

Financial Affairs and Organization

Financial Statements

◆ Budgets and Results April 1, 2005 to March 31, 2006

(In millions of yen)

		Budget	Result
Revenues	Government subsidies	13,729	13,729
	Investment revenue	1,886	1,792
	Donation revenue	655	1,016
	Other revenue	129	203
	Revenue from disposition of inheritance reserve	396	371
Total		16,797	17,113

Expenditures	Operating expenses	12,680	12,991
	Arts and cultural programs	3,542	3,385
	Japanese-language programs	3,602	3,562
	Japanese studies and intellectual exchange programs	2,479	2,472
	Survey, research, and information-service programs	440	531
	Other programs	2,615	3,039
	General and administrative expenses	4,438	4,480
	Salaries and wages	2,629	2,660
	Supplies	1,809	1,819
Total		17,119	17,471

- Notes: 1. Expenditures include 341 million yen brought forward from the previous year.
 2. The increase in revenues mainly consists of increases in specified donation revenues and revenues earned from offering the Japanese-Language Proficiency Test.
 3. Totals may not correspond due to rounding of fractional amounts of less than 1 million yen.

◆ Balance Sheet As of March 31, 2006

Assets		(In yen)	
Current assets	Cash and deposits		9,233,125,948
	Marketable securities		7,151,123,473
	Prepaid expenses		33,059,556
	Accrued income		285,997,846
	Other current assets		32,289,067
Total current assets			16,735,595,890
Fixed assets	Tangible fixed assets		
	Buildings	12,494,062,452	
	Accumulated depreciation	(1,379,509,103)	11,114,553,349
	Structures	309,667,593	
	Accumulated depreciation	(67,420,872)	242,246,721
	Machinery and equipment	9,134,105	
	Accumulated depreciation	(4,272,745)	4,861,360
	Vehicles and transport equipment	89,004,727	
	Accumulated depreciation	(47,451,655)	41,553,072
	Tools, equipment, and fixtures	945,659,053	
	Accumulated depreciation	(530,536,609)	415,122,444
	Art objects		432,165,349
	Land		216,327,000
	Construction in progress		50,555,960
	Total tangible fixed assets		12,517,385,255
Intangible fixed assets	Land lease rights		10,598,000
	Software		64,915,032
	Telephone subscription rights		567,000
	Total intangible fixed assets		76,080,032
Investments and other assets	Investment securities		84,578,257,001
	Deposits and bonds		1,740,489,907
	Total investments and other assets		86,318,746,908
Total fixed assets			98,912,212,195
Total assets			115,647,808,085

Liabilities

Current liabilities	Government operational expense subsidies		344,959,492
	Donations entrusted		15,000,000
	Amount in arrears		747,862,369
	Accrued expenses		4,607,358
	Consumption tax payable		228,300
	Advance receipt		302,400
	Deposits payable		38,108,027
	Lease liabilities		13,128,881
	Allowances		
	Allowances for bonuses	16,647,247	16,647,247
	Total current liabilities		
Fixed liabilities	Asset counterpart liabilities		556,085,383
	Government operational expense subsidies related to asset counterpart	505,529,423	
	Government operational expense subsidies related to construction in progress counterpart	50,555,960	
	Long-term lease liabilities		2,499,550
Total fixed liabilities			558,584,933
Total liabilities			1,739,429,007

Shareholders' equity

Capital stock	Government investment	112,970,859,465	
	Total capital stock		112,970,859,465
Capital surplus	Capital stock	(8,437,489)	
	Accumulated depreciation outside profit and loss	(2,005,259,928)	
	Endowments from private sector	899,251,787	
	Total capital surplus		(1,114,445,630)
Retained earnings	Inheritance reserve	1,463,118,046	
	Reserve	381,898,735	
	Unappropriated profit for the term (Of which: Gross profit for the term)	206,948,462	
	Total retained earnings		2,051,965,243
Total shareholders' equity			113,908,379,078
Total liabilities and shareholders' equity			115,647,808,085

Financial Statements

◆ Profit and Loss Statement April 1, 2005 to March 31, 2006

(In yen)

