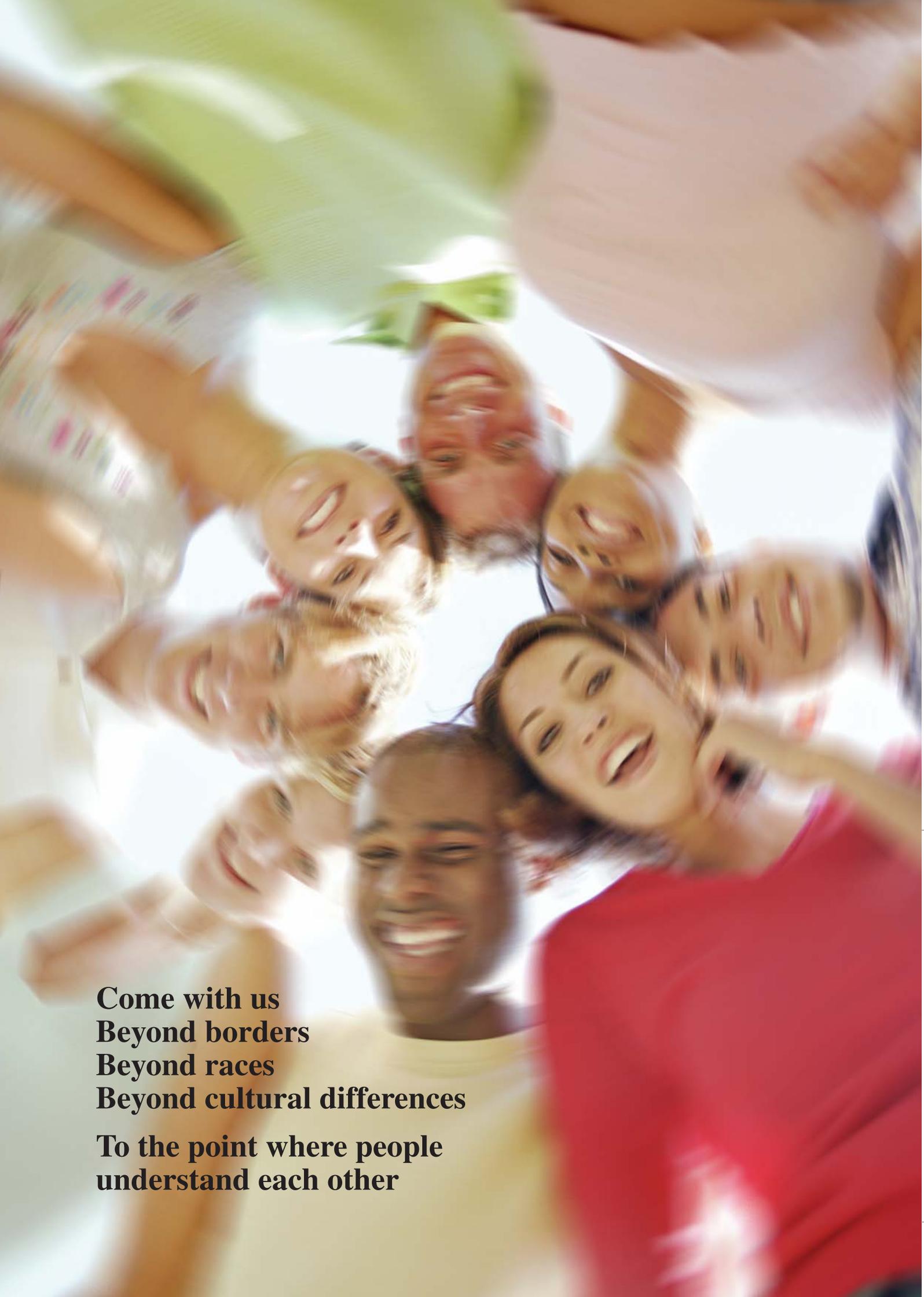


# 2004 Annual Report

Year ended March 31, 2005

Fostering mutual understanding  
through cultural events and exchanges





**Come with us  
Beyond borders  
Beyond races  
Beyond cultural differences**

**To the point where people  
understand each other**

The 21st century shows how far our world has progressed in the remarkable development of science and technology. It also reveals threats to peace through warfare, terrorism, hunger, and environmental destruction. At the most basic level, such threats stem from deficient communications among nations, races, and individuals.

As an independent administrative institution, the Japan Foundation believes in the power of culture to resolve communications problems and promote mutual understanding. We strive to realize world peace and welfare, based on our conviction that culture is a precious global asset.



Kazuo Ogoura, President  
The Japan Foundation  
March 2006

## INDEX

<b>Introduction</b>			
President's Perspective	1		
Mission Statement	2		
FY 2004 in Review	2-3		
Global Network Expenditures	4-7		
Views of 3-Region Executive VPs	5		
Streamlined 3-Group Structure	8		
<b>Arts and Cultural Exchange</b>			
Main Topics	10-14		
<b>Japanese-Language Education Overseas</b>			
Main Topics	16-19		
Japanese-Language Institutes	20		
<b>Japanese Studies and Intellectual Exchange</b>			
Main Topics	22-26		
Center for Global Partnership	27		
<b>Overseas Network</b>			
Chief Activities		29-34	
Expenditures by Nation		35	
Awards and Prizes		36	
<b>Financial Affairs and Organization</b>			
Budgets and Results		38	
Balance Sheet		39	
Profit and Loss Statement		40	
Cash Flow Statement		41	
Important Accounting Policies		42-43	
Organization Chart		44	
Committee		45	
Contact Addresses		46	

# Get to know about Japan

## Get to know about Japanese society

## Get to know about Japanese culture

Are you interested in Japan? Do you want to know more? You may be able to learn something useful and beneficial. Let's communicate, and you will have more chances for new encounters and further interaction with people from all over the world.

Mutual understanding can bring peace to the world.

The Japan Foundation was established in 1972 as a special public institution under the Ministry of Foreign Affairs, and later became an official independent administrative institution in October 2003. Currently, we are working globally through four domestic offices and 19 international offices in 18 countries, providing opportunities for cultural exchange.

### Japan-Korea Friendship Year 2005

Commemorating the 40th anniversary of the normalization of diplomatic ties between Japan and Korea, the Japan Foundation sponsored many events to promote cultural exchange as part of "Japan-Korea Friendship Year 2005." The following activities were held through March 2005:

#### Japan-Korea Friendship Year 2005 Super Live in Seoul

Held on January 28, 2005, the show promoted friendship between Japanese and Koreans through pop music. Top artists from both countries performed numbers like the Japanese-Korean friendship song "Dance with Me" (Korean/Japanese version), sung in Japanese by Chemistry & Lena Park unit.



#### Korea-Japan Road Club Festival 2005

This all-night event in seven venues included Japanese and Korean DJs in friendly rivalry, an exhibition showcasing young artists and, of course, stage performances.

### Celebrating 150 Years of Japanese-American Relations

The year 2004 was the 150th anniversary of the establishment of amicable Japanese-American relations. Over this period, Japan and the United States have overcome conflicts and reinforced political, economic, and cultural ties to achieve ongoing friendship. Focusing on this commemorative year, the Japan Foundation promoted many cultural events in 2004:

#### US-Japan 150th Anniversary Symposium (See page 27.)

#### Public Symposium: Japanese American Leadership Delegation "Asian American Diversity: Building Coalitions"

From March 27 to April 4, 2004, 13 noted Japanese-Americans met to discuss better understanding between Japanese and Japanese-Americans and help reinforce Japan-U.S. ties. The gathering included appreciation of *kabuki* and *orimono* (tapestry), and a round-table conference with specialists in politics, economics, and education.



#### Revival of *Pacific Overtures* Musical on Broadway (Directed by Amon Miyamoto) (See page 13.)



## FY 2004 in Review

### Expanding Cultural Exchanges with Nations in the Middle East

We realized important cultural exchanges with countries in the Middle East:

#### Specialists Dispatched to the Middle East

In September 2004, the Second Cultural Exchange and Dialogue Mission to the Middle East went to Jordan and Iran to take part in a symposium on “Tradition and Modernization.” Members also discussed amicable ways to resolve policy issues and set a priority agenda for intellectual exchange between Japan and the Middle East through programs like the Japan-Arab Dialogue Forum.

#### Middle Eastern Film Festival (See page 12.)

#### Teachers and Leading Artists Invited from Iraq

To foster greater understanding of Iraqi culture, the Japan Foundation organized a theater tour by the Al-Murwass Group from Baghdad for October, followed by a November-December concert series showcasing the *oud*, the traditional Arab lute. We also invited Iraqi middle- and high-school teachers to Japan to meet primary and junior high school students and teachers, as well as to attend lectures on Japanese education.

#### Lectures on the Middle East

Responding to recent interest in the Middle East and Islam, the Japan Foundation arranged a series of eight lectures related to understanding the region. The series, a sweeping survey of Middle Eastern culture, drew an audience of 472.

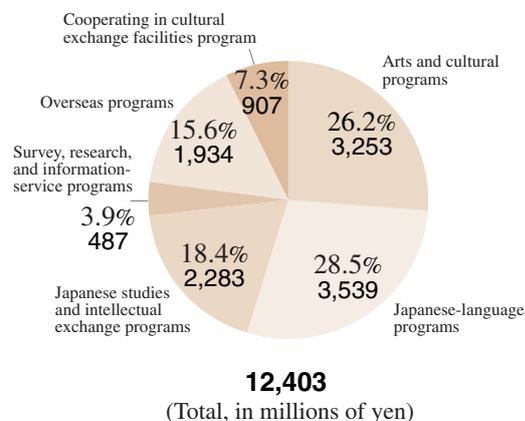
### Supporting Overseas Interest in Japanese Language and Culture

#### Results of 2003 Survey on Overseas Japanese-Language Education

This survey revealed that in 2003 about 2.3 million people were studying Japanese at schools and other institutions in 127 countries—a 12% jump in five years. The increased number of young learners starting Japanese study may be attributed in many countries to the growing popularity of Japanese pop culture.

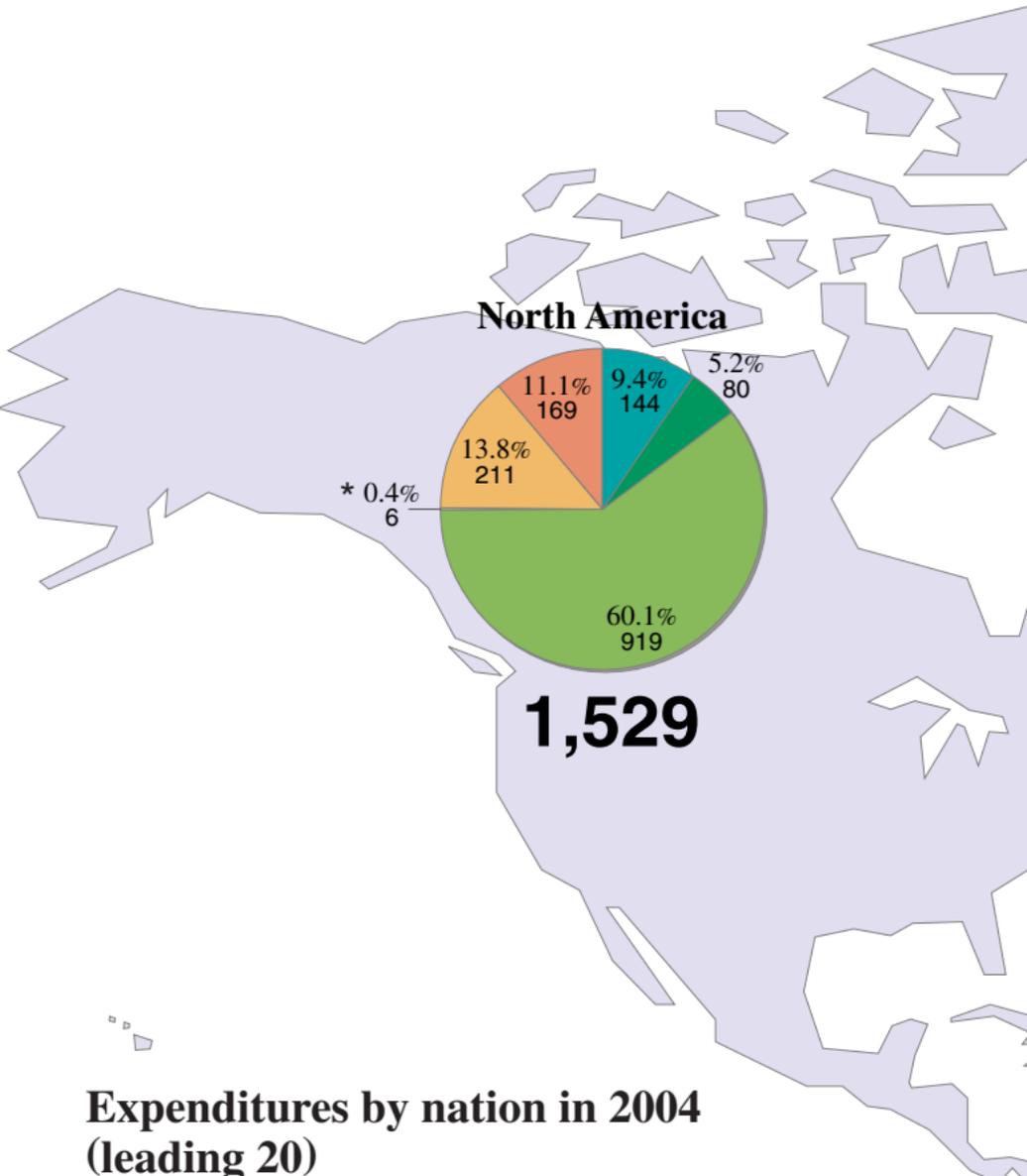


Breakdown of 2004 program expenditures (by field)



# Global Network Expenditures

Unit: millions of yen



## Expenditures by nation in 2004 (leading 20)

	Millions of yen	%
U.S.A.	1,354	10.9
France	558	4.5
China	529	4.3
Korea	511	4.1
Australia	453	3.6
Indonesia	347	2.8
Germany	299	2.4
Thailand	256	2.1
Brazil	235	1.9
Russia	219	1.8
Malaysia	218	1.8
Italy	213	1.7
U.K.	196	1.6
India	193	1.6
Canada	160	1.3
Philippines	156	1.3
Egypt	150	1.2
Vietnam	97	0.8
Greece	70	0.6
Hungary	68	0.5

- Arts and cultural programs
- Japanese-language programs
- Japanese studies and intellectual exchange programs
- \* Survey, research, and information-service programs
- Overseas programs
- Cooperating in cultural exchange facilities

# Fostering Cross-Cultural Understanding

The Japan Foundation seeks to emphasize the needs and goals of each international program, and sets objectives for operations in each target country and region. To ensure enhanced performance, we have appointed executive vice presidents on a regional basis.

