

## Financial Cooperation from the Private Sector

The Japan Foundation is able to engage in international cultural exchange programs thanks to generous financial contributions from the private sector, including businesses, organizations, and individuals. The following outlines the system for donations to the Japan Foundation as of fiscal 2010. Also shown are the corporate organizations and individuals who provided financial contributions through this system and examples of programs implemented with donated funds.

### 1. Categories of Donation

#### [1] General Donations

These donations are allocated to expenses for the Foundation's international cultural exchange programs.

##### A. General Donations System

These donations are received from corporations and individuals, and their timing and amount are at the donor's discretion.

Donors (corporations and individuals) and examples of programs implemented with donations in fiscal 2010 are shown on the following page under "Donors for Program Expenses," "Private Endowment Providers," and "Program Support by Private Endowments."

##### (a) Donations for program expenses

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

##### (b) Donations to operational funds (private endowments)

These donations are deposited in the foundation's funds, and the accrued interest is allocated in perpetuity for program expenses.

##### B. Membership System

Fixed donations are received from corporations and organizations in the form of membership dues and are allocated to a variety of programs implemented during the fiscal year in which the donation was made. The members comprise General Members, whose donation is at least 100,000 yen, and Special Members, whose donation is at least 500,000 yen annually, and they can enjoy privileges such as receiving the Foundation's annual reports. As for the members for fiscal 2010, please refer to "Corporate Members" on the following page.

#### [2] Designated Donations

Under this program, donations from domestic individual and corporation to support international cultural exchange programs at home and abroad are received by the foundation, which is a designated public benefit organization, with the understanding that they will be used to subsidize organizations that implement specific cultural exchange projects. By utilizing this system, such donations to support the programs are treated as donations to the Foundation, and the donors are eligible to receive taxation benefits for their donations.

Eligible programs include personnel exchanges, overseas Japanese studies and Japanese language education programs, and performances, exhibitions, seminars, etc., related to international cultural exchange. Receipt of designated donations is subject to decision by a deliberative council of external experts. See the following page for a list of designated donations programs for fiscal 2010.

### 2. Taxation Benefits

The Japan Foundation is a "Designated Public Benefit Organization" in accordance with Article 77 of the Corporate Tax Enforcement Order and Article 217 of the Income Tax Enforcement Order. Therefore, donations to the foundation are subject to the following taxation benefits.

#### (1) Corporations

Separate from normal donations, either the total amount of donation to Designated Public Benefit Organizations or the maximum deductible amount of donation to Designated Public Benefit Organizations, whichever is smaller, is treated as a loss.

##### ● Normal donations

(Amount of capital x Number of months for the period/12 x 2.5/1,000 + Amount of income x 2.5/100) x 1/2

##### ● Donation to Designated Public Benefit Organizations

(Amount of capital x Number of months for the period/12 x 2.5/1,000 + Amount of income x 5/100) x 1/2

#### (2) Individuals

An amount equal to the donation minus 2,000 yen (up to 40% of the gross income) is tax deductible. Donations of inherited assets are also eligible for beneficial taxation treatment.

### 3. Donations Received in Fiscal 2010

	Number of Donations	Amount (yen)
General Donations	55	20,966,000
Corporate Membership	45	8,700,000
Donations for Program Expenses	7	5,846,000
Private Endowments	3	6,420,000
<b>Designated Donations</b>	<b>49</b>	<b>380,895,505 (Note: 1)</b>

Note 1: From the designated donations received, 357,891,505 yen and the amount 41,860,000 yen brought forward from fiscal 2009 were granted as subsidies to 30 programs (see "Designated Donations Programs" on the following page). The remaining 23,004,000 yen of the designated donations will be provided as subsidies to six programs in fiscal 2011.

Note 2: On an accumulated basis from the establishment of the Foundation in 1972 up to the end of fiscal 2010, general donations and designated donations received by the fund amounted to 2,460.94 million yen and 65,709.42 million yen, respectively.

# List of Donors and Programs Implemented with Donations in Fiscal 2010

## Corporate Members As of the end of fiscal 2010; listed in Japanese alphabetical order

### [1] Special Members

Shochiku Co., Ltd. / Electric Power Development Co., Ltd. / Mizuho Bank, Ltd. / Bank of Tokyo-Mitsubishi UFJ, Ltd.

### [2] General Members

Asuka International Foundation / Ikenobo / Idemitsu Kosan Co., Ltd. / Insho-sha / Ushio Inc. / Urasenke Foundation / NHK International Inc. / Katolec Corp. / Kansai Urban Banking Corp. / Kinokuniya Company Ltd. / Kodansha Ltd. / Kodansha International Ltd. / Kodokan Judo Institute / Kokusai Service Agency / Komazawa University / Sakura Motion Picture Co., Ltd. / Shiseido Co., Ltd. / Japan Echo Inc. / Shorinji Kempo Organization / Starlanes Travel Service Corp. / All Japan Kendo Federation / Daiichi Seiwa Jimusho Co., Ltd. / Daikin Industries, Ltd. / Daiwa Securities Capital Markets Co., Ltd. / Dentsu Inc. / Tokyo Business Service Co., Ltd. / Nikko Cordial Securities, Inc. / Motion Picture Producers Association of Japan, Inc. / Nippon Origami Association / Japan International Cooperation Center / Nomura Securities Co., Ltd. / Panasonic Corporation / Bijutsu Shuppan Service Center Co., Ltd. / Hitachi Ltd. / Fuji Xerox Co., Ltd. / Bonjinsha Inc. / Mizuho Securities Co., Ltd. / Sumitomo Mitsui Banking Corp. / Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. / Meiji Shoin Holdings / Mori Building Co., Ltd.