Ordinary expenses	Arts and cultural programs		3,752,016,138
	Japanese-language programs		3,895,315,131
	Japanese studies and intellectual exchange programs		2,723,681,257
	Survey, research, and information-service programs		650,233,213
	Other programs		
	Overseas programs	2,743,195,320	
	Cooperating in cultural exchange facilities program	973,034,814	3,716,230,134
	General and administrative expenses		2,373,158,691
	Financial expenses		519,248
Total ordinary expenses			17,111,153,812

Ordinary income	Income from government operational expense subsidies		13,667,937,794
	Income from investments		1,817,148,205
	Income from donations		
	Income from donations	47,415,249	
	Income from specified donations	964,936,216	1,012,351,465
	Refund of asset counterpart		
	Refund of government operational expense subsidies related to asset counterpart	59,599,534	59,599,534
	Financial income		
	Interest received	340,764	340,764
	Sundry income		389,319,135
Total ordinary income			16,946,696,897
Ordinary loss			164,456,915

Net loss for the term	164,456,915
Income from disposition of inheritance reserve	371,405,377
Net income for the term	206,948,462

◆ Statement of Profit Distribution

(In yen)

Unappropriated retained earnings at the end of the term		206,948,462
Gross profit	206,948,462	
Appropriation of retained earnings		206,948,462
Reserve	206,948,462	

◆ **Cash Flow Statement** April 1, 2005 to March 31, 2006

		(In yen)
Cash flow from operating activities	Program expenses	(12,692,907,172)
	Salaries and wages	(2,662,386,004)
	Other operating expenses	(1,844,324,299)
	Revenue from government operational expense subsidies	13,729,529,000
	Investment revenue	1,792,477,503
	Revenue from donations	1,016,556,047
	Other miscellaneous revenue	279,717,683
	Subtotal	(381,337,242)
	Interest received	340,744
	Interest paid	(519,248)
	Cash flow from operating activities	(381,515,746)
Cash flow from investment activities	Expenses for acquisition of investment securities	(9,130,131,288)
	Revenue from redemption of investment securities	9,920,216,011
	Expenses for acquisition of tangible fixed assets	(233,451,095)
	Revenue from selling of tangible fixed assets	8,885,063
	Expenses for acquisition of deposits and bonds	(70,197,153)
	Cash flow from investment activities	495,321,538
Cash flow from financial activities	Expenses for repayment of lease liabilities	(28,288,792)
	Revenue from government investment	2,000,000,000
	Revenue from endowments from private sector	3,000,000
	Cash flow from financial activities	1,974,711,208
Difference in conversion related to funds		2,016,541
Increase in funds		2,090,533,541
Balance at the beginning of the term		7,142,592,407
Balance at the end of the term		9,233,125,948

◆ **Statement of Administrative Service Execution Costs** April 1, 2005 to March 31, 2006

		(In yen)	
Operating expenses	Expenses in the profit and loss statement		
	Program expenses	14,737,475,873	
	General and administrative expenses	2,373,158,691	
	Financial expenses	519,248	
	Miscellaneous loss	0	17,111,153,812
	(Deducted) Revenue, on hand etc.		
	Income from investments	(1,817,148,205)	
	Income from donations	(1,012,351,465)	
	Financial income	(340,764)	
	Miscellaneous profits	(389,319,135)	(3,219,159,569)
	Total operating expenses		13,891,994,243
Amount equivalent to depreciation, etc. outside profit and loss	Amount equivalent to depreciation outside profit and loss	771,354,507	
	Amount equivalent to the value of retired fixed assets outside profit and loss	2,299,162	773,653,669
Estimated increase in retirement allowances not provided for			(256,066,747)
Opportunity cost	Opportunity cost of margin transactions which are gratis or at a reduced fee for assets from national or local public bodies	403,935,055	
	Opportunity cost of investments by the government or local public organizations	1,952,464,943	2,356,399,998
Total administrative service execution costs			16,765,981,163

Important Accounting Policies

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

The percentage-of-completion method is used.

▶ 2. Accounting method for depreciation

(1) *Tangible fixed assets*

The straight-line method is used.