## Asia and Oceania



Sohei Yoshino  
Executive Vice President

The year was marked by many ambitious projects that broke new ground. We sponsored the “Have We Met?” art exhibition, organized by a new generation of curators; brought Tokyo audiences contemporary drama by directors from five South Asian countries, a selection that brilliantly used multimedia; and sent a company of actors to East Timor refugee camps to entertain children affected by recent strife. In a move aptly summarizing this year of reform, applications for the head of the Foundation’s Beijing office were accepted from the public, and the position was filled by an individual from a corporate background.

## The Americas



Hideya Taida, CBE  
Executive Vice President

2004 marked the 150th anniversary of the first friendship treaty between Japan and the United States, and to honor that occasion we organized a wide range of symposiums looking back on the history of our relations. In terms of new frontiers, we hosted a symposium that explored relations between Japanese-Americans and Asian-Americans, their diversity and solidarity. After staging a revival of the 1976 musical *Pacific Overtures* on Broadway, we then set to work organizing a network of Japanese research fellows in Central and South America. As Japan and Mexico have successfully concluded negotiations on a free trade agreement, we look forward to seeing our cultural exchange programs continue to flourish and grow in the coming years.

## Europe, Middle East, and Africa

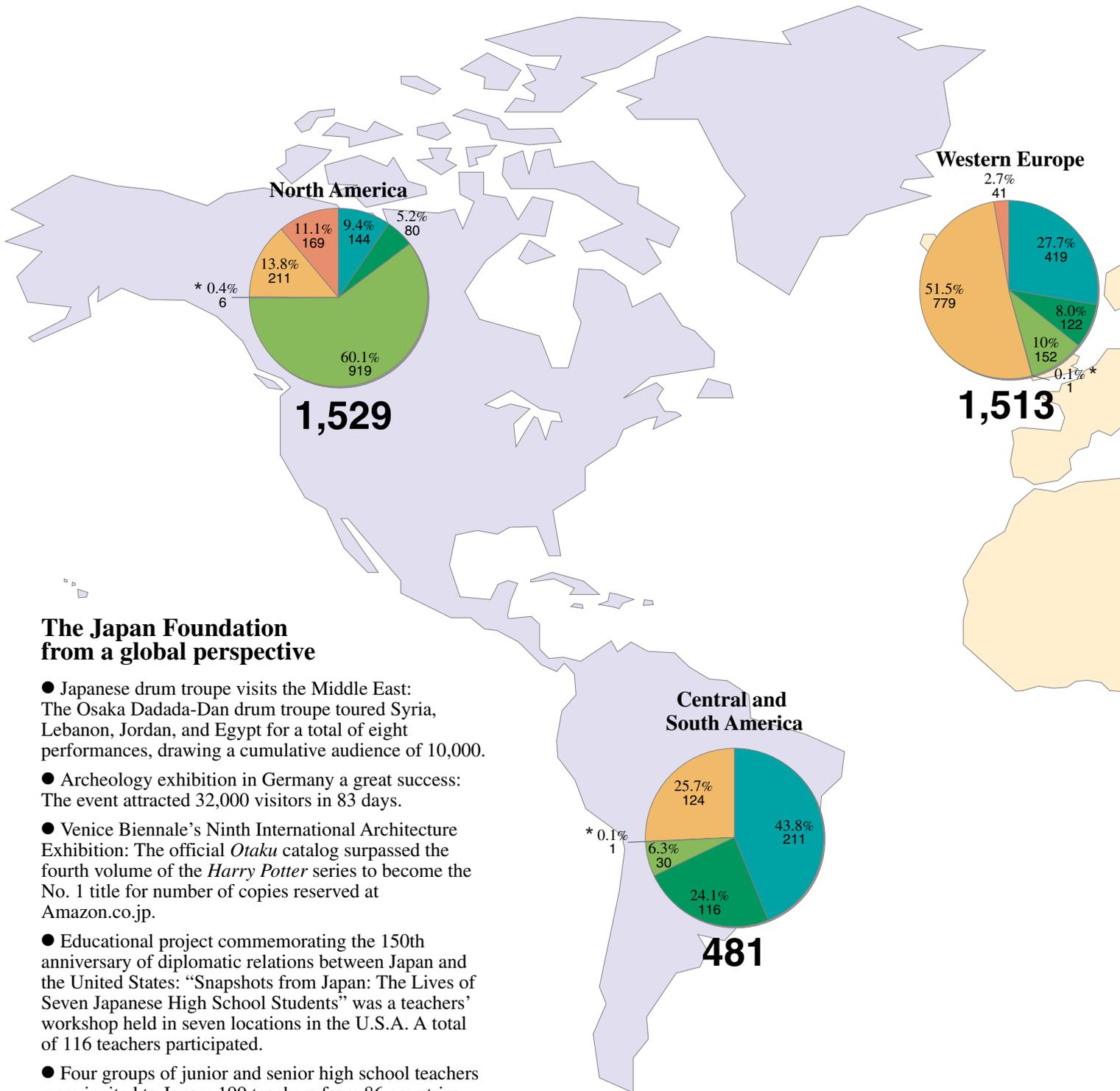


Toru Kodaki  
Executive Vice President

The Japanese pavilion at the Venice Biennale’s Ninth International Architecture Exhibition focused on the theme of “Otaku,” and it generated great excitement in the European art world with its unique vision of urban life. The display proved a big hit in Tokyo, too, upon its return home. Meanwhile, at the Foundation’s invitation, a contemporary company of actors from Iraq visited Japan in a three-city tour, and a group of players on the *oud*, the traditional Arab lute, led by Naseer Shamma of Iraq, performed in Hiroshima, Nagasaki, and Tokyo. The Middle East, the Foundation believes, is one of the regions where Japan most needs to engage in cultural exchange and enhanced mutual understanding. We therefore sent a cultural mission there for the second time, this year to Jordan and Iran.

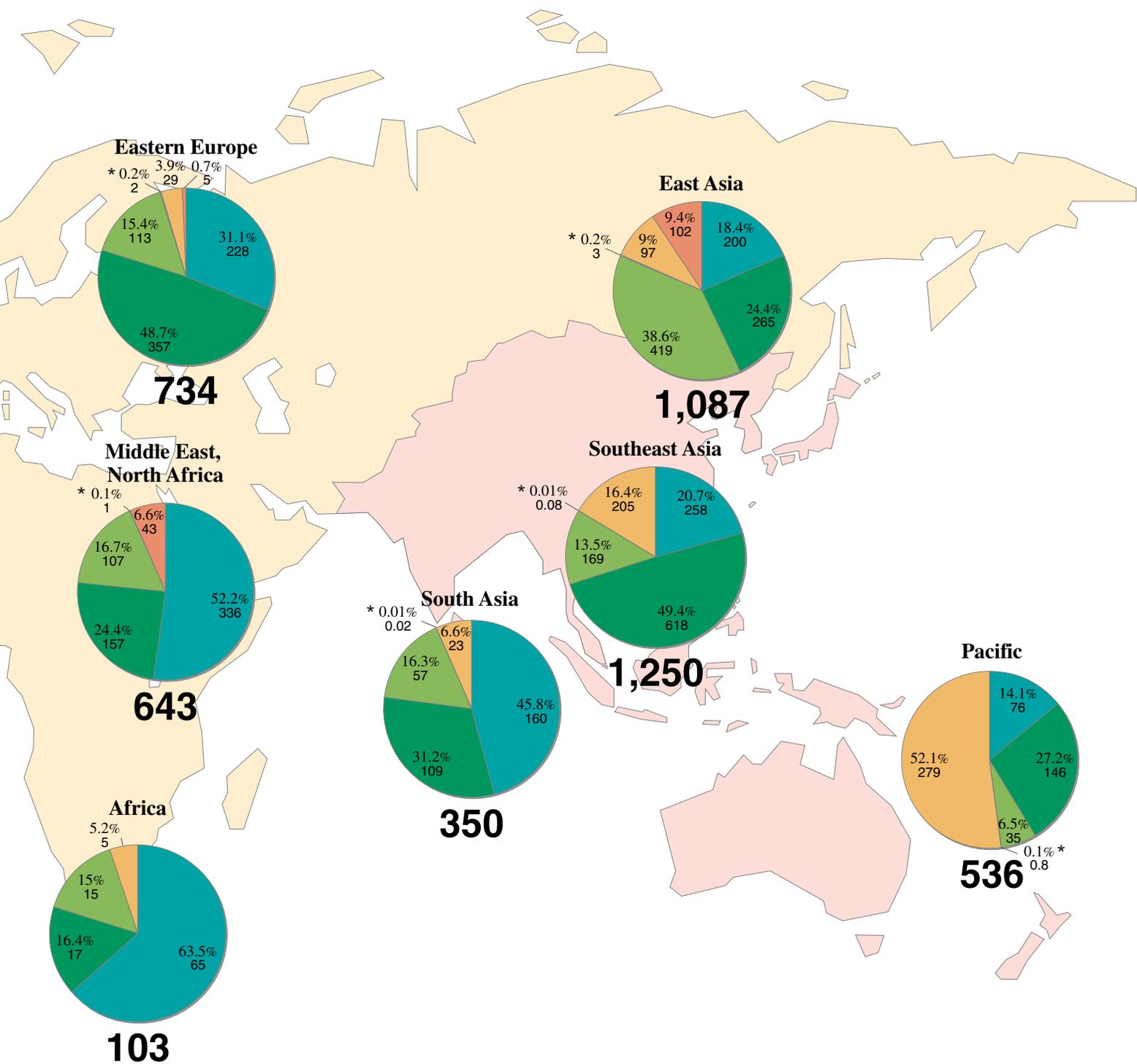
# Global Network Expenditures

Unit: millions of yen



## The Japan Foundation from a global perspective

- Japanese drum troupe visits the Middle East: The Osaka Dadada-Dan drum troupe toured Syria, Lebanon, Jordan, and Egypt for a total of eight performances, drawing a cumulative audience of 10,000.
- Archeology exhibition in Germany a great success: The event attracted 32,000 visitors in 83 days.
- Venice Biennale's Ninth International Architecture Exhibition: The official *Otaku* catalog surpassed the fourth volume of the *Harry Potter* series to become the No. 1 title for number of copies reserved at Amazon.co.jp.
- Educational project commemorating the 150th anniversary of diplomatic relations between Japan and the United States: "Snapshots from Japan: The Lives of Seven Japanese High School Students" was a teachers' workshop held in seven locations in the U.S.A. A total of 116 teachers participated.
- Four groups of junior and senior high school teachers were invited to Japan: 199 teachers from 86 countries took part in these visits.
- Overseas candidates taking the Japanese-Language Proficiency Test on December 5: approx. 302,000.
- Japanese language learners across the globe: 2.3 million in 127 countries and regions.
- Visitors to the library of the Japan Cultural Centre, Sydney:  
Before it moved: Average of 30 persons a day.  
After it moved: Average of 80 persons a day.



**FY 2004 Regional Expenditures**

The Americas	16.2%	<b>2,010</b>
Europe, Middle East, and Africa	24.4%	<b>3,028</b>
Asia and Oceania	26.5%	<b>3,281</b>
Other	32.9%	<b>4,084</b>

## New structure for refined focus

In response to the current era of globalization, the Japan Foundation has reorganized our group and operating plans. This allows us to refine our focus on the cultural values that Japan can bring to building a better world. We have streamlined our institution for greater synergy and flexibility, creating three major programs — Arts and Cultural Exchange, Japanese-Language Education Overseas, and Japanese Studies and Intellectual Exchange — with an Information and Resource Center to coordinate these three program areas. The following is a list of events and activities in 2004:

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### Arts and Culture Group

■ Contemporary Brazilian art exhibition, “Brazil: Body Nostalgia” ■ “JIKI: Japanese Porcelain, East and West, 1610-1760,” an exhibition that toured Faenza’s International Museum of Ceramics, the Japan Cultural Institute in Paris, and Belgium’s Royal Museums of Art and History ■ Special screenings of *Godzilla* and monster movies at American Cinematheque ■ Jazz tour of Middle East by Satoru Shionoya Unit (Lebanon, Jordan, Greece) ■ Middle-East Tour by Osaka Dadada-Dan *Tenko* drum troupe (Syria, Lebanon, Jordan, Egypt) ■ Exhibition in Germany, “Time of Dawn: Japan’s Archaeology and History up to the First Emperors” (Mannheim, Berlin) ■ “Living Together is Easy” exhibition in Melbourne, Australia, featuring contemporary works by 12 Japanese and Australian artists ■ Participation in the 26th São Paulo Biennale ■ Exhibition at the 56th Frankfurt International Book Fair ■ *Bunraku-Gidayu* Music Concert Tour of Canada ■ Russian translation of *The Assassin’s Sword Eye of the Tiger: A Historical Novel of Contemporary Japan* (under Japanese Literature-in-Russian translation program) ■ Display of paintings by four Japanese artists at 11th India Triennale ■ Indonesia tour by a capella group INSPi

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### Japanese-Language Group

■ The intensive training program for the U.S./Canadian/the U.K. ■ Short-Term Training Program of foreign teachers of the Japanese language ■ The intensive training program for high-school teachers of the Japanese-Language from the Republic of Korea ■ Conference for the Association of Japanese-Language Teachers in Europe on the theme of “Accessibility in Japanese Language Education: Sharing Ideas, Theories, and Practices” ■ Launch of English-language version of the “Minna no Kyozaï” site ■ Administration of Japanese Language Proficiency Test worldwide ■ The Lee Soo-Hyun memorial program for extending invitation to Japan to young people from Korea (Japan-Korea Friendship Year 2005 program) ■ Conference of Japanese educational experts and young Japanese-language teachers returning from Chile, Indonesia, and India

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### Japanese Studies and Intellectual Exchange Group

■ Cultural Diversity and Globalization, the Arab-Japanese Experience: a Cross-Regional Dialogue ■ Future Leaders Forum 2004: Korea-China-Japan ■ Public seminar on the development of teaching materials for USA understanding — Guidelines for Japanese junior & senior high school students— ■ Second Cultural Exchange and Dialogue Mission to the Middle East ■ Host for the Media Forum 2004 in The Philippines ■ Conducted a project under the Asia Leadership Fellow Program ■ “Bhutan and Gross National Happiness (GNH): In Pursuit of a New Paradigm for Human Development” ■ Public forum “Towards Peace and Prosperity in the 21st Century: Rethinking Global Governance and United Nations Reform” ■ Japanese-American leadership Delegation, “Practicing Multicultural Coexistence: From Minorities Perspectives” ■ International forum held in Okinawa, “Asia Pacific Youth Forum, Okinawa”

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### Information and Resource Center

The most important responsibilities of the Japan Foundation include dissemination of international exchange information, coordination of three program areas, and promotion of effective communications for smooth, efficient operation of domestic programs. The Information and Resource Center, established in May 2004, serves as our communications nexus in publicizing our message on the Internet and in print, ensuring due recognition of distinguished achievements, and supporting international exchange programs at the grassroots level.



