

## 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.