The service lives of 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, equipment 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 capital surplus (in conformance with Article 86 of the Independent Administrative Corporation Accounting Standards).

(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 operational expense subsidies.

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 Statement of Administrative Service Execution Costs is booked as the increase for the current term in the allowance calculated in accordance with Article 38 of the Independent Administrative Corporation Accounting Standards.

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

To provide for the payment of bonuses to staff 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 of calculating the opportunity cost in the Statement of Administrative Service Execution Costs

(1) The method of calculating the opportunity cost of a margin transaction, based on free fees, from national or local public bodies:

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 1.770% a year by referring to the yield of interest-bearing 10-year government bonds as of the end of March 2006.

▶ 8. The accounting method for treating lease transactions

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

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

▶ 9. Accounting treatment of the consumption tax and other taxes

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

► Explanatory notes

Balance Sheet

The estimated allowance for retirement benefits to be appropriated from government operational expense subsidies:
(4,291,254,615 yen)

Retirement benefit liabilities and their breakdown (fiscal 2005)

(In yen)

(1) Retirement benefit liabilities	(6,098,033,099)
(2) Pension assets	1,806,778,484
(3) Accrued retirement benefit liabilities (1) + (2)	(4,291,254,615)
(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)	(4,291,254,615)
(8) Prepaid pension expenses	0
(9) Allowance for retirement benefits (7) – (8)	(4,291,254,615)

Breakdown of retirement benefit expenses (fiscal 2005)

(In yen)

(1) Service cost	298,060,400
(2) Interest cost	68,600,800
(3) Expected income from investments	0
(4) Difference in numerical calculations disposed of as cost	(220,797,609)
(5) Other costs (Premiums paid by subscribers to employees' pension fund)	(59,039,412)

Basis of calculating retirement benefit liabilities, etc. (fiscal 2005)

(In yen)

(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 national or local public bodies: 7,797,300 yen

► 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:

9,233,125,948 yen

Balance at the end of term of cash and cash equivalents:

9,233,125,948 yen

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 institution, from the Japan Foundation, a special public corporation, 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 a shortage if program expenses in the settled accounts, which depend on investment revenue, donation revenue (excluding income from designated donations), and other revenue as revenue sources, exceed these revenues.

Financial Cooperation from the Private Sector

The Japan Foundation solicits support for the funding of its programs from across the private sector—including businesses, organizations and individuals—as well as the government. This private sector support takes a variety of forms, such as endowments and donations of cash or goods.

Private sector funding of the Foundation is divided into endowments and donations. Endowments, along with government investment, provide the principal to generate funding for program expenses. Donations include general donations, which are allocated to expenses for cultural exchange programs implemented by the Foundation and designate donations, which are accepted with the understanding that they will be used to subsidize specified cultural exchange programs implemented by public benefit organizations at home and abroad. Donations accepted since the establishment of the Foundation to the end of 2005 amounted to 2,277.87 million yen in general donations and 62,368.16 million yen in designated donations.

▶ I. General Donations

These contributions are allocated to cover the expenses of cultural exchange programs implemented by the Foundation. There are three categories: the General Donation System, in which both the donated time and amount are at the donor's discretion; Corporate Membership System (Support Committee), through which entities such as private enterprises contribute a fixed amount every year; and the JF Supporters Club, which is focused on deepening interest in, and understanding of, the Foundation's programs. During fiscal 2005, the Foundation received 1,163 general donations amounting to 54.62 million yen.

▶ (1) General Donation System

Both the time and amount of the donation are at the donor's discretion.

According to the contributor's request, contributions can be allocated to program expenses incurred during the fiscal year of the donation or permanently incorporated into the fund (principal), with interest allocated to cover program expenses every year.

Concerning the latter, contributors (both corporations and individuals) may support special projects. If the level of funding exceeds a given amount, and if they so desire, contributors may also give the fund a name of their choosing and have it allocated to a special project. The following are examples of these types of donations.

- Uchida Fellowship (Donated by the late Mr. Uchida Genko)

Young musicians are invited to Japan from the United States, Europe, and other regions and provided with opportunities to work with renowned Japanese musicians and those active in the field of music, including participation in joint performances or creating joint works.