# Arts and Cultural Exchange

Japanese culture brings people together worldwide

To promote broader international understanding of Japanese culture, the Japan Foundation organizes exciting international exchange programs from traditional theater to contemporary art. We bring intellectuals, artists, and local people together, while supporting productions in such diverse genres as the fine arts, performing arts, visual media, and publications. Engaging in various overseas activities, including the support of joint projects and artists, we bring Japanese culture to a global audience.



## Japanese *Otaku* Culture Gains Global Attention

In fall 2004, the Japan Foundation presented a unique view of urban development at the Venice Biennale's Ninth International Architecture Exhibition. Entitled "*Otaku: Persona = Space = City*," this popular exhibit revealed how contemporary Japanese culture is shaping urban space and structure in Tokyo's Akihabara technology district.

*Otaku*—a traditional Japanese word for “house” or “family”—has become a colloquial term for young Japanese “geeks” obsessed with *manga* (cartoons), *anime* (animations), and video games. For many Japanese, *otaku* evokes an image of a tiny room cluttered with thick comic books, stacks of CDs, and *anime* character dolls. In recent years, Akihabara has become a popular meeting place for Japanese

*otaku* people, as well as a *manga* marketplace. To show how this self-absorbed and sexually oriented youth culture is becoming globalized, the Venice Biennale exhibit displayed a miniature *otaku* room littered with typical geek goods, as well as *anime* figures and video game posters. In addition, a miniature landscape garden demonstrated how Japan's *otaku* culture is expanding beyond national borders, with connections to Web sites in Korea.

This unorthodox show—different from traditional architectural displays at Venice Biennale—showed the universal relevance of contemporary Japanese culture. The exhibit was enthusiastically received by a large international audience at Venice, as well as many visitors in Japan.



Commissioner Morikawa and visitors beside Akihabara models



Japanese Pavilion entrance



Visitors mesmerized by *Otaku* possessions

## Contemporary Iraqi Events and Visits Foster Understanding of Iraqi-Arab Culture

In October the Japan Foundation sponsored a theatrical tour by the Al-Murwass Group of Baghdad, followed in November by a concert series featuring Naseer Shamma, an Iraqi master of the *oud*, or traditional Arab lute.

A symposium was held in conjunction with the Al-Murwass Group tour. Both events attracted considerable attention and media coverage, not least of all because they embodied the hope for peace and stability in Iraq.

The Al-Murwass Group staged a total of 15 performances in Tokyo, Nagoya, and Osaka from October 6 to 24. Together with the symposium in Tokyo, these performances attracted an overall audience of 1,343 spectators. This was the first tour of Japan for the 19-member troupe, and we take pride in having successfully arranged it despite numerous challenges along the way — among them the impossibility of carrying out any preliminary survey work in Baghdad. Between November 26 and December 3, a group of performers led by Naseer Shamma gave a series of concerts in Japan at the Foundation's invitation. Though currently residing in Cairo, Naseer Shamma is considered one of Iraq's

leading performers on the *oud*. The series drew an overall audience of 1,415 spectators, who were entranced by the unfamiliar sounds of this wonderful instrument.

At Naseer Shamma's own urging, the group staged a concert in both cities shattered by the atomic bomb, Hiroshima and Nagasaki. It also presented two more performances at the Japan Foundation Forum, appeared at a seminar in Tokyo, and gave one further performance at a press conference.

Naseer Shamma's brilliant musicianship won fervent praise everywhere he performed. Audiences were truly impressed, as indicated by the excited response to the questionnaires handed out at each venue.

In addition, a group of 10 social studies teachers and four educational administrators from Iraq's Samawa region also came to Japan, where they paid visits to the Ministry of Foreign Affairs, the Ministry of Education, and the Saitama Prefectural Board of Education. In addition, they met with students and teachers at primary and junior high schools in the prefecture.



Al-Murwass Group on stage



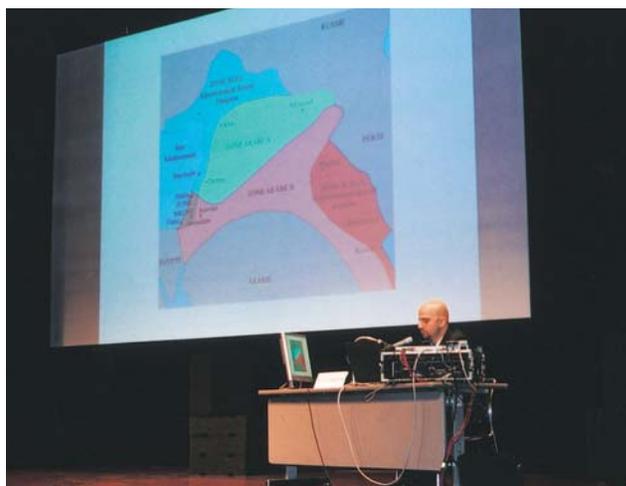
Naseer Shamma in performance

## Film Festival Screenings and Lectures Help Japanese Audiences Better Understand Middle Eastern and Asian Cinema

The Japan Foundation Screening & Lecture Series 2004-2: Arab Film Festival Pre-Event (September 2004) and 2005-1: Arab Film Festival Pre-Event 2 (February 2005) featured screenings of Arabic movies previously viewed in Japan, along with lectures by experts on media coverage of Iraq and the history of Lebanese cinema. At Pre-Event 2, large crowds also flocked to see the four-and-a-half-hour documentary *Route 181: Fragments of a Journey in Palestine-Israel*, jointly directed by Palestinian Michel Kleifi and Israeli Eyal Sivan. The series culminated in the Arab Film Festival 2005, which took place in April 2005.

The Japan Foundation Screening & Lecture Series 2004-1: “Zionism in the Movies” (August) presented a survey of the history of Israeli cinema from its origins to the present, complete with much valuable footage. The highlight was a talk by Meiji Gakuin University Professor Inuhiko Yomota, who was just back from Israel after serving there as the Special Advisor for Cultural Exchange at the Agency for Cultural Affairs. This event was designed to foster better understanding of Israeli cinema, which is largely unknown to Japanese audiences.

In the field of Asian cinema, the Foundation and the Fukuoka City Public Library cosponsored a series called “The Golden Age of Hong Kong Cinema II: The Legend of Cameraman Tadashi Nishimoto, the Man Who Filmed Bruce Lee” (November-December). This series traced the career of Tadashi Nishimoto (1921-97) from when he was first scouted by the Hong Kong movie industry during its heyday in the 1960s until, having earned Bruce Lee’s trust, he was handpicked to shoot the legendary star’s movies including *The Way of the Dragon* and *Game of Death*. The series presented seven movies in all, including *The Ghost of Yotsuya* and *The Way of the Dragon*, and featured discussions and lectures by guest speakers Professor Sadao Yamane of Tokai University and Tadashi Nishimoto’s wife, Teruko. In conjunction with the screenings, publisher Chikuma Shobo released a book, *The Road to Hong Kong: From Nakagawa Nobuo to Bruce Lee*, by Tadashi Nishimoto, Koichi Yamada, and Sadao Yamane.



Najib El-Khash discussing “Iraq in the World Media, Iraq in the Middle Eastern Media” during the Japan Foundation Screening & Lecture Series 2005-1



Film festival fliers

## Amon Miyamoto's Production of *Pacific Overtures* Plays on Broadway, Celebrating 150 Years of Japan-U.S. Relations

Under the direction of Amon Miyamoto, the Stephen Sondheim musical *Pacific Overtures* was revived on Broadway with the special support of the Japan Foundation. The work is set in the days when Japan first opened its doors to the outside world.

First performed in 1976, *Pacific Overtures* depicts Japan's rapid modernization in the wake of the arrival of the "Black Ships" in 1853. It portrays how Japanese in different walks of life were involved in the opening of their country and their reactions at the time. Miyamoto had already successfully staged the show in New York with a Japanese cast, in 2002; this time he used an American cast, and garnered considerable attention in the process.

As a prelude to the show's opening on December 2, a public symposium, "MIT Meets Broadway," was held at the Boston Museum of Fine Arts on September 22. There, Miyamoto discussed the roots of the Japan – U.S. relationship with Professor John W. Dower, one of America's leading historians.

In a talk delivered at the Japan Foundation headquarters the following March 2, Miyamoto summarized what he was trying to convey through the work: "History is created by the

people living in a particular time and place. Thus the many different people who experienced the era when Japan opened up to the world all helped to make history."

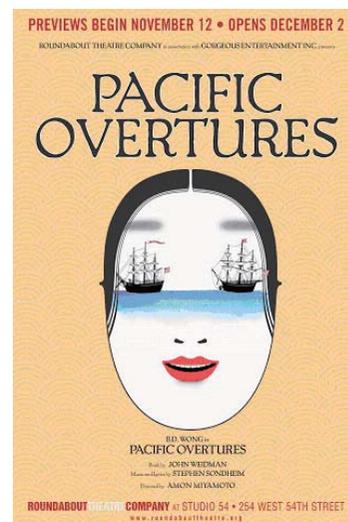
With two New York shows behind him, Miyamoto can now claim to be a veteran director. Still, looking back he confesses, "I wish I could say the rehearsals went off without a hitch, but in reality that's not the case."

For Miyamoto, the most educational aspect of the experience involved creation of a work of art in partnership with colleagues of different backgrounds and experience. Staging this version of *Pacific Overtures* required special efforts to surmount cultural challenges that did not arise with the Japanese cast.

The show created quite a sensation, attracting an audience of 70,000 spectators during its December 2 to January 31 run.



Announcing the production at Japan Foundation headquarters (July 2004)



*Pacific Overtures* poster

## Performances Bring Japanese Culture, Spiritual Solace to Timorese Children

The Japan Foundation organized a touring show for the children of the West Timor region of Indonesia and the new nation of East Timor. The project sought to help local children find new enjoyment and exercise their aesthetic sensibilities as the island continues to rebuild.

The Kazenoko theatrical troupe, which stages plays for children, presented performances and workshops in two Indonesian cities where many former refugees now live. Children of different ages packed the theater for each performance, and their gleeful reactions were unforgettable as they followed every move of the three actors on stage.

Between performances, the Kazenoko members visited the camps and East Timorese beaches where the former refugees live. There, too, as the troupe demonstrated games that involved using the hands and the whole body,

they were greeted by the rapturous faces of children utterly absorbed in the fun. But the tour was not only designed to bring spiritual solace through theatrical performances; it also sought to ensure that children would continue to enjoy such opportunities to refine their aesthetic awareness. To that end, workshops were held for local educators on ways in which banana leaves, newspapers, and other everyday objects could be put to creative use in the classroom.



Children delighted at the sight of Kazenoko on stage



Kazenoko members on a visit to a camp

## Rock Band MIYAZAWA Tours Europe to Great Acclaim

In the field of performing arts, the Japan Foundation arranged overseas tours for a total of 35 groups encompassing every genre from traditional Japanese music and theater to drama, jazz, and pop. Particularly acclaimed was a four-nation European tour by the rock band MIYAZAWA, led by singer Kazufumi Miyazawa.



Performing live in Europe

## SOI Music Festival

From September 10 to 15, the SOI Music Festival was held to showcase Japanese and Thai “indie” music. The event, which took place in Bangkok, was cosponsored by the Japan Foundation there and local supporters. In October, the event was repeated in Tokyo with assistance from Japan Foundation headquarters.



Concert in Bangkok



# Japanese-Language Education Overseas

More people than ever are studying Japanese

The Japan Foundation is helping people around the world learn Japanese with less effort. The number of people studying Japanese abroad is growing by the year, having crossed the 2.3 million mark in 2003. Seeking to enhance this increasing interest, the Foundation provides a full range of support by extending assistance to overseas Japanese language schools and students, sending educational experts abroad, administering proficiency tests, and developing and supplying teaching materials.



## Japanese Teaching Organizations and Number of Learners Expand Significantly

Just published, the 2003 Survey of Educational Institutions Teaching Japanese Abroad serves two purposes: to provide an accurate picture of the state of Japanese-language education around the world and better enable the formulation of future policies in the field of Japanese-language teaching. Survey results are available at our Web site.

