation report on October 12, 2005, so that its content closely reflects the activities of the offices and operational improvements of the Foundation.

Additionally, we revised the regulation once again on April 19, 2007, so that, in principle, the existing periodic operation report will be replaced by an as-necessary report that will be presented every time the need arises, such as at the end of a program. The system now emphasizes the promptness of the reports on program implementation at overseas offices.

3 As a result of the thorough guidance imposed on the overseas offices and the two revisions of the relevant regulations, all periodic operation reports have been submitted properly according to the notices since the third quarter of fiscal 2005. We judge that improvements have been made.

Since it became an independent administrative institution in October 2003, the Japan Foundation has conducted several major reforms of its operations and organization to carry out more efficient and effective international exchange programs. It has also disclosed information appropriately and made efforts to reform the awareness of staff members. We will continue to humbly respond to comments and criticism from various fields and make consistent efforts to be a valuable organization that meets your expectations.

August 16, 2007

The Japan Foundation

(Note 1)

According to the Regular Operation Audit Report, six offices had not submitted the periodic operating report at all, while two offices had sent only part of the report during fiscal 2004. During the first and second quarters of fiscal 2005, seven offices had not presented the periodic operation report.

(Note 2)

* On the content of the reports

1 The report mentioned recently in the press pertains to the “periodic operation report.” Until fiscal 2006, overseas offices were expected to submit the following four types of operation reports to Foundation headquarters.

A) Regular report: On general matters concerning the operation of the overseas office, including the host country’s cultural situation, programs, meetings with leading figures, business trips, matters of emergency (natural disasters and others). (This was to be reported whenever the need arose, including as information became available, as programs ended, etc., which meant it was necessary almost daily.)

- B) Periodic operation report: On the host country's cultural situation, programs, business trips, management of the library, expenditure report of conference costs, and more. (To be reported quarterly.)
- C) Report on payment and receipt of advance funds: Financial report on every item of expenditure. (Account of payments for conference costs, program costs, etc.) (To be reported quarterly.)
- D) Performance evaluation report: Satisfaction level of visitors and participants based on an evaluation index, volume of press coverage of programs, how the library is used, size of website traffic and more. (To be reported annually.)

2 Of the above, the "regular report" is submitted most frequently. Since the "periodic operation report" included parts that were like summaries of the regular report, some overseas offices placed greater priority on the regular and other reports than on the periodic operation report despite the rule of the regulations.

However, the Foundation has received as-necessary reports for each program, financial reports, as well as performance evaluation reports, at the appropriate time from all overseas offices.

3 We would also like to add that press coverage in local newspapers and magazines is a valuable information source of the latest cultural situation of the host country. Therefore, in some cases, the offices select articles on international cultural exchange locally and make good use of them to report on the local cultural situation.