In 2005, two fellows were invited, one from the United States and one from France.

(Performing Arts Division, Arts Department)

- Japanese Studies Fellowship Program offered by Takasago Thermal Engineering (Donated by the Takasago Thermal Engineering Co. Ltd.)

In order to promote Japanese studies in Southeast Asia, this scholarship provides funds to young Japanese studies researchers in Southeast Asia for the purpose of visiting Japan and engaging in research efforts.

In 2005, the scholarship was awarded for research conducted by a Malaysian researcher under the theme of "Malaysia-Japan Bilateral Relations and East Asian Regionalism."

(Asia and Oceania Division, Japanese Studies and Intellectual Exchange Department)

- The Kaiko Takeshi Memorial Asian Writers Lecture Series (Donated by the late Mrs. Kaiko Hatsuko and the late Ms. Kaiko Michiko (family member of the writer Takeshi Kaiko)

In order to introduce Asian authors and works that are little known in Japan to the general public while promoting exchange in the field of literature, this program invites Asian authors and those involved in literature to come to Japan for about two weeks and organizes lectures and opportunities to exchange opinions in many parts of the nation.

In fiscal 2005, Imdadul Haq Milon was invited from Bangladesh and he lectured about the pride and grief of the people of Bangladesh in Hiroshima, Tokyo, Osaka, and Sendai.

(Community Leaders and Youth Exchange Division, Cultural Affairs Department)

- Ken Watanabe Memorial Fund: contribution of books (Donated by Mr. Watanabe Yukinobu, father of Mr. Watanabe Ken, a Ministry of Foreign Affairs official who died in a traffic accident while participating in training in the United States)

Donation of books related to Japanese studies are made to the Tianjin Academy of Social Sciences and Jilin Union of Social Sciences Circles (China).

In 2005, there were 223 books donated to the Tianjin Academy of Social Sciences and 135 books to the Jilin Union of Social Sciences Circles. (Asia and Oceania Division, Japanese Studies and Intellectual Exchange Department)

General Donation Contributors (alphabetical order)

Aichi Steel Corp., Chuo Denki Kogyo Co., Ltd., Daido Steel Co., Ltd., Hitachi Metals, Ltd., Iwasaki Gakuen, Japan Metals & Chemicals Co., Ltd., JFE Steel Corp., Kawamoto Industry Corporation, Kobe Steel, Ltd., Kubota Corp., Lions Clubs International District 330-B, Matsuo Komuten Co., Ltd., Mitsubishi Steel Mfg. Co., Ltd., Mori Building Co., Ltd., Nachi-Fujikoshi Corp., Nakayama Steel Works, Ltd., Naoshima Fukutake Art Museum Foundation, Nikko Cordial Securities Inc. Public Institutions I Division, Nippon Denko, Nippon Yakin Kogyo Co., Ltd., Nippon Kinzoku Co., Ltd., Nippon Koshuha Steel Co., Ltd., Nippon Metal Industry Co., Ltd., Nippon Steel & Sumikin Stainless Steel Corp., Nippon Steel Corp., Nisshin Steel Co., Ltd., Nittetsu Steel Sheet Corp., Non-Integrated Steel Producers' Association, NYK Line, Pacific Metals Co., Ltd., Panasonic Mobile Communications Co., Ltd, Royal Hall Yokohama, Sakata Seed, Co., Sanyo Special Steel Co., Ltd., Shiseido Co., Ltd., Sumitomo Electric Industries, Ltd., Sumitomo Metal Industries, Ltd., Takanashi Milk Products Co., Ltd., The Bank of Yokohama, Ltd., The Japan Steel Works, LTD., Tohoku Steel Co., Ltd., Tohokushinsha Film Corp., Tokyo Business Service Co., Ltd., Topy Industries, Ltd., Toyo Kohan Co., Ltd., Uyeno Transtech Ltd., Wacoal Corp., Yodogawa Steel Works, Ltd.
1926 members of JR central Monitor Club and two individual persons

▶ (2) Corporate Membership System (Support Committee)

Corporations and organizations are requested to contribute a fixed amount as membership fees every year. Membership in the Support Committee is divided into regular membership and special membership. Regular members are expected to donate at least 100,000 yen while special members are expected to contribute at least 500,000 yen.