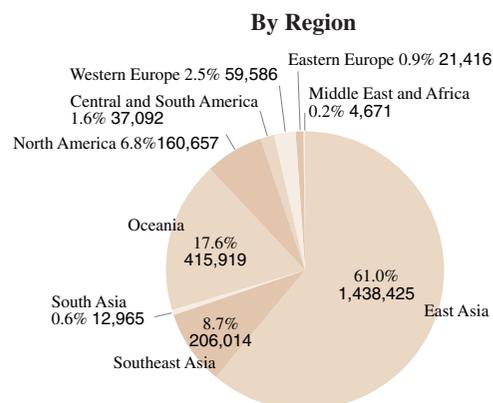
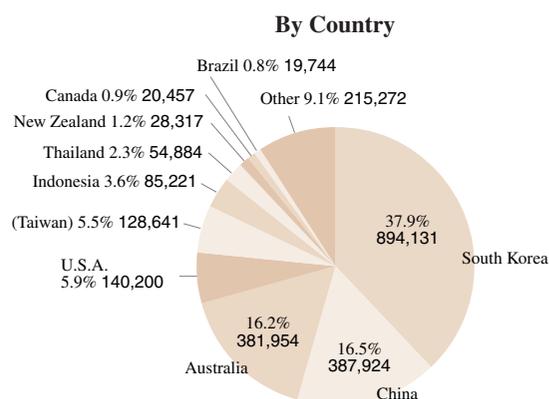
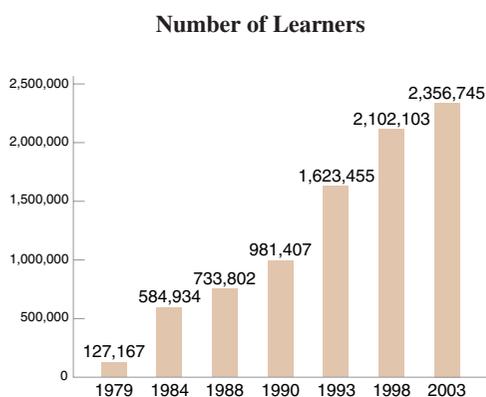
Conducted from July 2003 through March 2004, this survey involved sending out questionnaires to educational institutions in different countries where Japanese is taught, and then meticulously tabulating and analyzing the roughly 20,000 items of data collected. Such a survey on a worldwide scale was without parallel, and it has provided a wealth of valuable data and insights.

According to this latest survey, about 2.3 million people are learning Japanese at schools and other institutions in 120 countries and 7 regions abroad—a roughly 12% increase over the last survey in 1998. This figure represents the number of people formally enrolled in Japanese language programs; hence the actual number, it is fair to assume, must be even larger when factoring in individuals who are taking Japanese language courses via television, radio, or the Internet, or studying with a private tutor. The overall trend remains the same as in the last survey: Students at the primary and secondary

levels account for over 60% of the total number of learners.

The countries making up the top 10 remain unaltered from the last survey, but their order has changed: China has overtaken Australia thanks to an impressive 58 % increase in the number of learners. Among different regions, Southeast Asia has experienced a particularly dramatic rise in number of learners, switching places with North America as a result.

Detailed information on the status of Japanese-language education in each country, its educational system, and foreign language instruction is available on our Web site.



— For more detailed information, visit at: [www.jpf.go.jp/e/japanese/overseas/survey.html](http://www.jpf.go.jp/e/japanese/overseas/survey.html)

## Japanese Education Efforts are Received Enthusiastically in Australia

Report from a Japanese-Language Specialist

In the state of Western Australia, Japanese is taught at the primary, secondary, and college levels, and four of its five universities have a Japanese program.

In areas where no teachers are available, correspondence courses are offered using specially developed instructional materials; students can converse with an instructor and ask questions at least once a week by videophone. Roughly 450 individuals are learning Japanese this way.



Japanese teaching materials under production in a studio

Our role in the region includes arranging school visits at the request of teachers, and helping organize events designed to promote the Japanese language. In partnership with some highly motivated teachers, for example, we have set up a contest committee to organize *hiragana* and *katakana* contests, and we help arrange screenings of Japanese movies at international film festivals.

One can only be heartened by the growing numbers of up-and-coming teachers taking Japanese at university and studying in Japan. This new generation is brimming with enthusiasm to learn the latest instructional techniques and hone their Japanese skills through the Japan Foundation's teacher training programs.

(Kazuko Nagai, Department of Education and Training, Western Australia, Australia)

## Japanese Comes a Big Step Closer to Joining the Secondary Curriculum in Vietnam

Report from a Japanese-Language Junior Specialist

Vietnam is considering adding Japanese to the list of foreign languages taught at the secondary level. Starting in December 2003, the language has been offered on a trial basis. Even at this initial stage, teachers are required to use a government-approved curriculum and textbooks. A team of local individuals and I are currently working full speed on developing textbooks in preparation for the official debut.

Japanese language education at the secondary level in Vietnam is still at the trial-and-error stage, and much work remains to be done, not least of all training local teachers. Although the project involves large numbers of individuals, I am the only person actually teaching in the classroom. It is both a rewarding experience and one that entails heavy responsibility, as I am only too aware as I face a class full of students eager

for their weekly Japanese lesson. What can we do for these students? What paths can we make available to them? These are the questions that my Vietnamese colleagues and I are seeking to answer.

(Chisato Ofune, Chu Van An Lower Secondary School, Hanoi, Vietnam)



In the classroom

## Japanese-Language Proficiency Test Gains Wider Recognition as Candidates Exceed 300,000

The Japanese-Language Proficiency Test is designed to measure and certify the Japanese-language proficiency of non-native speakers of Japanese. It has been administered since 1984 in partnership with local examining bodies in various locations abroad.

The test comes in four levels, each requiring approximate hours of study indicated: Level 1 (900 hours), Level 2 (600 hours), Level 3 (300 hours), and Level 4 (150 hours). Candidates are tested at the level closest to individual degree of proficiency. At all levels, the test consists of three parts: writing and vocabulary, listening comprehension, and reading comprehension and grammar.

In 2004, its 21st year, the Japanese-Language Proficiency Test was administered worldwide on the same day, December 5. Outside Japan, it was given in 99 cities in 39 countries and regions, and the total number of candidates crossed the 300,000 mark for the first time — another striking indicator of the growing popularity of Japanese-language study.

### 2004 Japanese-Language Proficiency Test: Number of candidates in Japan and abroad

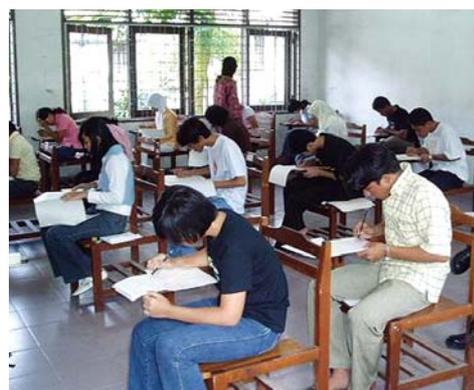
In Japan	Applicants	Number taking test
Level 1	37,538	33,429
Level 2	17,438	15,434
Level 3	8,092	7,361
Level 4	3,101	2,732
Subtotal	66,169	58,956
Abroad		
Level 1	72,690	61,782
Level 2	89,605	75,819
Level 3	80,046	65,916
Level 4	46,913	39,725
Subtotal	289,254	243,242
Total	355,423	302,198

### By region

	Number taking test	Cities where given
Asia	228,279	52
Oceania	1,347	9
The Americas	7,853	20
Europe	5,277	16
Middle East and Africa	486	2
Japan	58,956	18
Total	302,198	117



Japanese-language education seminar



Japanese-Language Proficiency Test overseas

## Web-based “Sushi Test” for Students of Japanese and *Minna no Kyozaï* Site for Their Teachers

The Sushi Test, designed for young people abroad who are at the beginning level of Japanese, made its debut in March 2004.

Learners can take the test as many times as they want for free by accessing the site on the Internet and completing the user registration form. The test, which has a time limit of 30 minutes, consists of 30 questions in three parts. The user selects the right answer while looking at pictures and listening to phrases, and is awarded a piece of sushi at the end in accordance with the final mark.

The site also includes a page called *Minna no Hiroba* (the Forum), where users can try writing e-mail in Japanese. In addition, there is a *Minna-de-Test* function, which Japanese teachers can use to assign specific problems to their students and keep track of their scores. In 2004 over 34,000 new users registered for the site, which attracted an average of approximately 17,000 visits a month. The site is also available in English, Chinese, Korean, Thai, Indonesian, and Portuguese.

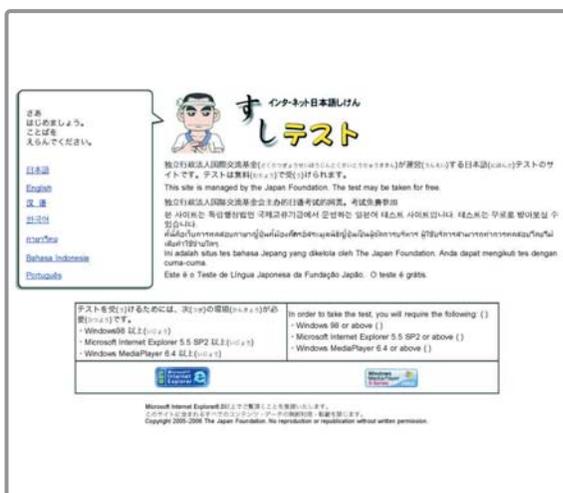
The *Minna no Kyozaï* site offers an assortment of free instructional components for

the use of Japanese-language teachers worldwide; it also serves as a forum where users can share information. Since coming on line in 2002, it has steadily enhanced its selection of materials and range of features.

Currently posted on the site are 293 teaching aids for beginner’s Japanese, 515 photos, and 7,084 illustrations, all designed as components for teaching materials. Also available is information forwarded by users, along with a broad range of information pertaining to Japanese-language education.

The library of illustrations was greatly expanded during 2004, and an English version of the site was launched in an effort to attract more overseas teachers to it. As of March 2005, there were 21,000 registered users in about 130 countries and regions, and the site received 1.7 million hits a year.

In addition, about 40 site workshops per year are held at the Japanese-Language Institute in Urawa and at other locations. Based on actual site use, these workshops examine how specific materials have been used to develop teaching materials in different parts of the world.



The Sushi Test  
<http://momiji.jp.f.g.jp/sushi/>



*Minna no Kyozaï* site  
<http://momiji.jp.f.g.jp/kyozai/English/index.php>

### Activities at Two Japanese-Language Institutes in Japan

The Japan Foundation Japanese-Language Institute, Urawa offers master's and doctoral programs designed to train individuals who will guide the course of Japanese-language education in different countries abroad. It also conducts programs for Japanese-language teachers who have already completed training courses at the Institute and wish to acquire an even higher level of proficiency in the language. Moreover, the Institute conducts training programs abroad for Japanese-language teachers in countries (such as Australia) that have an especially large number of Japanese learners.

Also available are training programs in instructional techniques for JET trainees posted throughout Japan, who are interested in becoming Japanese teachers upon returning home, and Japanese-language programs for JET trainees in Saitama Prefecture, who wish to enhance their conversational skills.

Recognizing the difficulty of producing Japanese teaching materials overseas, the Japanese-Language Institute develops Japanese-language textbooks, dictionaries, and audiovisual materials, and supplies them to

schools and institutions abroad where Japanese is taught.

In addition, the Institute arranges stays in Japan for specialists in Japanese-language education who need to conduct research in this country in order to develop instructional materials and techniques. The Institute also supports the publication of Japanese teaching materials abroad as well, and donates Japanese teaching materials to schools and institutions abroad that lack these resources.

The Japan Foundation Japanese-Language Institute, Kansai offers long-term intensive programs for individuals who need to acquire knowledge of Japan and Japanese society as they pursue specialized research or careers abroad. The Institute provides research support in specific fields of specialization, and develops instructional techniques and teaching materials for use in them. Furthermore, it arranges travel to Japan for university-level learners from regions where Japanese language education is growing, and it organizes programs in Japan for Korean high school students who are learning Japanese.



The Japan Foundation Japanese-Language Institute, Urawa



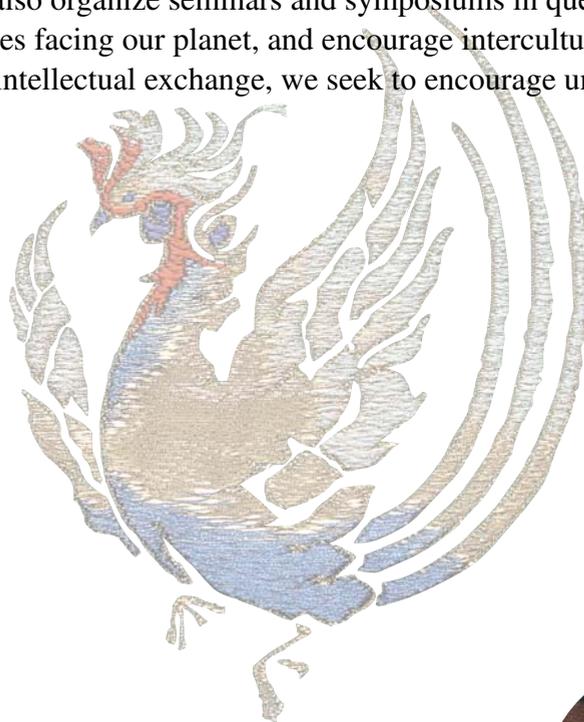
The Japan Foundation Japanese-Language Institute, Kansai



# Japanese Studies and Intellectual Exchange

Shared communications leads to global benefits

To foster better understanding of Japanese society and its culture, customs, and manners, the Japan Foundation supports the pursuit of Japanese studies abroad. To this end, we provide assistance and fellowships to researchers and offer support to institutions active in the field of Japanese studies. We also organize seminars and symposiums in quest of solutions to the common challenges facing our planet, and encourage intercultural dialogue. Thus, while promoting intellectual exchange, we seek to encourage unbiased perspectives on today's Japan.





## The Future Leaders Forum: Korea-China-Japan

First held in 2002, the Future Leaders Forum: Korea-China-Japan is designed to strengthen the bonds of trust among the three countries that dominate Northeast Asia. The gathering seeks to enable future leaders to get to know one another better and build personal ties that can endure for decades.

