

Balance Sheet
As of March 31, 2014

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
I. Assets			
1. Current Assets			
Cash and Deposits	40,666,386	54,307,923	△13,641,537
Accrued consumption tax, etc.	129,300	0	129,300
Prepayments	2,160	6,405	△4,245
Total Current Assets	40,797,846	54,314,328	△13,516,482
2. Fixed Assets			
(1) Specified Assets			
Accumulated Assets for Operating Costs	254,682,000	194,102,000	60,580,000
Assets for the Fund	500,000,000	500,000,000	0
Total specified assets	754,682,000	694,102,000	60,580,000
(2) Other Fixed Assets			
Buildings	2,253,300	2,253,300	0
Cumulative depreciation of buildings (-)	△928,308	△662,675	△265,633
Furniture, Fixtures and Equipment	1,720,315	1,720,315	0
Accumulated Depreciation of Furniture, Fixtures and Equipment (-)	△891,555	△645,833	△245,722
Software	1,845,524	2,609,189	△763,665
Total Other Fixed Assets	3,999,276	5,274,296	△1,275,020
Total Fixed Assets	758,681,276	699,376,296	59,304,980
Total assets	799,479,122	753,690,624	45,788,498
II. Liabilities			
1. Current Liabilities			
Accounts Payable - Other	12,454,174	6,799,476	5,654,698
Income Taxes Payable	70,000	70,000	0
Accrued consumption tax, etc.	0	16,050,300	△16,050,300
Deposits Taken	27,907	85,536	△57,629
Total Current Liabilities	12,552,081	23,005,312	△10,453,231
2. Long-term Liabilities			
Allowance for Relocation Work Expenses	2,009,543	1,178,008	831,535
Total Long-term Liabilities	2,009,543	1,178,008	831,535
Total Liabilities	14,561,624	24,183,320	△9,621,696
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	284,917,498	229,507,304	55,410,194
(Amount allocated to Specified Assets)	(254,682,000)	(194,102,000)	(60,580,000)
Total Net Assets	784,917,498	729,507,304	55,410,194
Total Liabilities and Net Assets	799,479,122	753,690,624	45,788,498