Donations are allotted to the cultural exchange programs of the year in which the donations are made. Members receive special privileges, including the Foundation's publications, invitations to events such as lectures sponsored or co-sponsored by the Foundation, and access to the Foundation's library.

Patron members (alphabetical order, as of March 31, 2006)

(Special members)

Kodansha Ltd., Shochiku Co., Ltd., Electric Power Development Co., Ltd., Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank Ltd., Wacoal Corp.

(General members)

All Japan Kendo Federation, Bijutsu Shuppan Design Center Co., Ltd., Bikon Co., Ltd., Bonjinsha Inc., Cosmo Securities Co., Ltd., Dai-Ichi Mutual Life Insurance Company, DaiichiSeiwa Jimusho Co., Ltd., Daikin Industries, Ltd., Daiwa Securities SMBC Co., Ltd., Dentsu Inc., Fuji Television Network, Inc., Fuji Xerox Co., Ltd., Hitachi Ltd., Honda Motor Co., Ltd., Idemitsu Kosan Co., Ltd., Ikenobo, Insho-sha, International Hospitality Conference Service Association Japan Echo Inc., Japan International Cooperation Center, Kansai Urban Banking Corp., Katolec Corporation, Kinokuniya Company Ltd., Kodansha International Ltd., Kodokan Judo Institute, Kokusai Service Agency, Komazawa University, Matsushita Electric Industrial Co., Ltd., Meiji Shoin Holdings, Mitsubishi UFJ Securities Co., Ltd., Mizuho Investors Securities, Mizuho Securities Co., Ltd., Mori Building Co., Ltd., Motion Picture Producers Association of Japan, Inc., NHK International Inc., Nikko Cordial Securities, Inc., Nippon Origami Association, Nisshin Fire & Marine Insurance Co., Ltd., Nomura Securities Co., Ltd., Publishers Association for Cultural Exchange (PACE), Japan, Sakura Motion Picture Co., Ltd., Shiseido Co., Ltd., Shorinji Kempo Organization, Starlanes Travel Service Corp., Sumitomo Mitsui Banking Corp. The Kyoji Fire & Marine Insurance Company Limited, Kinki Nippon Tourist Co., Ltd., The Tokyo Commodity Exchange, Tokyo Business Service Co., Ltd., Tokyo Studio Co., Ltd., Ushio Inc., Urasenke Tradition of Tea Video Pedic Inc., Youth for Understanding International Exchange

▶ (3) *JF Supporters Club*

The purpose of this membership structure is to promote individual understanding of, and cooperation in, the Foundation's programs. Annual membership fees (1,000 yen for friends, 3,000 yen for associates and 10,000 yen for partners) are recorded as contributions to the Foundation.

▶ 2. Designated Donations Program

Under this program, donations are accepted with the understanding that they will be used to subsidize specified cultural exchange projects implemented by public interest organizations at home and abroad. Eligible programs include personal exchanges, overseas Japanese studies and Japanese-language education, performances, exhibitions, seminars, international conferences, projects related to the production of audiovisual materials for introducing Japanese culture overseas, research and studies necessary for international cultural exchange, and facilities for educational and cultural activities intended to support international cultural exchange.

During fiscal 2005, the Designated Donations Program received 47 contributions amounting to 964.94 million yen from 547 individual persons and 460 corporations or groups. These funds were used to subsidize the 32 following programs.

