

Financial Cooperation from the Private Sector

The Japan Foundation is able to engage in international cultural exchange programs thanks to support provided through generous financial contributions from the private sector, including private companies, organizations, and individuals. The following material outlines the system for financial cooperation from the private sector, primarily the system for donations. Also shown are lists of contributors, mainly the corporations and individuals who contributed financially through the donation system, and programs implemented with these funds in fiscal 2012.

1. Categories of Financial Cooperation

(1) General Donations

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

① 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 2012 are shown on the following page under "Donors for Program Expenses."

● Donations for program expenses

These donations are allocated to expenses for the Japan 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.

● Donations to operational funds (private endowments)

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

② Membership System

Fixed donations are received from private companies 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 including invitation to various events of the Japan Foundation. The members for fiscal 2012 are shown on the following page.

(2) Designated Donations

Under this program, donations from domestic individuals and corporations to support international cultural exchange programs at home and abroad are received by the Japan 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 Japan 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. A list of designated donations programs for fiscal 2012 is shown on the following page.

(3) Other Types of Financial Cooperation

In addition to the donations mentioned above, the Japan Foundation receives support from the private sector in various other forms of financial contributions, such as cooperation funds and subsidies. Some of such support received in fiscal 2012 is shown in "Examples of Support except Donations" on the following page.

2. Taxation Benefits for Donations

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, among the financial cooperation mentioned above, donations to the Japan Foundation are subject to the following taxation benefits.

(1) Corporations

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.

Note 1: If the total amount of donation to Designated Public Benefit Organizations is larger, the amount not treated as a loss (the amount exceeding the maximum deductible amount of donation to Designated Public Benefit Organizations) will be included in the amount of normal donations.

The maximum deductible amount of donation is calculated as follows.

● Normal donations

(Amount of capital x Number of months for the period/12 x 0.25% + Amount of income x 2.5%) x 1/4

● Donation to designated public benefit organizations

(Amount of capital x Number of months for the period/12 x 0.375% + Amount of income x 6.25%) 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 2012

| | | Number of Donations | Amount (yen) |
|----------------------|--------------------------------|---------------------|-------------------------|
| General Donations | | 44 | 22,892,480 |
| | Corporate Membership | 39 | 7,700,000 |
| | Donations for Program Expenses | 5 | 15,192,480 |
| | Private Endowment | 0 | 0 |
| Designated Donations | | 28 | 225,761,944 (Note 2) |

Note 2: From the designated donations received, 199,306,444 yen and the amount 32,740,000 yen brought forward from fiscal 2011 were granted as subsidies to 19 programs (see "Designated Donations Programs" on the following page). The remaining 26,455,500 yen of the designated donations will be provided as subsidies to two programs in fiscal 2013.

Note 3: On an accumulated basis from the establishment of the Japan Foundation in 1972 up to the end of fiscal 2012, general donations and designated donations received by the fund amounted to 2,499.21 million yen and 66,193.88 million yen, respectively.

Note 4: A total amount of 25.40 million yen was received from the private sector in fiscal 2012 as financial cooperation excluding donations.

List of Donors and Other Contributors and Supported Programs in Fiscal 2012

Corporate Members (As of the end of fiscal 2012; listed in alphabetical order)

(1) Special Members

The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Shochiku Co., Ltd.; Two other corporate members

(2) General Members

All Japan Kendo Federation; Bonjinsha Inc.; Daiichi Seiwa Jimusho Co., Ltd.; Daikin Industries, Ltd.; Daiwa Securities Co. Ltd.; Fuji Xerox Co., Ltd.; Hitachi Ltd.; Idemitsu Kosan Co., Ltd.; Ikenobo; Insho-sha; Japan International Cooperation Center; Katolec Corp. ; Kodansha Ltd.; Kodokan Judo Institute; Kokusai Service Agency; Komazawa University; Meiji Shoin Holdings; Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.; Mizuho Securities Co., Ltd.; Mori Building Co., Ltd.; Motion Picture Producers Association of Japan, Inc.; NHK International, Inc.; Nippon Communications Foundation; Nippon Origami Association; Sakura Motion Picture Co., Ltd.; Shorinji Kempo Organization; SMBC Nikko Securities Inc.; Starlanes Travel Service Corp.; Sumitomo Mitsui Banking Corp.; Tokyo Business Service Co., Ltd; Urasenke Foundation; Ushio Inc.; Three other corporate members

Donors for Program Expenses (Listed in alphabetical order)

Lotte Co., Ltd.

Donations for exchanging packaging design of Japanese-Korean students project

Mitsubishi Corp.

Donations for the Japanese Film Festival 2012 at the Japan Foundation, Kuala Lumpur

Shiseido Co., Ltd.

Donations for projects commemorating the 50th anniversary of the Japan Cultural Institute in Rome

Sumitomo Chemical Co., Ltd.

Donations for Japanese-language education programs at the Japan-Hungary Cooperation Forum

One individual

Donations for the Japan Foundation China Center

Examples of Support Other than Donations

Ishibashi Foundation

Subsidies for “Japan Pavilion at the 13th International Architecture Exhibition, the Venice Biennale” and “Arte in Giappone 1868-1945 in Commemoration of the 50th Anniversary of the Japan Cultural Institute in Rome”

Program Support by Private Endowments (“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 |
|---|---|
| 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 2012. |
| Ken Watanabe Memorial Fund: Contribution of Books | The benefactor is Mr. Yukinobu Watanabe (father of Mr. Ken Watanabe, 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 2012, a total of 256 books were donated. |

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

Asian University for Women Scholarship Program (Bangladesh)

US-Japan Bridging Foundation Scholarship Program (U.S.)

Intellectual Exchange between Columbia Law School and the Japanese Legal Profession (U.S.)

Nagashima Ohno and Tsunematsu Scholarship Fund, Columbia Law School (U.S.)

Nagashima Ohno and Tsunematsu Program for Japanese Law and Culture at Duke Law School (U.S.)

US-Japan Research Institute (U.S.)

Inter-University Center for Japanese Language Studies 50th Anniversary Project (Japan)

LSH Asia Scholarship (Japan)

Japan Return Programme Nihongo Summit 2012 (Japan)

Project-Fund for Sprachzentrum für Japanisch e.V. (Germany)

Conference of Japanese and Chinese Journalists (China, Japan)

Shitennoji Wasso (Japan)

The World Festival of Children's Performing Arts in Toyama 2012 (Japan)

Japan-Korea Exchange Festival Matsuri 2012 (Japan)

Public Events and Conferences Commemorating the 20th Anniversary of the JACE (Japan Association for Cultural Economics) (Japan)

Eighteenth Honolulu Festival (U.S.)

Music from Japan Festival 2013 (U.S.)

Radio Program Introducing J-pop Music to Chinese Young People (China)

Asian University for Women (Bangladesh)