

**Balance Sheet**  
As of March 31, 2016

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
<b>I. Assets</b>			
1. Current Assets			
Cash and Deposits	62,782,128	70,784,663	-8,002,535
Accounts receivable	260,807	0	260,807
Prepayments	4,320	0	4,320
Total Current Assets	63,047,255	70,784,663	-7,737,408
2. Fixed Assets			
(1) Specified Assets			
Accumulated Assets for Operating Costs	200,464,000	198,101,000	2,363,000
Assets for the Fund	500,000,000	500,000,000	0
Total specified assets	700,464,000	698,101,000	2,363,000
(2) Other Fixed Assets			
Buildings	2,059,547	2,253,300	-193,753
Cumulative depreciation of buildings (-)	-1,217,857	-1,149,580	-68,277
Furniture, Fixtures and Equipment	1,361,456	1,720,315	-358,859
Accumulated Depreciation of Furniture, Fixtures and Equipment (-)	-905,928	-1,064,285	158,357
Software	318,194	1,081,859	-763,665
Total Other Fixed Assets	1,615,412	2,841,609	-1,226,197
Total Fixed Assets	702,079,412	700,942,609	1,136,803
Total assets	765,126,667	771,727,272	-6,600,605
<b>II. Liabilities</b>			
1. Current Liabilities			
Accounts Payable - Other	11,856,426	23,810,727	-11,954,301
Income Taxes Payable	70,000	70,000	0
Accrued consumption tax, etc.	10,951,700	10,118,500	833,200
Deposits Taken	12,047	61,260	-49,213
Total Current Liabilities	22,890,173	34,060,487	-11,170,314
2. Long-term Liabilities			
Allowance for Relocation Work Expenses	3,672,613	2,841,078	831,535
Total Long-term Liabilities	3,672,613	2,841,078	831,535
Total Liabilities	26,562,786	36,901,565	-10,338,779
<b>III. Net Assets</b>			
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	238,563,881	234,825,707	3,738,174
(Amount allocated to Specified Assets)	(200,464,000)	(198,101,000)	(2,363,000)
Total Net Assets	738,563,881	734,825,707	3,738,174
Total Liabilities and Net Assets	765,126,667	771,727,272	-6,600,605