Programs supported during fiscal 2005

- Development for the Rotary Ambassadorial Scholarships and other Rotary Foundation Educational Programs ① (U.S.)
- Development for the Rotary Ambassadorial Scholarships and other Rotary Foundation Educational Programs ② (U.S.)
- Japan-United States Arts Program, ACC (U.S.)
- The University of Alberta Prince Takamado Japan Canada Memorial Fund (Canada)
- Japanese Legal Studies Program of University of Michigan Law School, (U.S.)
- The Nagashima Ohno and Tsunematsu Program for Japanese Law and Culture at Harvard Law School (U.S.)
- Japan in Evolving Northeast Asia (U.S.)
- Dartmouth College Japan Studies Fund (U.S.)
- Nagashima Ohno and Tsunematsu Scholarship Fund, Columbia Law School (U.S.)
- The Nagashima Ohno and Tsunematsu Program for Japanese Law and Culture Program at The University of Chicago Law School (U.S.)
- The Nagashima Ohno and Tsunematsu Program for Japanese Law and Culture at Duke Law School (U.S.)
- 25th Anniversary of the Center for Japanese Legal Studies, Columbia Law School (U.S.)
- LSH Asia Scholarship (Japan)
- Project Fund for Sprachzentrum für Japanisch e.v. (Germany)
- Japan Return Programme Nihongo Summit 2006 (Japan)
- 2005 Special Olympics World Winter Games 2006 (Japan)

- "Japan Cherry Blossom Association 40th Anniversary" (Japan)
- The Project under the Auspices of the Executive Committee the Japan-Korea Friendship Year 2005 (Japan and Korea, six projects)
- Pacific Vision: Japan-California Leadership in the Global Economy (U.S.)
- Fujiyama – The Japanese Beauty on Woodblock Prints by Hokusai, Hiroshige, and on Photos (Hungary)
- Sekai Bunka Gajin Ten (Japan)
- Shitennoji Wasso (Japan and Korea)
- Music from Japan Festival 2006 (U.S.)
- 12th Honolulu Festival (U.S.)
- The World Partnership Forum in Aomori (Japan)
- Yakimono: "4000 years of Japanese Ceramics" (U.S.)
- Project of Executive Committee for Japan-Australia Year of Exchange (Australia)
- Radio Programs Introducing J-Pop Music to Training and Exchange Center Project for Chinese Young People (China)
- KEEP International (Japan)
- Restoration Project for the Old Residence of Yanagi Sotetsu (Japan Folk Crafts Museum) (Japan)
- National Museum of Ethnology Reconstruction of a Japanese House in France, Musée de l'Homme (France)
- Modern Tea House Project in Frankfurt (Germany)

Examples of projects during fiscal 2005

- The Project under the Auspices of the Executive Committee of the Japan-Korea Friendship Year 2005 (Presented by the Executive Committee of the Japan-Korea Friendship Year 2005)
- Amount of designated donations received (amount paid as designated subsidy): 208.2 million yen
- Executive Committee of the Japan-Korea Friendship Year 2005 that commemorated the Fortieth Anniversary of the Normalization of Diplomatic Ties between Japan and the Republic of Korea
- The Japan Foundation organized five projects: Joint symposium and cultural exchange exhibition to promote "friendly encounters between Japan and Korea," Exchange festival for "the experience of Japan-Korea," and "friendship concert and youth forum for dialogue for the future of Japan-Korea friendship." These projects attracted the participation of approximately 80,000 people in total and were publicized and received positive reviews in the mass media of the two countries.
- Fujiyama – The Japanese Beauty on Woodblock Prints by Hokusai and Hiroshige, and on Photos (Presented by the Japan-Hungary Friendship Association)
- Amount of designated donations received (amount paid as designated subsidy): 9 million yen
- The exhibition was held at the Hungarian National Gallery from October 13 to November 13, 2005 and displayed the *ukiyo-e*, woodblock printings by Katsushika Hokusai and Ando Hiroshige and 30 photographs with the theme of Mt. Fuji by Tomitsuka Haruo. The exhibition was a success and attracted a large number of visitors.

▶ 3. Tax Privileges

The Foundation is designated as "Designated Public Benefit Organization," or *Tokutei Koh-eki Zoshin Houjin* in accordance with Article 77 of the Corporate Tax Enforcement Order and Article 217 of the Income Tax Enforcement Order. Therefore, both regular donations and designated donations to the Foundation are subject to the following tax privileges.

▶ (1) *Corporations*

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

Upper limit of financial loss for donation is calculated using the following formula:
{(amount of capital) × (period of months / 12) × 0.0025 + (amount of income × 0.025)} × 0.5

▶ (2) *Individuals*

Amount equal to the donation minus 5,000 yen (10,000 yen for donations in 2005 and before), up to 30% of gross income, is tax deductible.