The second forum took place in 2004, organized by the Japan Foundation in partnership with the Korea Foundation and the China Institute of Contemporary International Relations. There were a total of 14 participants (five each from Japan and Korea, four from China) from such fields as politics, civil service, business, academia, and the media. They visited Seoul, Beijing, and Fukuoka as a group, held discussions among themselves, exchanged views on a wide range of subjects with eminent individuals in the three countries, and toured representative industries in each nation. In this way they not only engaged in intellectual exchange but also became better acquainted on a personal basis.

In the process of spending days together and discussing important issues, the participants also sought to develop a shared vision of a future course for the region. In particular, they

engaged in constructive dialogue about the possibility of an “East Asian community,” considered political and social conditions in each country, and examined questions of economic cooperation on an institutional basis in the area. Hence, the forum was of no small significance.

Every effort was made, too, to ensure that the results of the forum received the attention they deserved: for example, a Progress Report was circulated at a public symposium held in Fukuoka. Nor did the participants confine their time together to the official daytime program; they also got together in the evening for *karaoke* and socializing, and became so close, in fact, that they talked about personal matters among themselves.

The opening of the 2004 forum, which took place in Korea, was attended by some of the participants from the previous gathering, which further strengthened ties among these future leaders. If participants in these two forums held to date can maintain the network they have established, and put it to beneficial use in their respective fields, they may be able to make a substantial personal contribution to stability and development in the Northeast Asian area.



Forum in Fukuoka



Socializing together in Seoul

## The Asia Leadership Fellow Program

Established in 1996 with the International House of Japan, this program provides a maximum three-month fellowship in Japan to experts from various countries in Asia. Five to eight individuals are chosen each year for their outstanding leadership qualities.

In 2004 seven fellowship recipients came to Japan over the period from September 1 to October 30 to participate in programs focused on the theme “Identity, Security and Democracy.” Recipients (with titles current at the time) were as follows:

Karina Africa Bolasco (Publishing Manager, Anvil Publishing, Inc., and poet, The Philippines)

Kinley Dorji (Managing Director and Editor-in-Chief of the newspaper *Kuensel*, Bhutan)

Faye Chunfang Fei (Director of the American Studies Program, East China Normal University, China)

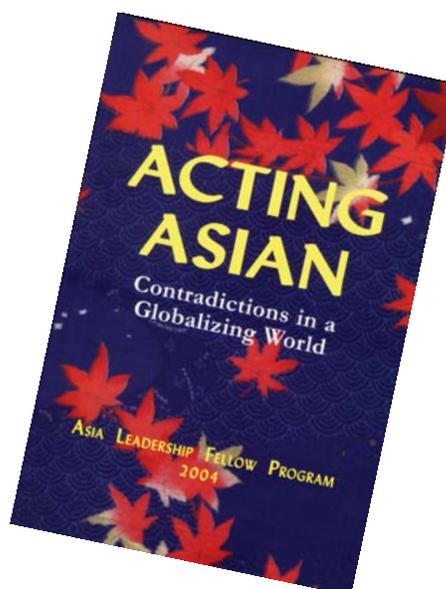
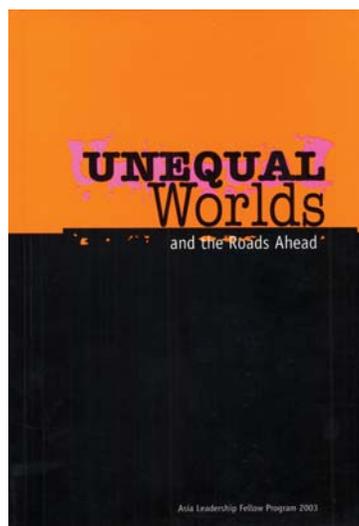
Jamhari (Executive Director, Center for the Study of Islam and Society, National Islamic University, Indonesia)

Chandrika Sepali Kottegoda (Co-Director, The Women and Media Collective, and Coordinator, Sri Lanka Women's NGO Forum, Sri Lanka)

Takayoshi Kusago (Associate Professor, Graduate School of Economics and Business Administration, Hokkaido University, Japan)

Nguyen Van Chinh (Deputy Director, Center for Asian-Pacific Studies, Vietnam National University, Vietnam)

The program is distinguished by enabling fellowship recipients to share their respective values and viewpoints on various issues, forming ties of personal friendship through dialogue and building solidarity born of common experience.



Collected papers of the 2003 Fellows (left) and 2004 Fellows (right)



## The Middle East: Promoting Mutual Understanding, Building Networks, and Pursuing Policy Dialogue

In September the second Japan-Middle East Cultural Exchanges and Dialogue Mission, headed by Professor Masayuki Yamauchi of the University of Tokyo, was dispatched to Jordan and Iran. In a symposium on the subject of “Tradition and Modernization” and meetings with individual intellectuals, the Mission members engaged in wide-ranging discussions about Japanese history, culture, society, and politics as they strove to foster a more well-rounded understanding of Japan in the two countries visited.

The Foundation also promoted intercultural dialogue by cosponsoring and sending Japanese experts to attend a cross-regional symposium. This gathering, which brought together intellectuals from Japan, Arab nations, and Europe, took place in May at the UNESCO Headquarters in Paris. In July we hosted a Mid East think-tank seminar in Tokyo with the goal of developing a network of individuals well placed to promote intellectual exchange between Japan and the Middle East.

The network thus established has already helped bring an impressive range of programs to fruition. Most notable among them: an international conference on Iraqi history and identity hosted by the Royal Institute for Inter-

Faith Studies in Jordan, and the dispatch of Mid-East fellowship program recipients to Saudi Arabia to study at the King Faisal Center for Islamic, Arabic and Asian Studies.

The third Japan-Arab Dialogue Forum in Riyadh in January was attended by government and business representatives from Japan, Egypt, and Saudi Arabia. This forum provided an opportunity for a candid exchange of views on such questions as Arab socio-economic development, security issues, cultural and academic exchange, and the best approach to international cooperation following elections in Iraq and Palestine. The Japanese delegation was headed by former Prime Minister Ryutaro Hashimoto.

In March Japanese and Arab scholars engaged in policy research as well as journalists gathered for a meeting in Cairo to set a priority agenda for intellectual exchange between Japan and Arab nations. On the day of the meeting, researchers from universities and think-tanks in Japan and Arab countries gathered together to engage in lively discussions of three subjects: globalization and international order, development and international cooperation, and security issues.



Symposium in Iran



Judo instruction from Mr. Yamashita (eighth degree black belt in judo)

## Comments from Professors Sent Abroad: Kuwait

I lectured on international relations at the University in March 2005. The University does not yet have any Japanese studies courses on its official curriculum, but the students themselves were obviously eager to learn, for they fired one question after another at me. Does Japan want to revise Article 9 of its Constitution — the renunciation of war — as a step on the path to empire? Why does its territorial dispute with Russia remain unresolved? The students admitted that Kuwait had struggled with the issue of identity since being invaded by Iraq. They saw Japan as a model to emulate in that it had successfully modernized without sacrificing its rich cultural heritage to all-encompassing Westernization, and they were eager to learn from it. Although sometimes puzzled by

cultural differences, I left Kuwait University with a firm resolve to respond to the needs of Kuwaiti students. (Akiko Fukushima, Director of Policy Studies and Senior Fellow, National Institute for Research Advancement; lectured as a guest professor at the Department of Political Science, Kuwait University)



Professor Fukushima with Kuwait University students and faculty

## Argentina

I lectured on East Asian economic development at the Center. In the field of Japanese studies, interaction among students and researchers — of any nationality — is flourishing, and large numbers of students are to be observed eagerly trying to master Japanese. Unfortunately, I was told, there is no other Japanese studies center in Argentina, and interest is growing in the expanding Chinese market. Nonetheless, Argentinean economists with a good knowledge of the Asian countries argue that Japan's importance in Asia is still as well recognized as ever. I also am optimistic that, through the Center of Japanese Studies, intellectual exchange between Argentina and Japan will thrive as never before. (Yumiko Okamoto, Professor, Faculty of Policy Studies, Doshisha University; lectured at the Center of Japanese Studies, Institute of International Relations, National University of La Plata, Argentina)



Graduate students who attended the lectures



## Comments from Guest Fellows: Translation Tactics

Fellowship seminars provide scholars in Japan on the Japan Foundation Japanese Studies Fellowship Program with the opportunity to share the results of their research here with other specialists and members of the general public, to exchange views with them, and to network. Held about ten times a year, they are organized by the Japanese Studies and Intellectual Exchange Department. At one such seminar, in March 2005, I presented a paper entitled “Problems in Translation, and Translation Support Systems,” which focused on Japanese terminology and phraseology. During my four-month stay in Japan, which I spent at Ritsumeikan Asia Pacific University, I conducted contrastive research in Japanese versus Indian languages at the word component level, and in the functions of such components in compounds. The seminar allowed me to bring

all my findings together. (Ashok Chawl, India, National Institute of Science Communication & Information Resources)  
— Fellowship seminars are in progress. For a current schedule, please visit the Japan Foundation’s Web site.



Giving a paper at a fellowship seminar

## Literary Studies

I arrived in Japan on January 11, 2005, for an eight-month stay to do research on the subject of “The Living Legacy of Japanese Proletarian Literature: A Hundred Years of Kobayashi Takiji.” I actually lived in Otaru, where Takiji lived and wrote; took part in a class on his writings at his alma mater, Otaru University of Commerce (formerly Otaru Higher Commercial School); delivered the keynote address at the Takiji Festival in Otaru; presented a lecture in honor of the 40th anniversary of the launch of the journal *Takiji Kenkyu*, published by the Sapporo branch of the Japanese Democratic Writers Association; and gave talks as well in Kushiro and Tokyo. What particularly impressed me was the sheer breadth of research being done on Takiji by local enthusiasts in his birthplace of Odate (Akita Prefecture) and elsewhere. Thus, the enthusiastic study of Takiji as a literary local hero continues. It was also

inspiring to see how Japanese who had paid no attention to Takiji before began to display an interest when they observed how I had come all the way from abroad to trace his footsteps. (Norma Field, U.S.A., Department of East Asian Languages and Civilizations, University of Chicago)



Memorial service at Takiji’s tomb

## The Japan Foundation Center for Global Partnership (CGP)

### US-Japan 150th Anniversary Symposium

On April 3, the Center hosted a symposium entitled “U.S.-Japan Relations: Past and Future” at the Yokohama Kaikou Memorial Museum. The symposium looked back over the course of U.S.-Japan relations in the 150 years since the arrival of Commodore Perry’s “black ships” in 1853 and the signing of the Treaty of Kanagawa between the two countries in the following year; it also considered how Japan and the U.S. can work together on solving problems facing the international community.



U.S.-Japan 150th Anniversary Symposium

### Encouraging Regional Exchanges Between Japan and the United States

For this project five cities in different areas of Japan were selected, each with a sister city in the United States: Hanamaki, Yokohama, Kakegawa, Gero, and Okayama. Two individuals from each city were chosen to take part by assuming a central role in exchange programs, and international exchange personnel from each of the host sites were also involved. A total of six bimonthly study committee meetings and a public seminar in Yokohama were held in 2004.

— CGP has its own annual report, which may be consulted for further details.

### Abe Fellowship and NPO Fellowship

The Abe Fellowship is a research fellowship that aims to cultivate minds capable of contributing to the development of intellectual exchange — between Japan and the United States and across the globe. The program seeks to build an international network of scholars in the social sciences and the humanities. In 2004, 13 fellows were selected under the program, which is cosponsored by CGP and the U.S. Social Science Research Council; there have been more than 200 fellows in total since its inception. The NPO Fellowship provides professionals working in the Japanese NPO sector with opportunities to participate in joint training with American NPOs.

### Japan Outreach Initiative (JOI)

The Japan Outreach Initiative (JOI) dispatches coordinators to American communities (mainly in the southern U.S.A.) with several goals: establishing contacts with areas that have relatively few opportunities for interaction with Japan, promoting better understanding of Japan there, and training individuals to help organize for such local exchanges in the future. In 2004 a total of eight coordinators were active under the program.



A JOI coordinator giving a presentation at an elementary school



## Overseas Network

We help people worldwide learn about Japan

Through its 19 overseas offices located in 18 countries around the globe, the Japan Foundation is engaged in a wide range of program activities tailored to local needs. The following section provides detailed “real life” examples of Foundation activities in our three group areas—Arts and Cultural Exchange, Japanese-Language Education Overseas, and Japanese Studies and Intellectual Exchange. Each Foundation office serves its region in many unique ways, seeking to strengthen local links and social ties for greater mutual understanding.



## The Japan Cultural Institute in Rome

- Organized exhibitions, performances, and lectures
- Operated a library and responded to inquiries for information on Japanese culture
- Supported Japanese-language cultural programs
- Offered Japanese courses



Children's origami workshop at the *Notte Bianca*

In 2004 the Japan Cultural Institute in Rome continued to operate its own library and offer Japanese-language courses. It organized exhibitions on subjects ranging from modern art to calligraphy, and arranged performances of traditional Japanese music, jazz, and contemporary music, among other genres. It also presented lectures on the history of Japanese-Italian relations and traditional and contemporary Japanese

theater. The Institute also took part in the *Notte Bianca* (White Night), a series of cultural events, as part of its efforts to foster awareness of Japanese culture. The Institute also enhanced support for events in other parts of the country. For example, the “Kabuki Demonstration” program organized by Japan Foundation headquarters went on tour to Ravenna, which lies in the Emilia-Romagna region.

## The Japan Cultural Institute in Cologne

- Promoted cultural and artistic exchanges through exhibitions, performances, and movie screenings
- Offered Japanese courses and provided support to Japanese-language teachers in Germany
- Organized lectures and symposiums
- Operated a library
- Supported production of Japanese teaching materials and related projects



Honoring Godzilla's 50th birthday

The Japan Cultural Institute in Cologne focused on the needs of a new generation as it sought to foster positive views of Japan among young people. In the area of Japanese-language teaching, the Institute systematized its program administration. This reflects the passage of a year following the first offering of courses on a half-term basis. The Institute also co-sponsored more events with cultural organizations in Cologne and international exchange associations in

Japan, in an effort to streamline publicity and resources. This strategy proved successful, resulting in large numbers of visitors not only to Cologne but also to other states and even neighboring countries. The Institute also worked on forging partnerships with the Japanese-German Center of Berlin and the Goethe-Institut, and commenced preparations for the Year of Deutschland in Japan and the Japan-EU Year of People-to-People Exchanges in 2005.