## Statement of Changes in Net Assets

April 1, 2015 to March 31, 2016

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
<b>I. Changes in General Net Assets</b>			
<b>1. Changes in Ordinary Revenue and Expenses</b>			
<b>(1) Ordinary Revenue</b>			
Membership Dues	361,471,000	361,471,000	0
(Expense Contributions)	(361,471,000)	(361,471,000)	(0)
Operating Expense Contributions	361,471,000	361,471,000	0
Enrollment Fees	72,820,000	0	72,820,000
Enrollment Fees	72,820,000	0	72,820,000
Revenue from Management of Specified Assets	144,797	120,275	24,522
Interest Received from Specified Assets	144,797	120,275	24,522
Miscellaneous Revenue	1,233,805	752,123	481,682
(Miscellaneous Revenue)	(1,233,805)	(752,123)	(481,682)
Interest Received	8,424	8,414	10
Miscellaneous Revenue	1,225,381	743,709	481,672
<b>Total Ordinary Revenue</b>	<b>435,669,602</b>	<b>362,343,398</b>	<b>73,326,204</b>
<b>(2) Ordinary Expenses</b>			
Operating Expenses	258,962,772	274,992,020	-16,029,248
(Personnel Expenses)	(171,056,524)	(175,458,496)	(-4,401,972)
Payroll allowance	162,238,034	167,385,726	-5,147,692
Retirement benefit expenses	8,818,490	8,072,770	745,720
(Public Relations Expenses)	(742,100)	(2,793,556)	(-2,051,456)
Public Relations Expenses	742,100	2,793,556	-2,051,456
(Membership and Meeting Expenses)	(2,836,731)	(2,431,820)	(404,911)
Membership Expenses	100,000	50,000	50,000
Meeting Expenses	2,736,731	2,381,820	354,911
(Business Expenses)	(45,963,138)	(43,859,336)	(2,103,802)
Travel and Transportation Expenses	2,256,884	1,219,146	1,037,738
Communication and Transport Expenses	38,964,343	38,586,978	377,365
Printing and Binding Expenses	3,841,829	3,050,401	791,428
Consumable Supplies Expenses	682,265	793,818	-111,553
Books and Newspaper Expenses	217,817	208,993	8,824
(Outsourcing Expenses)	(1,122,400)	(6,274,000)	(-5,151,600)
Outsourcing Expenses	1,122,400	6,274,000	-5,151,600
(Asset Management Expenses)	(3,827,869)	(4,478,286)	(-650,417)
Rental Fees	1,727,876	1,810,165	-82,289
Repair Costs	187,400	678,919	-491,519
Depreciation	317,393	394,002	-76,609
Software depreciation	763,665	763,665	0
Provision of Allowance for Relocation Work Expenses	831,535	831,535	0
(Taxes and Dues)	(30,800)	(11,200)	(19,600)
Taxes and Dues	30,800	11,200	19,600
(Miscellaneous Expenses)	(33,383,210)	(39,685,326)	(-6,302,116)
Miscellaneous stipends	28,696,902	37,476,316	-8,779,414
Miscellaneous Expenses	4,686,308	2,209,010	2,477,298
Administrative Expenses	172,753,517	137,373,169	35,380,348
(Personnel Expenses)	(145,661,321)	(119,411,786)	(26,249,535)
Payroll allowance	138,662,711	113,202,506	25,460,205
Retirement benefit expenses	6,998,610	6,209,280	789,330
(Business Expenses)	(2,896,836)	(2,609,331)	(287,505)
Travel and Transportation Expenses	4,583	3,289	1,294
Communication and Transport Expenses	2,329,706	2,158,734	170,972
Printing and Binding Expenses	105,000	58,200	46,800
Consumable Supplies Expenses	442,745	380,273	62,472
Books and Newspaper Expenses	14,802	8,835	5,967
(Outsourcing Expenses)	5,967,600	0	5,967,600
Outsourcing Expenses	5,967,600	0	5,967,600
(Asset Management Expenses)	(9,839,069)	(9,639,974)	(199,095)
Rental Fees	9,291,949	9,133,222	158,727
Repair Costs	547,120	506,752	40,368
(Taxes and Dues)	(51,510)	(73,703)	(-22,193)

Item	Current fiscal year	Previous fiscal year	Change
Taxes and Dues	51,510	73,703	-22,193
(Miscellaneous Expenses)	(8,337,181)	(5,638,375)	(2,698,806)
Training expenses	1,185,686	494,299	691,387
Miscellaneous stipends	6,469,810	4,400,000	2,069,810
Miscellaneous Expenses	681,685	744,076	-62,391
Total Ordinary Expenses	431,716,289	412,365,189	19,351,100
Changes in Ordinary Expenses during the Current Year	3,953,313	-50,021,791	53,975,104
2. Changes in Non-recurring Revenue and Expenses			
(1) Non-recurring Revenue			
Total Non-recurring Revenue	0	0	0
(2) Non-recurring Expenses			
Loss on retirement of fixed assets	145,139	0	145,139
Loss on retirement of building	77,710	0	77,710
Loss on retirement of Furniture, Fixtures and Equipment	67,429	0	67,429
Total Non-recurring Expenses	145,139	0	145,139
Changes in Non-recurring Expenses during the Current Year	-145,139	0	-145,139
Changes in General Net Assets during the Current Year Before Taxes	3,808,174	-50,021,791	53,829,965
Income Tax, Resident Tax, and Business Tax	70,000	70,000	0
Changes in General Net Assets during the Current Year	3,738,174	-50,091,791	53,829,965
Beginning Balance of Net Assets	234,825,707	284,917,498	-50,091,791
Ending Balance of Net Assets	238,563,881	234,825,707	3,738,174
II. Changes in Designated Net Assets			
Changes in Designated Assets during the Current Year	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	738,563,881	734,825,707	3,738,174

## 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

o 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	198,101,000	72,820,000	70,457,000	200,464,000
Assets for the Fund	500,000,000	0	0	500,000,000
Total	698,101,000	72,820,000	70,457,000	700,464,000

### 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 Net Assets)	(Amount for liabilities)
Specified Assets				
Accumulated Assets for Operating Costs	200,464,000	—	200,464,000	—
Assets for the Fund	500,000,000	500,000,000	—	—
Total	700,464,000	500,000,000	200,464,000	—

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 10,669,531,503,838 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

Concluded.