

Balance Sheet
As of March 31, 2013

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
I. Assets			
1. Current Assets			
Cash and Deposits	54,307,923	46,869,815	7,438,108
Prepayments	6,405	1,155	5,250
Total Current Assets	54,314,328	46,870,970	7,443,358
2. Fixed Assets			
(1) Specified Assets			
Accumulated Assets for Operating Costs	194,102,000	38,000,000	156,102,000
Assets for the Fund	500,000,000	500,000,000	0
Total specified assets	694,102,000	538,000,000	156,102,000
(2) Other Fixed Assets			
Buildings	2,253,300	2,253,300	0
Cumulative depreciation of buildings (-)	△662,675	△343,787	△318,888
Furniture, Fixtures and Equipment	1,720,315	1,720,315	0
Accumulated Depreciation of Furniture, Fixtures and Equipment (-)	△645,833	△262,367	△383,466
Software	2,609,189	3,372,854	△763,665
Total Other Fixed Assets	5,274,296	6,740,315	△1,466,019
Total Fixed Assets	699,376,296	544,740,315	154,635,981
Total assets	753,690,624	591,611,285	162,079,339
II. Liabilities			
1. Current Liabilities			
Accounts Payable - Other	6,799,476	5,096,640	1,702,836
Income Taxes Payable	70,000	70,000	0
Accrued consumption tax, etc.	16,050,300	0	16,050,300
Deposits Taken	85,536	44,444	41,092
Total Current Liabilities	23,005,312	5,211,084	17,794,228
2. Long-term Liabilities			
Allowance for Relocation Work Expenses	1,178,008	346,473	831,535
Total Long-term Liabilities	1,178,008	346,473	831,535
Total Liabilities	24,183,320	5,557,557	18,625,763
III. Net Assets			
1. Fund	500,000,000	500,000,000	0
(Amount allocated to Specified Assets)	(500,000,000)	(500,000,000)	(0)
2. Designated Net Assets	0	0	0
3. General Net Assets	229,507,304	86,053,728	143,453,576
(Amount allocated to Specified Assets)	(194,102,000)	(38,000,000)	(156,102,000)
Total Net Assets	729,507,304	586,053,728	143,453,576
Total Liabilities and Net Assets	753,690,624	591,611,285	162,079,339