## The Japan Cultural Institute in Paris

- Organized the exhibition of “Petite Nature?”
- Presented “Jazz in Japan 5,” a five-night jazz extravaganza
- Presented a performance of Awaji puppet theater (co-sponsored by Hyogo Prefecture’s representative office in Paris)
- Organized an exhibition of Imari ware
- Organized a lecture by Keiichiro Hirano, Special Advisor for Cultural Exchange
- Hosted a symposium entitled “Cultural Exchanges Between the European Union and Japan: The Uniqueness and Diversities of Cultures”



Imari ware exhibition (©Clément-Olivier Meylan)

The Japan Cultural Institute in Paris celebrated its seventh anniversary during the year. In operating its programs, it has always given first priority to thematic unity and careful planning. For example, its fascinating exhibition of Imari ware, which ran from

autumn 2004 through the following spring, showed how Imari ware inspired the birth of Meissen and Sevres porcelain, complete with actual specimens of ceramics. This extremely popular show attracted an audience of 18,400 visitors and won enthusiastic praise.

## The Japan Foundation, Seoul

- Presented a speech by animator Koji Yamamura, together with a screening of his movies
- Organized a Japanese product design exhibition
- Provided support to the Graduate School of International Studies at Seoul National University



Koji Yamamura giving a talk

The Japan Foundation, Seoul organized a wide range of events designed to strengthen Japanese-Korean friendship. These activities included an exhibition showcasing graphic designers from the two countries and another exhibition featuring *ukiyo-e*, a talk by director Koji Yamamura and screenings of Japanese movies, a pantomime show by Koyo Yamamoto, and other events highlighting aspects of Japanese culture that especially appeal to young people. The Foundation

also organized training seminars to help secondary school teachers refine their proficiency in Japanese instruction. Additionally, in January 2005 the Foundation ushered in the Japan-Korea Friendship Year with the exhibition “Japanese Design Today 100” and the Korea-Japan Road Club Festival. The festival, which attracted a turnout of more than 10,000, provided a dazzling display of Korean and Japanese youth culture.

## The Japan Foundation, Beijing

- Presented an exhibition of Japanese artistic treasures at the National Museum of China
- Presented the “Japan Fans 2004” Japanese pop show
- Sponsored a Japanese speech contest at Guizhou University’s Japanese cultural festival
- Offered special lectures under the East Asian Culture program



Japan Fans 2004

It was a year in which one could not help but be struck anew by the level of enthusiasm for things Japanese in China. An exhibition of Japanese artistic treasures at the National Museum of China in Beijing, for example, attracted over 34,000 visitors, and the number of people signing up for the Japanese-Language Proficiency Test reached some 100,000, the highest figure ever. The Japan Foundation, Beijing for

its part increased staff as part of a series of steps to better enable itself to bring its programs to all regions of this vast country.

## The Japan Foundation, Jakarta

- Sponsored a four-nation *go* friendship tournament
- Presented a one-day Japan studies seminar
- Presented a concert by the Japanese a capella group INSPi
- Organized a tour by the Kazenoko theatrical company
- Produced a Japanese textbook for technical high schools



Kazenoko theatrical company on tour

In the aftermath of terrorist incidents, the Japan Foundation, Jakarta responded to concerns about large gatherings and regretfully canceled its high school Japanese speech contest. However, it successfully presented a concert by the Japanese a capella group INSPi; and it arranged a highly successful tour by the Kazenoko theatrical company,

seeking to help the children of East and West Timor through the healing power of culture.

## The Japan Foundation, Bangkok

## Overseas Network

- Presented the SOI Music Festival
- Presented the show “Tsugaru Shamisen vs. Boy Thai”
- Organized the Japanese Film Festival 2004
- Aired Japanese-language courses on TV
- Hosted a seminar commemorating the Center’s 30th anniversary



Tsugaru Shamisen vs. Boy Thai

In the field of Japanese-language education, the number of Thais studying Japanese reached 55,000 (which placed the country eighth in the world in a 2003 survey), and about 8,000 people took the 2004 Japanese-Language Proficiency Test (third in the world outside Japan). This dramatic increase in learners was in part due to the nine training courses for Japanese-language instructors provided over the

past 10 years, in which a total of 163 secondary school teachers took part.

## The Japan Foundation, Kuala Lumpur

- Supported Japanese-language education at the secondary level
- Sponsored performances and workshops on contemporary dance and drama and *kyogen*
- Organized a Japanese Film Festival
- Presented the traveling exhibition “Painting for Joy: New Japanese Painting in the 1990s”



Contemporary dance show by “redined colors” group

In 2004 the Malaysian Ministry of Education committed itself to a policy of expanding Japanese-language education at the secondary level. In preparation for the debut of Japanese classes in regular schools, therefore, the Japan Foundation in Kuala Lumpur provided across-the-board support in compiling a new syllabus, producing language textbooks, and training instructors. In the field of

performing arts, meanwhile, the Foundation teamed up with Malaysian artists on certain projects. There was a contemporary dance show, along with a lecture-demonstration on *kyogen* and a workshop for stage technicians. A Japanese film festival and a traveling exhibition also drew large crowds with the glimpse they offered of the diversity of Japanese culture and society.

## The Japan Foundation, Sydney

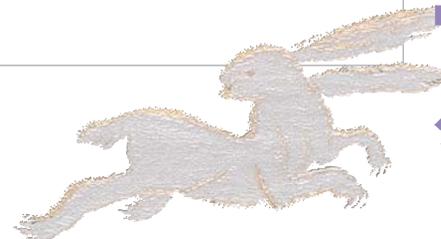
- Moved to new offices
- Launched a new newsletter *Omusubi*
- Organized the Australian National Japanese-Language Speech Contest
- Launched the “Wonderbus Japan” project
- Presented the “Production IG Anime” Exhibition
- Screened the premier of the movie *Innocence*



The “Wonderbus Japan” project

The Japan Foundation, Sydney moved to a more convenient location downtown, which move resulted in a considerable increase in library use, turnout at events, and number of memberships. Steps were taken, meanwhile, to bolster revenues by seeking the backing of firms in the private sector through the presentation of various events and the launch of a new newsletter. The number of companies and Japanese

government agencies supporting the “Wonderbus Japan” project, which brings Japanese culture to different parts of Australia, rose to nine and the number supporting the Japanese-Language Speech Contest rose to eight.



## The Japan Foundation, Toronto

- Marked the 75th anniversary of Japan-Canada relations with a series of events
- Presented the photo exhibition “Prince Takamado’s Visual Legacy”
- Supported and administered Japanese-language programs in various parts of Canada
- Sponsored and supported Japanese studies conferences
- Organized a reception with a Japanese director at the Toronto International Film Festival



Film festival reception with director Hirokazu Koreeda

In honor of the 75th anniversary of diplomatic relations between Japan and Canada, the Japan Foundation, Toronto drew on programs to organize a series of events and programs relating to Japanese culture: the photo exhibition “Prince Takamado’s Visual Legacy,” lectures and movie screenings; financial support for conferences; and the distribution of small grants. Princess Takamado toured Canada in June 2004, and her visit left a lasting positive impact on the friendship between the two

nations. There was a continued rise, meanwhile, in the number of Canadians studying Japanese, fueled by the growing fascination among young people with *anime*, *manga*, and the whole range of Japanese pop culture; the Center responded by expanding its support for Japanese-language teaching.

## The Japan Foundation, São Paulo

- Presented a lecture on dance performances
- Presented a concert of Japanese music
- Presented lectures in the fields of Japanese studies and intellectual exchange, supported the activities of the Associação Brasileira de Estudos Japoneses, and organized the South American Fellowship Conference
- Supported Japanese-language education



“Zakuro Bonsai,” part of a Japanese concert series

The Japan Foundation, São Paulo built on ties formed through art fellowships in the past to present a program of dance performances, a key area of cultural exchange between Brazil and Japan. This program, which combined film, stage performance, and symposium discussion, received excellent reviews, together with a special program highlighting points of contact between Brazilian and Japanese culture. The Foundation also presented a series of lectures designed to enhance

understanding of Japanese culture and for the first time ever, it also offered an intensive Japanese training program for selected Japanese majors from universities throughout Brazil. Finally, in the field of Japanese studies and intellectual exchange, it laid the foundations for a network of South American fellows with the Second South American Fellowship Conference in Buenos Aires.

## The Japan Foundation, Manila

- Presented the Japanese Film Festival
- Showcased traditional and contemporary Japanese music
- Supported Japanese-language teachers
- Organized events for The Philippines-Japan Friendship Celebration
- Published the English language newsletter *JF Manila News*



“Making Ensemble,” a joint concert with *Tsugaru shamisen* players Hiroshi and Masahiro Nitta

As part of its mission to enhance awareness of Japanese culture in the Philippines, the Japan Foundation, Manila presented a biannual Japanese Film Festival and English language performances of *rakugo* (comic storytelling), both aimed at young people. In the performing arts field, the Foundation brought over outstanding musicians from Japan to appear on stage with their local counterparts, thereby fostering greater interaction between artists from the two countries. With a

Japan-Philippines Economic Partnership Agreement anticipated, the Foundation also presented a series of programs focusing on Japanese-language learning needs in the areas of information technology and nursing and home care. Finally, it provided support to Japanese-language teachers with the possibility of offering classes on site.

## The Japan Foundation, New Delhi

## Overseas Network

- Launched a Web site and provided public relations
- Presented the Foundation's first film festival in northeast India
- Sponsored a *kabuki* lecture-demonstration and other cultural events
- Participated in the India-Triennale, and presented a performance of contemporary South Asian drama
- Took part in Japan Cultural Month in Delhi



Exhibition showcasing Joji Hashiguchi's workshop

The Japan Foundation, New Delhi launched a Web site designed to raise the awareness of its activities bringing Japanese film festivals to two cities in the northeastern state of Assam for the first time. It also organized an exhibition that provided a glimpse into the workshop of photographer Joji Hashiguchi, and arranged a *kabuki* lecture-demonstration by a troupe under Kanjiro Nakamura. In November, it took part in and assisted Japan Cultural Month in Delhi organized by the Japanese

Embassy. In addition, the Foundation inaugurated several new projects in the field of Japanese studies and intellectual exchange, supporting growing interest in Japanese study influenced by the expansion of India's IT industry.

## The Japan Foundation, New York

- Revised its newsletter and Web site
- Launched two new independent programs, and implemented joint programs with other groups
- Assisted in events marking the 150th anniversary of Japan-U.S. relations
- Oversaw administration of the AAC and PAJ secretariat



Amon Miyamoto and Professor John Dower in discussion

The Japan Foundation, New York enhanced its publicity resources with a comprehensive upgrade of its newsletter and Web site. It also launched two new independent programs, one in the field of Japanese contemporary literature, the other involving a tour of U.S.-based experts on Japanese culture in Central and South America. Moreover, the Foundation was an enthusiastic participant in events marking the 150th anniversary of Japan-U.S. diplomatic relations, contributing to cultural

exchanges in regional centers through its backing of a traveling film festival and Performing Arts Japan (PAJ). Additionally, the Foundation cosponsored the musical *Pacific Overtures* with the City University of New York, and arranged a much-talked-about public discussion between Amon Miyamoto, who directed the performance, and MIT professor John Dower.

## The Japan Foundation, Los Angeles

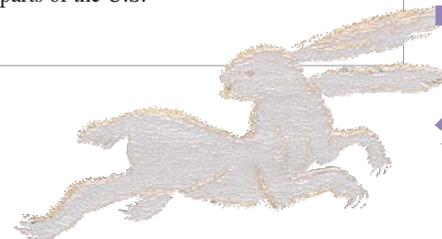
- Promoted and supported Japanese language education
- Operated the Nihongo Library
- Administered the Japanese-Language Proficiency Test
- Promoted and supported Japanese cultural and artistic programs in 13 western states of the U.S.A.
- Published the magazine *Breeze Wahoo!*



First National Symposium on Japanese Language Education

When the decision was made in 2004 to add Japanese to the list of subjects in the prestigious Advanced Placement (AP) program in the U.S., the Japan Foundation, Los Angeles immediately took action. It agreed to subsidize half the associated development costs, and assisted in designing the AP curriculum and compiling examination questions. The Foundation also organized the First National Symposium on Japanese-Language Education in the U.S., inviting

representatives from Japanese teacher's associations throughout the country. The goal of this gathering was to establish the groundwork for adoption of Japanese as an AP subject by building a network of teachers and improving the Japanese teaching environment in all states. The Foundation also sent out a Japanese education advocacy kit with a special AP program booklet to major organizations in all parts of the U.S.



## The Japan Foundation, Mexico

## Overseas Network

- Presented a festival of silent Japanese films at the National Cinematheque
- Participated in the Morelia International Music Festival
- Brought *Project X* to Mexican TV
- Exhibited at the Guadalajara International Book Fair
- Organized a seminar for teachers of Japanese



Origami demonstration

The Japan Foundation, Mexico spent the year making preparations for several major cultural events in 2005, including the International Cervantino Festival to which Japan was invited, and the Japan-Mexico Cultural Summit. It also participated in cultural events

in some of Mexico's regional centers, and presented *origami* demonstrations in the state of Chiapas, where it had seldom been active before. Finally, it enhanced Web site resources as well as newsletter and publicity materials.

## The Japan Foundation, London

- Presented a series of talks on contemporary Japanese performing arts
- Organized a Japanese Film Festival
- Conducted a follow-up survey on Japanese studies fellows
- Formulated a set of support policies for Japanese-language education at the elementary level
- Sponsored a speech contest at the secondary level



Talk on contemporary Japanese performing arts (February 2005)

To ensure continued enhancement of Japanese studies, the Japan Foundation, London began taking steps to rebuild its network of past fellowship participants. In accord with the British government's decision to strengthen language instruction at the elementary

level, the Foundation also worked on development of innovative techniques for Japanese-language instruction, based on a survey of Japanese-language teaching at the elementary level carried out the year before. Those techniques were applied on a trial basis at pilot schools.