Statement of Changes in Net Assets
April 1, 2013 to March 31, 2014

(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	361,471,000	362,200,000	Δ729,000
(Expense Contributions)	(361,471,000)	(362,200,000)	(Δ729,000)
Operating Expense Contributions	361,471,000	362,200,000	Δ729,000
Enrollment Fees	60,580,000	156,102,000	Δ95,522,000
Enrollment Fees	60,580,000	156,102,000	Δ95,522,000
Revenue from Management of Specified Assets	116,144	104,920	11,224
Interest Received from Specified Assets	116,144	104,920	11,224
Miscellaneous Revenue	650,905	1,843,112	Δ1,192,207
(Miscellaneous Revenue)	(650,905)	(1,843,112)	(Δ1,192,207)
Interest Received	10,056	12,083	Δ2,027
Miscellaneous Revenue	640,849	1,831,029	Δ1,190,180
Total Ordinary Revenue	422,818,049	520,250,032	Δ97,431,983
(2) Ordinary Expenses			
Operating Expenses	288,027,132	300,925,956	Δ12,898,824
(Personnel Expenses)	(121,474,325)	(119,772,422)	(1,701,903)
Payroll allowance	115,864,160	113,372,817	2,491,343
Retirement benefit expenses	5,610,165	6,399,605	Δ789,440
(Public Relations Expenses)	(1,445,700)	(256,071)	(1,189,629)
Public Relations Expenses	1,445,700	256,071	1,189,629
(Membership and Meeting Expenses)	(1,198,793)	(1,804,499)	(Δ605,706)
Membership Expenses	50,000	50,000	0
Meeting Expenses	1,148,793	1,754,499	Δ605,706
(Business Expenses)	(42,015,665)	(42,856,127)	(Δ840,462)
Travel and Transportation Expenses	932,964	1,111,816	Δ178,852
Communication and Transport Expenses	37,885,915	37,983,165	Δ97,250
Printing and Binding Expenses	2,393,495	3,090,118	Δ696,623
Consumable Supplies Expenses	600,036	502,264	97,772
Books and Newspaper Expenses	203,255	168,764	34,491
(Outsourcing Expenses)	(105,213,810)	(118,828,857)	(Δ13,615,047)
Outsourcing Expenses	105,213,810	118,828,857	Δ13,615,047
(Asset Management Expenses)	(3,424,745)	(3,459,799)	(Δ35,054)
Rental Fees	1,309,224	1,161,679	147,545
Repair Costs	8,966	566	8,400
Depreciation	511,355	702,354	Δ190,999
Software depreciation	763,665	763,665	0
Provision of Allowance for Relocation Work Expenses	831,535	831,535	0
(Taxes and Dues)	(27,300)	(16,000)	(11,300)
Taxes and Dues	27,300	16,000	11,300
(Miscellaneous Expenses)	(13,226,794)	(13,932,181)	(Δ705,387)
Miscellaneous stipends	11,137,675	11,979,893	Δ842,218
Miscellaneous Expenses	2,089,119	1,952,288	136,831
Administrative Expenses	79,310,723	75,800,500	3,510,223
(Personnel Expenses)	(66,031,457)	(61,871,886)	(4,159,571)
Payroll allowance	62,246,127	57,866,556	4,379,571
Retirement benefit expenses	3,785,330	4,005,330	Δ220,000
(Business Expenses)	(2,250,252)	(2,035,314)	(214,938)
Communication and Transport Expenses	1,848,771	1,701,798	146,973
Printing and Binding Expenses	108,000	73,200	34,800
Consumable Supplies Expenses	293,481	260,316	33,165
(Asset Management Expenses)	(8,800,850)	(8,902,712)	(Δ101,862)
Rental Fees	8,606,480	8,704,187	Δ97,707
Repair Costs	194,370	198,525	Δ4,155
(Taxes and Dues)	(72,567)	(90,300)	(Δ17,733)
Taxes and Dues	72,567	90,300	Δ17,733
(Miscellaneous Expenses)	(2,155,597)	(2,900,288)	(Δ744,691)
Training expenses	254,157	1,151,055	Δ896,898
Miscellaneous stipends	1,400,000	1,400,000	0
Miscellaneous Expenses	501,440	349,233	152,207

Item	Current fiscal year	Previous fiscal year	Change
Total Ordinary Expenses	367,337,855	376,726,456	Δ9,388,601
Changes in Ordinary Expenses during the Current	55,480,194	143,523,576	Δ88,043,382
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	55,480,194	143,523,576	Δ88,043,382
Income Tax, Resident Tax, and Business Tax	70,000	70,000	0
Changes in General Net Assets during the Current	55,410,194	143,453,576	Δ88,043,382
Beginning Balance of Net Assets	229,507,304	86,053,728	143,453,576
Ending Balance of Net Assets	284,917,498	229,507,304	55,410,194
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	784,917,498	729,507,304	55,410,194

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. 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	194,102,000	60,580,000	0	254,682,000
Assets for the Fund	500,000,000	0	0	500,000,000
Total	694,102,000	60,580,000	0	754,682,000

3. 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 Assets)	(Amount for liabilities)
Specified Assets				
Accumulated Assets for Operating Costs	254,682,000	—	254,682,000	—
Assets for the Fund	500,000,000	500,000,000	—	—
Total	754,682,000	500,000,000	254,682,000	—

4. 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 10,746,477,959,571 yen.

5. 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: 20,115,031,541 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

(Yen)

Transaction	Transaction amount	Item	Balance at year end
administrative outsourcing expenses	104,250,000 (amount settled)	—	0

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

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