Statement of Changes in Net Assets
April 1, 2012 to March 31, 2013

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
I. Changes in General Net Assets			
1. Changes in Ordinary Revenue and Expenses			
(1) Ordinary Revenue			
Membership Dues	362,200,000	450,887,850	Δ88,687,850
(Expense Contributions)	(362,200,000)	(450,887,850)	(Δ88,687,850)
Operating Expense Contributions	362,200,000	450,887,850	Δ88,687,850
Enrollment Fees	156,102,000	55,776,000	100,326,000
Enrollment Fees	156,102,000	55,776,000	100,326,000
Revenue from Management of Specified Assets	104,920	89,852	15,068
Interest Received from Specified Assets	104,920	89,852	15,068
Miscellaneous Revenue	1,843,112	1,515,823	327,289
(Miscellaneous Revenue)	(1,843,112)	(1,515,823)	(327,289)
Interest Received	12,083	7,619	4,464
Miscellaneous Revenue	1,831,029	1,508,204	322,825
Total Ordinary Revenue	520,250,032	508,269,525	11,980,507
(2) Ordinary Expenses			
Operating Expenses	300,925,956	357,188,671	Δ56,262,715
(Personnel Expenses)	(119,772,422)	(100,233,625)	(19,538,797)
Payroll allowance	113,372,817	94,786,820	18,585,997
Retirement benefit expenses	6,399,605	5,446,805	952,800
(Public Relations Expenses)	(256,071)	(5,477,325)	(Δ5,221,254)
Public Relations Expenses	256,071	5,477,325	Δ5,221,254
(Membership and Meeting Expenses)	(1,804,499)	(1,220,940)	(583,559)
Membership Expenses	50,000	0	50,000
Meeting Expenses	1,754,499	1,220,940	533,559
(Business Expenses)	(42,856,127)	(27,442,229)	(15,413,898)
Travel and Transportation Expenses	1,111,816	706,920	404,896
Communication and Transport Expenses	37,983,165	19,369,083	18,614,082
Printing and Binding Expenses	3,090,118	4,991,357	Δ1,901,239
Consumable Supplies Expenses	502,264	2,142,340	Δ1,640,076
Books and Newspaper Expenses	168,764	232,529	Δ63,765
(Outsourcing Expenses)	(118,828,857)	(164,589,600)	(Δ45,760,743)
Outsourcing Expenses	118,828,857	164,589,600	Δ45,760,743
(Asset Management Expenses)	(3,459,799)	(6,757,648)	(Δ3,297,849)
Rental Fees	1,161,679	1,955,666	Δ793,987
Repair Costs	566	3,403,884	Δ3,403,318
Depreciation	702,354	606,154	96,200
Software depreciation	763,665	445,471	318,194
Provision of Allowance for Relocation Work Expenses	831,535	346,473	485,062
(Taxes and Dues)	(16,000)	(18,200)	(Δ2,200)
Taxes and Dues	16,000	18,200	Δ2,200
(Miscellaneous Expenses)	(13,932,181)	(51,449,104)	(Δ37,516,923)
Miscellaneous stipends	11,979,893	48,381,201	Δ36,401,308
Miscellaneous Expenses	1,952,288	3,067,903	Δ1,115,615
Administrative Expenses	75,800,500	64,161,016	11,639,484
(Personnel Expenses)	(61,871,886)	(50,614,051)	(11,257,835)
Payroll allowance	57,866,556	47,113,501	10,753,055
Retirement benefit expenses	4,005,330	3,500,550	504,780
(Business Expenses)	(2,035,314)	(2,571,365)	(Δ536,051)
Communication and Transport Expenses	1,701,798	1,017,721	684,077
Printing and Binding Expenses	73,200	69,930	3,270
Consumable Supplies Expenses	260,316	1,483,714	Δ1,223,398
(Asset Management Expenses)	(8,902,712)	(8,912,688)	(Δ9,976)
Rental Fees	8,704,187	8,906,632	Δ202,445
Repair Costs	198,525	6,056	192,469
(Taxes and Dues)	(90,300)	(40,600)	(49,700)
Taxes and Dues	90,300	40,600	49,700
(Miscellaneous Expenses)	(2,900,288)	(2,022,312)	(877,976)
Training expenses	1,151,055	35,000	1,116,055
Miscellaneous stipends	1,400,000	1,470,000	Δ70,000
Miscellaneous Expenses	349,233	517,312	Δ168,079

Item	Current fiscal year	Previous fiscal year	Change
Total Ordinary Expenses	376,726,456	421,349,687	Δ44,623,231
Changes in Ordinary Expenses during the Current	143,523,576	86,919,838	56,603,738
2. Changes in Non-recurring Revenue and Expenses			
(1) Non-recurring Revenue			
Total Non-recurring Revenue	0	0	0
(2) Non-recurring Expenses			
Total Non-recurring Expenses	0	0	0
Changes in Non-recurring Expenses during the Current	0	0	0
Changes in General Net Assets during the Current	143,523,576	86,919,838	56,603,738
Income Tax, Resident Tax, and Business Tax	70,000	70,000	0
Changes in General Net Assets during the Current	143,453,576	86,849,838	56,603,738
Beginning Balance of Net Assets	86,053,728	Δ796,110	86,849,838
Ending Balance of Net Assets	229,507,304	86,053,728	143,453,576
II. Changes in Designated Net Assets			
Changes in Designated Assets during the Current	0	0	0
Beginning Balance of Designated Net Assets	0	0	0
Ending Balance of Designated Net Assets	0	0	0
III. Changes in Fund			
Changes in the Fund during the Current Year	0	0	0
Beginning Balance of Fund	500,000,000	500,000,000	0
Ending Balance of Fund	500,000,000	500,000,000	0
IV. Balance of Net Assets at Year End			
Balance of Net Assets at Year End	729,507,304	586,053,728	143,453,576