## The Japan Foundation, Budapest

- Presented a show by the Ondekoza drummers
- Arranged a traveling exhibition of Japanese kites and tops
- Organized a Japanese Film Festival
- Presented the Japanese-Language Education Seminar for Central and Eastern Europe
- Hosted a fellows conference, including talks by fellowship participants



Ondekoza drummers in performance

The Japan Foundation, Budapest organized or supported several events in Hungarian cities other than Budapest, including a festival of contemporary Japanese films in Szeged and an exhibition of Japanese dolls in Keszthely. January 2005 marked the

beginning of the Japan-EU Year of People-to-People Exchanges, including a long list of events showcasing Japanese culture. These primarily focused on 10 new member-states that joined the EU in 2004.

## The Japan Foundation, Cairo

- Organized Japanese cultural events
- Worked on building a Japanese-language education network in the Middle East
- Hosted the first session of the Japan-Arab Policy Researchers' Dialogue
- Launched a promotional magazine in Arabic
- Arranged a Japan tour by Iraqi musician Naseer Shamma



Performance of Japanese drumming by the Osaka Dadada-Dan Tenko

The Japan Foundation, Cairo offered a wide range of Japanese cultural events, including a performance of Japanese drumming, a week of Japanese movies, and a demonstration of Okinawan dancing. In addition, an eagerly anticipated Japan-Arab Policy Researchers'

Dialogue was presented, reflecting special emphasis on the Middle East since 2002. This reflected efforts to replace outmoded stereotypes of Japan with greater understanding of contemporary Japanese culture in Arab nations, particularly among young people.

## Expenditures by Nation (leading 20)

FY2000			FY2001		
	Program cost (million of yen)	Percentage of total program cost (%)		Program cost (million of yen)	Percentage of total program cost (%)
U.S.A.	1,640	10.5	U.S.A.	1,574	10.9
China	734	4.7	China	766	5.3
France	648	4.2	South Korea	608	4.2
Russia	563	3.6	U.K.	582	4.0
Indonesia	544	3.5	France	535	3.7
U.K.	461	3.0	Indonesia	494	3.4
South Korea	444	2.8	Malaysia	364	2.5
Thailand	418	2.7	Thailand	360	2.5
Germany	399	2.6	Germany	335	2.3
Malaysia	370	2.4	Brazil	333	2.3
Brazil	359	2.3	Australia	329	2.3
Australia	321	2.1	Russia	288	2.0
India	275	1.8	India	230	1.6
Italy	266	1.7	Italy	225	1.6
Philippines	194	1.2	Egypt	171	1.2
Egypt	181	1.2	Philippines	155	1.1
Canada	177	1.1	Canada	139	1.0
Mexico	142	0.9	Mexico	107	0.7
Netherlands	117	0.8	Uzbekistan	96	0.7
Poland	110	0.7	Viet Nam	93	0.6
FY2002			FY2003		
	Program cost (million of yen)	Percentage of total program cost (%)		Program cost (million of yen)	Percentage of total program cost (%)
U.S.A.	1,420	10.8	U.S.A.	1,152	9.8
China	1,084	8.2	France	678	5.8
South Korea	583	4.4	China	568	4.8
France	548	4.2	Indonesia	401	3.4
Indonesia	417	3.2	Thailand	365	3.1
U.K.	386	2.9	South Korea	357	3.0
Thailand	330	2.5	Australia	326	2.8
Brazil	293	2.2	Russia	302	2.6
Malaysia	285	2.2	Malaysia	300	2.5
Australia	282	2.1	U.K.	265	2.3
India	230	1.8	Italy	234	2.0
Russia	230	1.8	Germany	232	2.0
Germany	228	1.7	Brazil	222	1.9
Italy	200	1.5	India	175	1.5
Mexico	139	1.1	Philippines	156	1.3
Philippines	128	1.0	Canada	123	1.0
Canada	125	1.0	Egypt	119	1.0
Egypt	101	0.8	Viet Nam	81	0.7
Hungary	79	0.6	Hungary	80	0.7
Sri Lanka	75	0.6	Singapore	77	0.7

Notes:  
Fiscal year starts in April and ends in March.  
See p.4 for the Expenditures by nation (leading 20) in FY 2004.

# Awards and Prizes

The Japan Foundation has established several prizes to honor individuals and groups who have made an outstanding contribution in the field of international exchange and still have much more to give. These are the Japan Foundation Award and the Japan Foundation Special Prizes. There were four recipients in 2004:

## ■ The Japan Foundation Award

### **Ms. Toshiko Akiyoshi**

Jazz Pianist and Jazz Composer (Japan)

Not only does Ms. Toshiko Akiyoshi have a long list of accomplishments to her name as a jazz performer, composer, and bandleader, but she has also used her music as a medium to disseminate a message of peace and cooperation by asking hard questions about the state of humankind today. In 1999 she went on a performing tour of South America with the support of the Japan Foundation. In 2003 she gave a concert at the Lincoln Center in New York to mark the 30th anniversary of her Big Band, and in 2004 she visited Japan with her sextet.



## ■ The Japan Foundation Special Prizes

### **Special Prize for Arts and Culture**

#### **Mr. James Quandt**

Senior Programmer, Cinematheque Ontario (Canada)

Through screenings of and publications on Japanese movies, Mr. James Quandt has made a significant contribution to advancing research on the Japanese cinema and introducing works to a wider North American audience. In charge of programming at Cinematheque Ontario since 1990, he visited Japan in 1991 at the Japan Foundation's invitation.



### **Special Prize for Japanese-Language Education**

#### **Professor Yi Dok Bong**

Professor, Faculty of Foreign Studies, Dongduk Women's University (Korea)

Professor Yi Dok Bong, a pioneer of Japanese-language education, has mentored many distinguished scholars and practitioners in the field. Having held such prominent positions as the presidency of the Korea Association of Japanology, he has made a great contribution to molding his country's policies in the field of foreign language education. He has also done much to advance mutual understanding between the Korean and Japanese peoples. Since 2001 he has been a visiting professor at Meikai University.



### **Special Prize for Japanese Studies**

#### **Professor Kurayoshi Takara**

Professor, Faculty of Law and Letters, University of the Ryukyus (Japan)

Professor Kurayoshi Takara has been a pioneer in the field of research in Okinawan history, placing it within its wider Asian context and building a research network that includes international scholars. His influence extends far beyond academia through writings and lectures that offer valuable insights into the future of Japan. Before assuming his present post, he served as head of the Okinawa Prefectural Museum and director of the Urazoe City.



## Financial Affairs and Organization

Presented here are the activities of the Japan Foundation reported based on various numerical data and other information. This presentation includes not only basic financial statements but also data on the Japan Foundation's activities and a breakdown of its funds. The current organizational chart and contact points are also presented, as well as objective indexes to indicate the present status of the Japan Foundation's operations and the record of its operations.

# Financial Statements

## Budgets and Results April 1, 2004 to March 31, 2005.

(In millions of yen)

		Budget	Result
<b>Revenues</b>	Government subsidies	13,786	13,786
	Investment revenue	1,782	1,796
	Donation revenue	635	926
	Other revenue	129	171
	Revenue from disposition of inheritance reserve	413	113
	<b>Total</b>	<b>16,747</b>	<b>16,795</b>
<b>Expenditures</b>	Operating expenses	12,058	12,402
	Arts and cultural programs	3,227	3,252
	Japanese-language programs	3,498	3,538
	Japanese studies and intellectual exchange programs	2,430	2,282
	Survey, research, and information-service programs	495	486
	Other programs	2,407	2,841
	General and administrative expenses	4,725	4,528
	Salaries and wages	2,611	2,575
	Supplies	2,114	1,953
	<b>Total</b>	<b>16,783</b>	<b>16,931</b>

Notes: 1. Expenditures include ¥890 million brought forward from the previous year.

2. The increase in revenues mainly consists of increases in specified donation revenues and revenues from the Japanese proficiency tests given.

3. Totals may not meet due to rounding of fractional amounts of less than ¥1 million.

## Balance Sheet As of March 31, 2005

### Assets

(In yen)

Current assets	Cash and deposits		7,142,592,407
	Marketable securities		9,365,989,473
	Prepaid expenses		17,794,988
	Accrued income		274,227,027
	Other current assets		49,584,588
	Total current assets		<b>16,850,188,483</b>
Fixed assets	Tangible fixed assets	Buildings	12,342,720,565
		Accumulated depreciation	▲ 826,988,359
	Structures	309,667,593	11,515,732,206
		Accumulated depreciation	▲ 41,607,734
	Machinery and equipment	9,134,105	
		Accumulated depreciation	▲ 2,627,361
	Vehicles and transport equipment	88,861,660	
		Accumulated depreciation	▲ 35,042,722
	Tools, equipment, and fixtures	880,182,617	
		Accumulated depreciation	▲ 346,283,298
	Art objects		431,892,469
	Land		216,327,000
	Total tangible fixed assets		<b>13,026,236,535</b>
	Intangible fixed assets	Land lease rights	10,598,000
		Software	92,521,971
		Telephone subscription rights	567,000
Total intangible fixed assets		<b>103,686,971</b>	
Investments and other assets	Investment securities	82,962,759,262	
	Deposits and guarantee money	1,663,437,078	
Total investments and other assets		<b>84,626,196,340</b>	
Total fixed assets		<b>97,756,119,846</b>	
<b>Total assets</b>		<b>114,606,308,329</b>	

### Liabilities

Current liabilities	Government operational expense subsidies		660,037,280	
	Donations entrusted		10,795,418	
	Amount in arrears		745,584,677	
	Accrued expenses		1,850,669	
	Consumption tax payable		370,300	
	Deposits payable		44,358,866	
	Lease liabilities		28,288,792	
	Allowances			
		Allowances for bonuses	17,161,191	17,161,191
	Total current liabilities		<b>1,508,447,193</b>	
Fixed liabilities	Asset counterpart liabilities	Government operational expense subsidies related to asset counterpart	309,213,076	309,213,076
		Long-term lease liabilities		15,628,431
	Total fixed liabilities		<b>324,841,507</b>	
<b>Total liabilities</b>		<b>1,833,288,700</b>		

### Shareholders' equity

Capital stock	Government's investment		110,970,859,465
	Total capital stock		<b>110,970,859,465</b>
Capital surplus	Capital stock		▲ 49,222,776
	Accumulated depreciation outside profit and loss		▲ 1,261,291,005
	Endowments from private sector		896,251,787
Total capital surplus		<b>▲ 414,261,994</b>	
Retained earnings	Inheritance reserve		1,834,523,423
	Reserve		331,458,088
	Unappropriated profit for the term		50,440,647
	(Of which: Gross profit for the term)		(50,440,647)
Total earned surplus		<b>2,216,422,158</b>	
Total shareholders' equity		<b>112,773,019,629</b>	
<b>Total liabilities and shareholders' equity</b>		<b>114,606,308,329</b>	

# Financial Statements

## Profit and Loss Statement April 1, 2004, to March 31, 2005.

(In yen)

<b>Ordinary expenses</b>	Arts and cultural programs		3,590,342,084
	Japanese-language programs		3,893,518,905
	Japanese studies and intellectual exchange programs		2,602,129,574
	Survey, research, and information-service programs		
	Other programs		617,984,226
	Overseas programs	2,617,998,907	
	Cooperating in cultural exchange facilities program	914,020,455	3,532,019,362
	General and administrative expenses		2,470,061,905
	Financial expenses		886,491
	<b>Total ordinary expenses</b>		<b>16,706,942,547</b>
<b>Ordinary income</b>	Income from government operational expense subsidies		13,610,207,290
	Income from investments		1,815,061,340
	Income from donations		
	Income from donations	42,154,788	
	Income from specified donations	906,414,754	948,569,542
	Refund of asset counterpart		
	Refund of government operational expense subsidies related to asset counterpart	27,084,667	27,084,667
	Financial income		
	Interest received	214,957	214,957
	Sundry income		242,280,338
	<b>Total ordinary income</b>		<b>16,643,418,134</b>
	Ordinary loss		63,524,413
	<b>Net loss for the term</b>		<b>63,524,413</b>
	<b>Income from disposition of inheritance reserve</b>		<b>113,965,060</b>
	<b>Net income for the term</b>		<b>50,440,647</b>

## Statement of Profit Distribution

(In yen)

Unappropriated retained earnings at the end of the term		50,440,647
	Gross profit	50,440,647
Appropriation of retained earnings		50,440,647
	Reserve	50,440,647

## Cash Flow Statement April 1, 2004 to March 31, 2005

(In yen)

Cash flow from operating activities	Program expenses	▲12,001,515,160	
	Salaries and wages	▲2,597,385,410	
	Other operating expenses	▲1,995,047,854	
	Revenue from government operational expense subsidies	13,786,170,000	
	Investment revenue	1,796,904,337	
	Revenue from donations	926,394,569	
	Other miscellaneous revenue	223,963,444	
	Subtotal	139,483,926	
	Interest received	166,007	
	Interest paid	▲886,491	
	Cash flow from operating activities	138,763,442	
Cash flow from investment activities	Expenses for acquisition of investment securities	▲5,542,806,773	
	Revenue from redemption of investment securities	4,694,795,277	
	Expenses for acquisition of tangible fixed assets	▲264,027,773	
	Revenue from selling of tangible fixed assets	1,981,014	
	Expenses for acquisition of deposits and guarantee money	▲19,569,189	
	Revenue from return of deposits and guarantee money	43,793,014	
	Cash flow from investment activities	▲1,085,834,430	
Cash flow from financial activities	Expenses for repayment of lease liabilities	▲30,790,449	
	Cash flow from financial activities	▲30,790,449	
Difference in conversion related to funds		▲1,662,600	
Decrease in funds		▲979,524,037	
Balance at the beginning of the term		8,122,116,444	
<b>Balance at the end of the term</b>			<b>7,142,592,407</b>

## Statement of Administrative Service Execution Costs April 1, 2004 to March 31, 2005

(In yen)

Operating expenses	Expenses in the profit and loss statement		
	Program expenses	14,235,994,151	
	General and administrative expenses	2,470,061,905	
	Financial expenses	886,491	16,706,942,547
	(Deducted) Revenue, etc. on hand		
	Income from investments	▲1,815,061,340	
	Income from donations	▲948,569,542	
	Financial income	▲214,957	
	Miscellaneous profits	▲242,280,338	▲3,006,126,177
	Total operating expenses		13,700,816,370
Amount equivalent to depreciation, etc. outside profit and loss	Amount equivalent to depreciation outside profit and loss	847,478,005	
	Amount equivalent to the value of retired fixed assets outside profit and loss	72,984,781	920,462,786
<b>Estimated increase in retirement allowances not provided for</b>			<b>16,319,152</b>
Opportunity cost	Opportunity cost of margin transactions by gratis or at a reduced fee for assets of the state or local public organizations	397,944,680	
	Opportunity cost of investments by the government or local public organizations	1,453,446,143	1,851,390,823
<b>Administrative service execution cost</b>			<b>16,488,989,131</b>

# Important Accounting Policies

## 1. The standard for booking income from government operational expense subsidies

The cost progress standard is used.

