

Balance Sheet
As of March 31, 2017

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
I. Assets			
1. Current Assets			
Cash and Deposits	61,935,534	62,782,128	-846,594
Accounts receivable	392,589	260,807	131,782
Consumption taxes receivable	1,774,400	0	1,774,400
Prepayments	1,512,972	4,320	1,508,652
Total Current Assets	65,615,495	63,047,255	2,568,240
2. Fixed Assets			
(1) Specified Assets			
Accumulated Assets for Operating Costs	72,119,000	200,464,000	-128,345,000
Assets for the Fund	500,000,000	500,000,000	0
Total specified assets	572,119,000	700,464,000	-128,345,000
(2) Other Fixed Assets			
Buildings	2,059,547	2,059,547	0
Cumulative depreciation of buildings (-)	-1,358,418	-1,217,857	-140,561
Furniture, Fixtures and Equipment	1,361,456	1,361,456	0
Accumulated Depreciation of Furniture, Fixtures and Equipment (-)	-982,000	-905,928	-76,072
Software	0	318,194	-318,194
Long-term guarantee deposits	6,284,400	0	6,284,400
Total Other Fixed Assets	7,364,985	1,615,412	5,749,573
Total Fixed Assets	579,483,985	702,079,412	-122,595,427
Total assets	645,099,480	765,126,667	-120,027,187
II. Liabilities			
1. Current Liabilities			
Accounts Payable - Other	16,694,705	11,856,426	4,838,279
Income Taxes Payable	70,000	70,000	0
Accrued consumption taxes	0	10,951,700	-10,951,700
Deposits Taken	0	12,047	-12,047
Total Current Liabilities	16,764,705	22,890,173	-6,125,468
2. Long-term Liabilities			
Allowance for Relocation Work Expenses	4,504,148	3,672,613	831,535
Total Long-term Liabilities	4,504,148	3,672,613	831,535
Total Liabilities	21,268,853	26,562,786	-5,293,933
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	123,830,627	238,563,881	-114,733,254
(Amount allocated to Specified Assets)	(72,119,000)	(200,464,000)	(-128,345,000)
Total Net Assets	623,830,627	738,563,881	-114,733,254
Total Liabilities and Net Assets	645,099,480	765,126,667	-120,027,187

Statement of Changes in Net Assets
April 1, 2016 to March 31, 2017

(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	371,320,000	361,471,000	9,849,000
(Expense Contributions)	(371,320,000)	(361,471,000)	(9,849,000)
Operating Expense Contributions	371,320,000	361,471,000	9,849,000
Enrollment Fees	0	72,820,000	-72,820,000
Enrollment Fees	0	72,820,000	-72,820,000
Revenue from Management of Specified Assets	41,443	144,797	-103,354
Interest Received from Specified Assets	41,443	144,797	-103,354
Miscellaneous Revenue	1,077,742	1,233,805	-156,063
(Miscellaneous Revenue)	(1,077,742)	(1,233,805)	(-156,063)
Interest Received	530	8,424	-7,894
Miscellaneous Revenue	1,077,212	1,225,381	-148,169
Contribution received	15,902,331	0	15,902,331
Contribution received	15,902,331	0	15,902,331
Total Ordinary Revenue	388,341,516	435,669,602	-47,328,086
(2) Ordinary Expenses			
Operating Expenses	285,830,953	258,962,772	26,868,181
(Personnel Expenses)	(186,683,318)	(171,056,524)	(15,626,794)
Payroll allowance	176,917,068	162,238,034	14,679,034
Retirement benefit expenses	9,766,250	8,818,490	947,760
(Public Relations Expenses)	(1,520,700)	(742,100)	(778,600)
Public Relations Expenses	1,520,700	742,100	778,600
(Membership and Meeting Expenses)	(2,691,635)	(2,836,731)	(-145,096)
Membership Expenses	50,000	100,000	-50,000
Meeting Expenses	2,641,635	2,736,731	-95,096
(Business Expenses)	(50,184,075)	(45,963,138)	(4,220,937)
Travel and Transportation Expenses	6,075,621	2,256,884	3,818,737
Communication and Transport Expenses	38,452,378	38,964,343	-511,965
Printing and Binding Expenses	4,247,750	3,841,829	405,921
Consumable Supplies Expenses	1,188,007	682,265	505,742
Books and Newspaper Expenses	220,319	217,817	2,502
(Outsourcing Expenses)	(2,526,900)	(1,122,400)	(1,404,500)
Outsourcing Expenses	2,526,900	1,122,400	1,404,500
(Asset Management Expenses)	(3,354,503)	(3,827,869)	(-473,366)
Rental Fees	1,761,261	1,727,876	33,385
Repair Costs	226,880	187,400	39,480
Depreciation	216,633	317,393	-100,760
Software depreciation	318,194	763,665	-445,471
Provision of Allowance for Relocation Work Expenses	831,535	831,535	0
(Taxes and Dues)	(29,200)	(30,800)	(-1,600)
Taxes and Dues	29,200	30,800	-1,600
(Miscellaneous Expenses)	(38,840,622)	(33,383,210)	(5,457,412)
Miscellaneous stipends	34,093,319	28,696,902	5,396,417
Miscellaneous Expenses	4,747,303	4,686,308	60,995
Administrative Expenses	217,173,817	172,753,517	44,420,300
(Personnel Expenses)	(162,397,071)	(145,661,321)	(16,735,750)
Payroll allowance	154,472,401	138,662,711	15,809,690
Retirement benefit expenses	7,924,670	6,998,610	926,060
(Public Relations Expenses)	(281,250)	(0)	(281,250)
Public Relations Expenses	281,250	0	281,250
(Business Expenses)	(5,777,536)	(2,896,836)	(2,880,700)
Travel and Transportation Expenses	34,371	4,583	29,788
Communication and Transport Expenses	4,907,262	2,329,706	2,577,556
Printing and Binding Expenses	253,800	105,000	148,800
Consumable Supplies Expenses	582,103	442,745	139,358
Books and Newspaper Expenses	0	14,802	-14,802
(Outsourcing Expenses)	(7,227,800)	(5,967,600)	(1,260,200)
Outsourcing Expenses	7,227,800	5,967,600	1,260,200