Notes to Financial Statements

1. Important accounting policies

(1) Depreciation method for fixed assets

i. Buildings, structures, and furniture, fixtures and equipment

Declining-balance method

ii. Software

Straight-line method

iii. Leased assets (leased assets from finance lease transactions excluding those accompanied by a transfer of ownership)

The lease period is set as the service life and the straight-line method is used until the residual value reaches zero.

(2) Basis for accruing allowances

- Allowance for Relocation Work Expenses

The estimated costs required for removal work at the current Zengin Centers associated with the completion of the contract of the Zengin System (planned for November 2021), which commenced operations in November 2011, has been recorded equally over the period from start to finish of the contract.

(3) Accounting treatment of consumption tax, etc.

The tax inclusion method is used when accounting for consumption tax, etc

2. Changes in accounting methods

(1) Changes in depreciation method

The depreciation method used for plant, property & equipment purchased after April 1, 2012 will be changed based on revisions made to the Corporation Tax Act. This will not affect business performance in the current fiscal year.

(2) Changes in accounting treatment of consumption tax, etc.

The Company originally used the tax inclusion method when accounting for consumption tax and other items. However, this has been changed to the tax exclusion method because the Company is now a taxable business.

Due to this change, during the current fiscal year under review a consumption tax payment amount of 16,050,300 yen will be incurred.

3. Change in specified assets and balances

Changes in specified assets and the respective balances are as follows:

(Yen)

Item	Balance at end of previous year	Increase in current year	Decrease in current year	Balance at end of current year
Specified Assets				
Accumulated Assets for Operating Costs	38,000,000	156,102,000	0	194,102,000
Assets for the Fund	500,000,000	0	0	500,000,000
Total	538,000,000	156,102,000	0	694,102,000

4. Breakdown of source of specified assets

Specified assets are broken down as follows:

(Yen)

Item	Balance at end of current year	(Amount Allocated from the Fund)	(Amount Allocated from General Net Assets)	(Amount for liabilities)
Specified Assets				
Accumulated Assets for Operating Costs	194,102,000	---	194,102,000	---
Assets for the Fund	500,000,000	500,000,000	---	---
Total	694,102,000	500,000,000	194,102,000	---

5. Marketable securities held as collateral

Marketable securities are held from member financial institutions as collateral in accordance with the Domestic Fund Transfer System. The market value of these securities at the end of the current year was 11,506,301,099,448 yen.

6. Changes in fund and balances

Changes in the fund and the respective balances are as follows:

(Yen)

Item	Balance at end of previous year	Increase in current year	Decrease in current year	Balance at end of current year
Fund				
Fund	500,000,000	0	0	500,000,000
Total	500,000,000	0	0	500,000,000

7. Details of transactions with related parties

Details of transactions with related parties are as follows:

(1) Related party

- i. Type: Controlled corporation
- ii. Name: Japanese Bankers Association
- iii. Address: Chiyoda-ku, Tokyo
- iv. Total assets: 20,349,209,485 yen (amount settled)
- v. Businesses: Economic organization
- vi. Ratio of voting rights: 100%
- vii. Details of relationship

Concurrent appointment of officers, etc.: Concurrent appointment of officers

Business relationship: Business process outsourcing

(2) Details of transactions, etc

Transaction	Transaction amount	Item	Balance at year end
administrative outsourcing expenses	117,846,000 yen (amount settled)	---	0 yen

Note: The cost of administrative outsourcing expenses is determined based on all necessary expenses for the contract.