Donations from inherited assets are also eligible for tax privileges.

Committees

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)

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

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 scholars of the Japanese studies. 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
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
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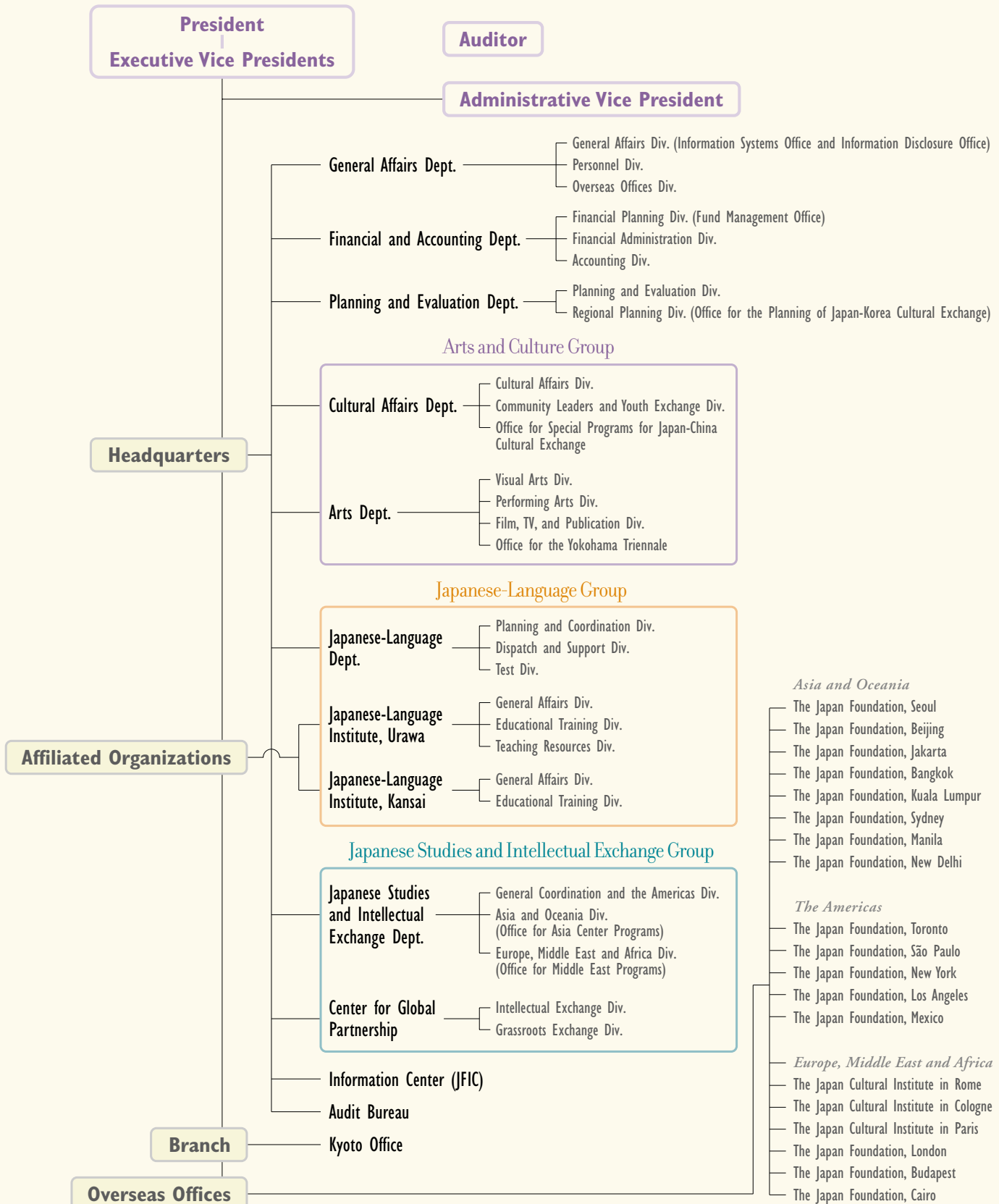
The Advisory Committee for the Center for Global Partnership

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 (until July, 2005).

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