## Donors for Program Expenses Listed in order of donations received

Donations for the 12th International Architecture Exhibition, Venice Biennale program	Daiko Electric Co., Ltd. / Tajima Roofing Inc.
Donations for overseas Japanese language education programs	Doi Matsuo
General donations	One individual
Donations for the AGA-SHIO + Music & Rhythms concerts in the Democratic Republic of the Congo program	Overseas Market Development Operations, Yamaha Motor Co., Ltd.
Donations for Maison de la culture du Japon à Paris program	Nomura Center for Lifelong Integrated Education
Donations for Japanese language education programs at the Japan-Hungary Cooperation Forum	Sumitomo Chemical Co., Ltd.

## Private Endowment Providers Listed in order of donations received

Mitsuhashi Hiroaki / Japan Association for Cultural Exchange / One individual

## Program Support by Private Endowments Examples of "Special Benefaction," under which a benefactor who so desires may establish a special program with a name of the benefactor's choosing.

Name of Special Benefaction Program	Donor and Content of the Program
Uchida Fellowship	The benefactor is the late Mr. Uchida Genko. Young musicians are invited to Japan from the United States, Europe, and other regions, and given the chance to work with renowned Japanese musicians and others active in the field of music, including participation in joint performances or collaboration on joint works. One fellow was invited from the U.S. in fiscal 2010.
Japanese Studies Fellowship Program offered by Takasago Thermal Engineering Co., Ltd.	The benefactor is Takasago Thermal Engineering Co., Ltd. In order to promote Japanese studies in Southeast Asia, this scholarship provides funds to allow young Southeast Asian researchers in the field of Japanese studies to visit Japan for research purposes. One fellow was invited from Vietnam in fiscal 2010.
Ken Watanabe Memorial Fund: Contribution of Books	The benefactor is Mr. Watanabe Yukinobu (father of Mr. Watanabe Ken, a Ministry of Foreign Affairs official who died in a traffic accident during training in the United States). Donation of Japanese studies books to the Tianjin Academy of Social Sciences, China. In fiscal 2010, a total of 192 books were donated.

## Designated Donations Programs Countries in parentheses represent the locations of the program implemented

Development for the Rotary Ambassadorial Scholarship and other Rotary Foundation Educational Programs (U.S. and Japan)	Project-Fund for Sprachzentrum für Japanisch e.V. (Germany)
US-Japan Bridging Foundation Scholarship Program (U.S.)	Comprehensive Japanese-German Dictionary (Germany)
Capital Increase of the "WMU Friends in Japan Endowment Funds" (WMU FJEF) for Michitoshi Soga Japan Center at Western Michigan University (WMU) (U.S.)	Exchanging Packaging Design of Japanese/Korean Students (Korea and Japan)
Fund Raising Project for Helping to Establish the "Ishikawa Memorial Fund for Comparative Japanese Law" (U.S.)	Conference of Japanese and Chinese Journalists (China and Japan)
Intellectual Exchange between Columbia Law School and the Japanese Legal Profession (U.S.)	16th World Congress of the International Society for Criminology (Japan)
Nagashima Ohno and Tsunematsu Scholarship Fund, Columbia Law School (U.S.)	Shitennoji Wasso (Japan)
Nagashima Ohno and Tsunematsu Program for Japanese Law and Culture at Duke Law School (U.S.)	Japan-Korea Exchange Festival Matsuri 2010 (Japan)
US-Japan Research Institute (U.S.)	Public Events and Conferences Commemorating the 20th Anniversary of the JACE (Japan Association for Cultural Economics) (Japan)
Japanese Legal Studies Program at University of Michigan Law School (U.S.)	17th Honolulu Festival (U.S.)
Establishment of Fund for the University of Michigan Law School Japanese Legal Studies Program (U.S.)	Music from Japan 35th Anniversary Festival (U.S.)
LSH Asia Scholarship (Japan)	Music from Japan Festival 2011 (U.S.)
Japan Return Programme Nihongo Summit 2009: School for Discovering Japan (Japan)	New International Edition "Madama Butterfly" World Premiere (Italy)
Japan Return Programme Nihongo Summit 2010 (Japan)	Violin Festa Tokyo in Paris (France)
	Japan Year in Turkey (Turkey)
	Radio Program Introducing J-pop Music to Chinese Young People (China)
	Asian University for Women (Bangladesh)
	Restoration of the Japanese Garden at Japan-British Exhibition 1910 (U.K.)