Item	Current fiscal year	Previous fiscal year	Change
(Asset Management Expenses)	(16,517,387)	(9,839,069)	(6,678,318)
Rental Fees	15,988,669	9,291,949	6,696,720
Repair Costs	528,718	547,120	-18,402
(Taxes and Dues)	(82,274)	(51,510)	(30,764)
Taxes and Dues	82,274	51,510	30,764
(Miscellaneous Expenses)	(8,988,168)	(8,337,181)	(650,987)
Training expenses	1,743,275	1,185,686	557,589
Miscellaneous stipends	6,457,481	6,469,810	-12,329
Miscellaneous Expenses	787,412	681,685	105,727
(Office transfer expenses contributions)	(15,902,331)	(0)	(15,902,331)
Office transfer expenses contributions	15,902,331	0	15,902,331
Total Ordinary Expenses	503,004,770	431,716,289	71,288,481
Changes in Ordinary Expenses during the Current Year	-114,663,254	3,953,313	-118,616,567
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	0	145,139	-145,139
Loss on retirement of building	0	77,710	-77,710
Loss on retirement of Furniture, Fixtures and Equipment	0	67,429	-67,429
Total Non-recurring Expenses	0	145,139	-145,139
Changes in Non-recurring Expenses during the Current Year	0	-145,139	145,139
Changes in General Net Assets during the Current Year Before Taxes	-114,663,254	3,808,174	-118,471,428
Income Tax, Resident Tax, and Business Tax	70,000	70,000	0
Changes in General Net Assets during the Current Year	-114,733,254	3,738,174	-118,471,428
Beginning Balance of Net Assets	238,563,881	234,825,707	3,738,174
Ending Balance of Net Assets	123,830,627	238,563,881	-114,733,254
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	623,830,627	738,563,881	-114,733,254

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	200,464,000	0	128,345,000	72,119,000
Assets for the Fund	500,000,000	0	0	500,000,000
Total	700,464,000	0	128,345,000	572,119,000

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	72,119,000	—	72,119,000	—
Assets for the Fund	500,000,000	500,000,000	—	—
Total	572,119,000	500,000,000	72,119,000	—

4. Cash and Marketable securities held as collateral

1,697,409,822,000 yen in Cash and 8,797,740,374,988 yen (the market value at the end of the current year) in Marketable securities are held from member financial institutions as collateral in accordance with the Domestic Fund Transfer System.

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.