

Balance Sheet
As of March 31, 2018

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
I. Assets			
1. Current Assets			
Cash and Deposits	89,697,568	61,935,534	27,762,034
Accounts receivable	10,000	392,589	-382,589
Consumption taxes receivable	0	1,774,400	-1,774,400
Prepayments	2,031,912	1,512,972	518,940
Total Current Assets	91,739,480	65,615,495	26,123,985
2. Fixed Assets			
(1) Specified Assets			
Accumulated Assets for Operating Costs	23,480,000	72,119,000	-48,639,000
Assets for the Fund	500,000,000	500,000,000	0
Total specified assets	523,480,000	572,119,000	-48,639,000
(2) Other Fixed Assets			
Buildings	2,059,547	2,059,547	0
Cumulative depreciation of buildings (-)	-1,475,504	-1,358,418	-117,086
Furniture, Fixtures and Equipment	1,361,456	1,361,456	0
Accumulated Depreciation of Furniture, Fixtures and Equipment (-)	-1,045,368	-982,000	-63,368
Long-term guarantee deposits	6,284,400	6,284,400	0
Total Other Fixed Assets	7,184,531	7,364,985	-180,454
Total Fixed Assets	530,664,531	579,483,985	-48,819,454
Total assets	622,404,011	645,099,480	-22,695,469
II. Liabilities			
1. Current Liabilities			
Accounts Payable - Other	26,946,329	16,694,705	10,251,624
Income Taxes Payable	70,000	70,000	0
Accrued consumption taxes	14,693,000	0	14,693,000
Deposits Taken	214,410	0	214,410
Total Current Liabilities	41,923,739	16,764,705	25,159,034
2. Long-term Liabilities			
Allowance for Relocation Work Expenses	5,335,683	4,504,148	831,535
Total Long-term Liabilities	5,335,683	4,504,148	831,535
Total Liabilities	47,259,422	21,268,853	25,990,569
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	75,144,589	123,830,627	-48,686,038
(Amount allocated to Specified Assets)	(23,480,000)	(72,119,000)	(-48,639,000)
Total Net Assets	575,144,589	623,830,627	-48,686,038
Total Liabilities and Net Assets	622,404,011	645,099,480	-22,695,469