## 2. Accounting method for depreciation

### (1) Tangible fixed assets

The straight-line method is used.

The service lives of the main assets are as follows:

**Buildings: 2 to 43 years**

**Structures: 2 to 15 years**

**Machinery and equipment: 2 to 13 years**

**Vehicles and transport equipment: 2 to 6 years**

**Tools, instruments, and fixtures: 2 to 20 years**

Depreciation of specified depreciable assets is expressed as the cumulative total of depreciation outside profit and loss after deduction from surplus capital (in conformance with Article 86 of the Independent Administrative Corporation Accounting Standard).

### (2) Intangible fixed assets

The straight-line method is used. For software used within the Foundation, depreciation is made on the basis of the length of time that such software can be used within the Foundation (five years).

## 3. Standard for booking the allowance for estimated amounts of employee retirement benefits

Regarding the retirement lump-sum grants, no allowance is booked for retirement benefits because they are funded by government subsidies for operational expenses.

Regarding the pensions paid from the employees' pension fund, no allowance is booked for retirement benefits because premiums to be paid to the fund and the reserve shortage of the fund are covered by government operational expense subsidies.

The estimate of the increase in retirement benefits outside the allowance for retirement benefits in the administrative service execution cost statement is booked as the increase for the current term in the allowance calculated in accordance with the Accounting Standard No. 38.

## 4. The standard for booking an allowance for bonus payments

To provide for the payment of bonuses to officers and employees for which no budget appropriation is made through the instrument of the government operational expense subsidy, an estimated sum is booked on the basis of the Foundation's rules for bonus payments.

## 5. Evaluation standard and appraisal method for securities

The depreciable cost method is used because the Japan Foundation makes it a goal to hold securities until maturity.

## 6. The standard for converting foreign currency assets and liabilities into Japanese yen

Foreign currency claims and monetary liabilities are converted into yen at the spot exchange rate as of the term end, and the balance is treated as a profit or loss.

## 7. The method for booking the opportunity costs in the administrative service execution cost statement

(1) The method of calculating the opportunity cost of a margin transaction, based on free fees, in the property of the state or local public organizations

The opportunity cost of such a transaction is calculated by referring to the land use fee specified in prefectural regulations, etc. and the rent in the neighboring area.

(2) The interest rate used in calculating the opportunity cost of a government investment

The opportunity cost of a government investment is calculated at an interest rate of 1.320% a year by referring to the yield of interest-bearing 10-year government bonds as of the end of March 2005.

## 8. The method of treating lease transactions for accounting

Financial lease transactions of ¥3 million or more in total lease value are treated by the same method as ordinary sales transactions.

Financial lease transactions of less than ¥3 million in total lease value are treated by the same method as ordinary lease transactions.

## 9. Accounting treatment of the consumption tax, etc.

Consumption and other taxes are treated by the tax-included method.

## 10. Change in accounting treatment

In the past, of the Japan Foundation's grants, those covering the following fiscal year and exceeding ¥1 million were treated as a cost by dividing the grant concerned into the starting year and the following year on a pro rata basis and in accordance with the state of progress in the program funded. Effective from the current term, however, the Foundation is discontinuing this practice and is treating such grants entirely as a cost in the starting year.

Programs funded by a grant from the Foundation cannot be smoothly executed if the grant is provided in the following fiscal year, the year in which the period covered by the grant ends. The Foundation provides grants in the starting year of the program, the year in which the period covered by the grant begins, to ensure its smooth execution. For this reason, grants from the Foundation can attain their purposes through their issuance. The above change has been made because it is believed that the Japan Foundation's activities can be better presented if the grants are booked entirely as a cost in the year in which they are provided.

As a result, program expenses and income from the operational expense subsidy increased ¥79,579,347 and ¥14,196,828, respectively, compared with those that would arise if the old standards were applied. Ordinary income, net income and gross profit decreased by a combined ¥655,382,519.

## Explanatory notes

### Balance sheet

The estimated allowance for retirement benefits to be appropriated from the operational expense subsidies:

▲¥3,121,284,250

### Retirement benefit liabilities and their breakdown

(fiscal 2004)	
(1) Retirement benefit liabilities	▲ 4,483,425,410
(2) Pension assets	1,362,141,160
(3) Accrued retirement benefit liabilities (1)+(2)	▲ 3,121,284, 250
(4) Untreated amount of the difference upon changes in accounting standards	0
(5) Difference in unrecognized numerical calculations	0
(6) Unrecognized past service cost (reduction of liabilities)	0
(7) Net amount in balance sheet (3) + (4) + (5) + (6)	▲ 3,121,284,250
(8) Prepaid pension expenses	0
(9) Allowance for retirement benefits (7) - (8)	▲ 3,121,284,250

### Breakdown of retirement benefit expenses

(fiscal 2004)	
(1) Service cost	342,052,200
(2) Interest cost	63,084,400
(3) Expected income from investments	0
(4) Difference in numerical calculations disposed of as cost	▲ 205,779,198
(5) Other costs (Premiums paid by subscribers to employees' pension fund)	▲ 47,045,266

### Basis of calculating retirement benefit liabilities, etc.

(fiscal 2004)	
(1) Discount rate for retirement pensions	2.0%
(2) Method of periodic allocation of estimated retirement benefits	Fixed amount
(3) Number of years for disposition of past service liabilities	-
(4) Number of years for disposition of difference in numerical calculations	1
(5) Others (Number of years for disposition of difference at the time of changing the accounting standard, actual income from investments, etc.)	1

### Items related to statement of administrative service execution costs

Estimated increase in non-provided allowance for retirement benefits for personnel dispatched from state or local public bodies ▲¥31,019,700

### Cash flow calculation

1. Relationship between cash and cash equivalents and the amounts entered in balance sheet

Balance of cash and deposits in balance sheet: ¥7,142,592,407

Term-end balance of cash and cash equivalents: ¥7,142,592,407

2. Important non-monetary transactions: none

(Important debt burdens borne): none

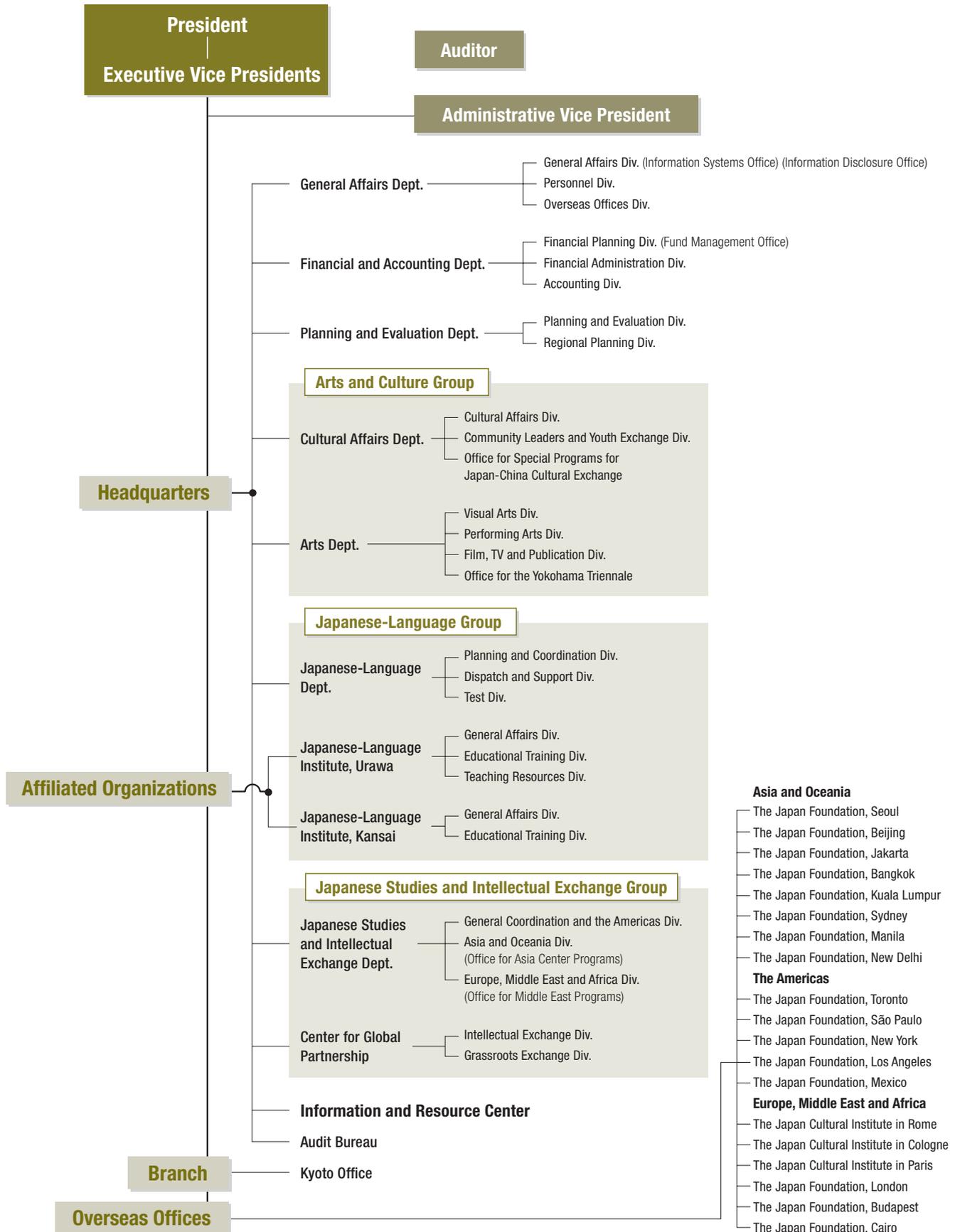
(Important subsequent events): none

### Information on particular items indicated

1. The "inheritance reserve" is a surplus inherited by the Japan Foundation, an independent administrative juridical person, from the Japan Foundation, a special juridical person, as "the monetary amount to be allocated to the operating financial resource in the period for the Foundation's initial medium-term goal" stipulated in Article 3, Paragraph 6, of the supplementary regulations of the Japan Foundation Law.

2. The "inheritance reserve" is to be withdrawn to meet the shortage when the program expenses in the settled accounts, which depend on investment revenue, donation revenue (excluding income from designated donations), and other revenue as the revenue source, exceed these revenues in the settled accounts.

# Organization Chart



# Committee

## The Advisory Committee for Evaluation of the Japan Foundation

This Committee evaluates Japan Foundation programs and related operations in response to requests by the President of the Japan Foundation, and provides advice on the improvement of operations and other necessary measures. Its members include experts and academics who have in-depth knowledge of international exchange and Japan Foundation activities.

### Members (in alphabetical order)

Tamotsu Asami	Assistant Managing Editor of the Yomiuri Shimbun
Sumiko Iwao	Professor at Musashi Institute of Technology
Masao Katayama	Managing Director of Saison Foundation
Katsuhiko Sakuma	Professor at University of the Sacred Heart, Tokyo
Shuji Soda	Professor at Atomi University
Shuji Takashina	Director of Ohara Museum of Art, Chairman of the Committee
Shoji Hanawa	Adviser to Tokyo Electric Power Co.
Takasi Mikuriya	Professor at Research Center for Advanced Science and Technology, University of Tokyo

## The American Advisory Committee for Japanese Studies

This committee has been established in order for the Japan Foundation to obtain opinions and advice about its programs to support Japanese studies in the United States. This is in view of the fact that the cultural exchanges between the two countries represent a major part of the Foundation's activities. The committee consists of 15 noted Japanologists. The committee screens the applications for fellowship programs and institutional assistance programs for the United States and makes recommendations.

### Members (in alphabetical order)

Mary Elizabeth Berry	Professor at University of California, Berkeley
Mary C. Brinton	Professor at Harvard University
Kent Calder	Professor at Johns Hopkins University
James C. Dobbins	Professor at Oberlin University
Wayne Farris	Professor at University of Hawaii, Manoa
Laura Hein	Associate Professor at Northwestern University
William W. Kelly	Professor at Yale University
Ellis S. Krauss	Professor at University of California, San Diego
Leonard Lynn	Professor at Case Western Reserve University
Susan J. Napier	Professor at University of Texas, Austin
Laurel R. Rodd	Professor at University of Colorado, Boulder
Yoshiko Yokochi Samuel	Professor at Wesleyan University
Leonard Schoppa	Associate Professor at University of Virginia
Veronica Taylor	Professor at University of Washington
Kristina K. Troost	Chief of International and Regional Studies, Perkins Library, Duke University

## The Advisory Committee for the Center for Global Partnership

This Advisory Committee consists of intellectuals from the United States and Japan. Such topics as basic policies, top priority areas, and relative priority areas are discussed at the semiannual meetings of this council.

### Members (in alphabetical order)

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