Statement of Changes in Net Assets

April 1, 2017 to March 31, 2018

(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	514,348,000	371,320,000	143,028,000
(Expense Contributions)	(514,348,000)	(371,320,000)	(143,028,000)
Operating Expense Contributions	514,348,000	371,320,000	143,028,000
Revenue from Management of Specified Assets	34,778	41,443	-6,665
Interest Received from Specified Assets	34,778	41,443	-6,665
Miscellaneous Revenue	596,643	1,077,742	-481,099
(Miscellaneous Revenue)	(596,643)	(1,077,742)	(-481,099)
Interest Received	586	530	56
Miscellaneous Revenue	596,057	1,077,212	-481,155
Contribution received	0	15,902,331	-15,902,331
Contribution received	0	15,902,331	-15,902,331
Total Ordinary Revenue	514,979,421	388,341,516	126,637,905
(2) Ordinary Expenses			
Operating Expenses	319,174,380	285,830,953	33,343,427
(Personnel Expenses)	(201,577,768)	(186,683,318)	(14,894,450)
Payroll allowance	191,259,018	176,917,068	14,341,950
Retirement benefit expenses	10,318,750	9,766,250	552,500
(Public Relations Expenses)	(1,270,100)	(1,520,700)	(-250,600)
Public Relations Expenses	1,270,100	1,520,700	-250,600
(Membership and Meeting Expenses)	(2,635,651)	(2,691,635)	(-55,984)
Membership Expenses	50,000	50,000	0
Meeting Expenses	2,585,651	2,641,635	-55,984
(Business Expenses)	(52,725,668)	(50,184,075)	(2,541,593)
Travel and Transportation Expenses	8,504,044	6,075,621	2,428,423
Communication and Transport Expenses	38,741,407	38,452,378	289,029
Printing and Binding Expenses	4,781,258	4,247,750	533,508
Consumable Supplies Expenses	468,795	1,188,007	-719,212
Books and Newspaper Expenses	230,164	220,319	9,845
(Outsourcing Expenses)	(629,200)	(2,526,900)	(-1,897,700)
Outsourcing Expenses	629,200	2,526,900	-1,897,700
(Asset Management Expenses)	(2,710,394)	(3,354,503)	(-644,109)
Rental Fees	1,648,405	1,761,261	-112,856
Repair Costs	50,000	226,880	-176,880
Depreciation	180,454	216,633	-36,179
Software depreciation	0	318,194	-318,194
Provision of Allowance for Relocation Work Expenses	831,535	831,535	0
(Taxes and Dues)	(20,000)	(29,200)	(-9,200)
Taxes and Dues	20,000	29,200	-9,200
(Miscellaneous Expenses)	(57,605,599)	(38,840,622)	(18,764,977)
Miscellaneous stipends	51,492,267	34,093,319	17,398,948
Miscellaneous Expenses	6,113,332	4,747,303	1,366,029
Administrative Expenses	244,421,079	217,173,817	27,247,262
(Personnel Expenses)	(207,032,797)	(162,397,071)	(44,635,726)
Payroll allowance	197,151,575	154,472,401	42,679,174
Retirement benefit expenses	9,881,222	7,924,670	1,956,552
(Public Relations Expenses)	(210,000)	(281,250)	(Δ71,250)
Public Relations Expenses	210,000	281,250	-71,250
(Business Expenses)	(5,675,128)	(5,777,536)	(Δ102,408)
Travel and Transportation Expenses	2,752	34,371	-31,619
Communication and Transport Expenses	5,164,724	4,907,262	257,462
Printing and Binding Expenses	90,600	253,800	-163,200
Consumable Supplies Expenses	417,052	582,103	-165,051
(Outsourcing Expenses)	(7,425,800)	(7,227,800)	(198,000)
Outsourcing Expenses	7,425,800	7,227,800	198,000
(Asset Management Expenses)	(15,690,534)	(16,517,387)	(Δ826,853)
Building Management Expenses	900,919	0	900,919
Rental Fees	14,441,829	15,988,669	-1,546,840

Item	Current fiscal year	Previous fiscal year	Change
Repair Costs	339,896	528,718	-188,822
Insurance expenses	7,890	0	7,890
(Taxes and Dues)	(224,275)	(82,274)	(142,001)
Taxes and Dues	224,275	82,274	142,001
(Miscellaneous Expenses)	(8,162,545)	(8,988,168)	(Δ825,623)
Training expenses	920,576	1,743,275	-822,699
Miscellaneous stipends	6,414,381	6,457,481	-43,100
Miscellaneous Expenses	827,588	787,412	40,176
(Office transfer expenses contributions)	(0)	(15,902,331)	(Δ15,902,331)
Office transfer expenses contributions	0	15,902,331	-15,902,331
Total Ordinary Expenses	563,595,459	503,004,770	60,590,689
Changes in Ordinary Expenses during the Current Year	-48,616,038	-114,663,254	66,047,216
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 Year	0	0	0
Changes in General Net Assets during the Current Year Before Taxes	-48,616,038	-114,663,254	66,047,216
Income Tax, Resident Tax, and Business Tax	70,000	70,000	0
Changes in General Net Assets during the Current Year	-48,686,038	-114,733,254	66,047,216
Beginning Balance of Net Assets	123,830,627	238,563,881	-114,733,254
Ending Balance of Net Assets	75,144,589	123,830,627	-48,686,038
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	575,144,589	623,830,627	-48,686,038

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	72,119,000	0	48,639,000	23,480,000
Assets for the Fund	500,000,000	0	0	500,000,000
Total	572,119,000	0	48,639,000	523,480,000

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	23,480,000	—	23,480,000	—
Assets for the Fund	500,000,000	500,000,000	—	—
Total	523,480,000	500,000,000	23,480,000	—

4. Cash and Marketable securities held as collateral

7,274,901,145,000 yen in Cash and 3,782,497,663,248 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.