

**Balance Sheet**  
As of March 31, 2019

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
<b>I. Assets</b>			
1. Current Assets			
Cash and Deposits	112,437,361	89,697,568	22,739,793
Accounts receivable	0	10,000	-10,000
Prepayments	1,509,912	2,031,912	-522,000
Total Current Assets	113,947,273	91,739,480	22,207,793
2. Fixed Assets			
(1) Specified Assets			
Accumulated Assets for Operating Costs	199,360,000	23,480,000	175,880,000
Assets for the Fund	500,000,000	500,000,000	0
Total specified assets	699,360,000	523,480,000	175,880,000
(2) Other Fixed Assets			
Buildings	4,168,847	2,059,547	2,109,300
Cumulative depreciation of buildings (-)	-2,451,911	-1,475,504	-976,407
Furniture, Fixtures and Equipment	3,022,456	1,361,456	1,661,000
Accumulated Depreciation of Furniture, Fixtures and Equipment (-)	-1,190,199	-1,045,368	-144,831
Long-term guarantee deposits	6,284,400	6,284,400	0
Total Other Fixed Assets	9,833,593	7,184,531	2,649,062
Total Fixed Assets	709,193,593	530,664,531	178,529,062
Total assets	823,140,866	622,404,011	200,736,855
<b>II. Liabilities</b>			
1. Current Liabilities			
Accounts Payable - Other	17,650,781	26,946,329	-9,295,548
Income Taxes Payable	70,000	70,000	0
Accrued consumption taxes	28,230,900	14,693,000	13,537,900
Deposits Taken	8,984	214,410	-205,426
Total Current Liabilities	45,960,665	41,923,739	4,036,926
2. Long-term Liabilities			
Allowance for Relocation Work Expenses	6,167,218	5,335,683	831,535
Total Long-term Liabilities	6,167,218	5,335,683	831,535
Total Liabilities	52,127,883	47,259,422	4,868,461
<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	271,012,983	75,144,589	195,868,394
(Amount allocated to Specified Assets)	(199,360,000)	(23,480,000)	(175,880,000)
Total Net Assets	771,012,983	575,144,589	195,868,394
Total Liabilities and Net Assets	823,140,866	622,404,011	200,736,855

Statement of Changes in Net Assets  
April 1, 2018 to March 31, 2019

(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>			
(1) Ordinary Revenue			
Membership Dues	606,345,000	514,348,000	91,997,000
(Expense Contributions)	(606,345,000)	(514,348,000)	(91,997,000)
Operating Expense Contributions	606,345,000	514,348,000	91,997,000
Enrollment Fees	175,880,000	0	175,880,000
Enrollment Fees	175,880,000	0	175,880,000
Revenue from Management of Specified Assets	44,025	34,778	9,247
Interest Received from Specified Assets	44,025	34,778	9,247
Miscellaneous Revenue	1,237,260	596,643	640,617
(Miscellaneous Revenue)	(1,237,260)	(596,643)	(640,617)
Interest Received	981	586	395
Miscellaneous Revenue	1,236,279	596,057	640,222
Total Ordinary Revenue	783,506,285	514,979,421	268,526,864
(2) Ordinary Expenses			
Operating Expenses	344,201,950	319,174,380	25,027,570
(Personnel Expenses)	(241,409,100)	(201,577,768)	(39,831,332)
Payroll allowance	229,977,310	191,259,018	38,718,292
Retirement benefit expenses	11,431,790	10,318,750	1,113,040
(Public Relations Expenses)	(1,176,100)	(1,270,100)	(-94,000)
Public Relations Expenses	1,176,100	1,270,100	-94,000
(Membership and Meeting Expenses)	(2,024,228)	(2,635,651)	(-611,423)
Membership Expenses	50,000	50,000	0
Meeting Expenses	1,974,228	2,585,651	-611,423
(Business Expenses)	(50,236,753)	(52,725,668)	(-2,488,915)
Travel and Transportation Expenses	5,051,006	8,504,044	-3,453,038
Communication and Transport Expenses	38,821,676	38,741,407	80,269
Printing and Binding Expenses	4,696,398	4,781,258	-84,860
Consumable Supplies Expenses	1,461,166	468,795	992,371
Books and Newspaper Expenses	206,507	230,164	-23,657
(Outsourcing Expenses)	(5,599,200)	(629,200)	(4,970,000)
Outsourcing Expenses	5,599,200	629,200	4,970,000
(Asset Management Expenses)	(5,482,663)	(2,710,394)	(2,772,269)
Rental Fees	3,262,326	1,648,405	1,613,921
Repair Costs	267,564	50,000	217,564
Depreciation	1,121,238	180,454	940,784
Provision of Allowance for Relocation Work Expenses	831,535	831,535	0
(Taxes and Dues)	(37,600)	(20,000)	(17,600)
Taxes and Dues	37,600	20,000	17,600
(Miscellaneous Expenses)	(38,236,306)	(57,605,599)	(-19,369,293)
Miscellaneous stipends	30,536,238	51,492,267	-20,956,029
Miscellaneous Expenses	7,700,068	6,113,332	1,586,736
Administrative Expenses	243,365,941	244,421,079	-1,055,138
(Personnel Expenses)	(196,841,758)	(207,032,797)	(-10,191,039)
Payroll allowance	187,419,332	197,151,575	-9,732,243
Retirement benefit expenses	9,422,426	9,881,222	-458,796
(Public Relations Expenses)	(6,159,000)	(210,000)	(5,949,000)
Public Relations Expenses	6,159,000	210,000	5,949,000
(Business Expenses)	(5,647,830)	(5,675,128)	(-27,298)
Travel and Transportation Expenses	2,753	2,752	1
Communication and Transport Expenses	4,960,831	5,164,724	-203,893
Printing and Binding Expenses	124,500	90,600	33,900
Consumable Supplies Expenses	559,746	417,052	142,694
(Outsourcing Expenses)	(8,612,800)	(7,425,800)	(1,187,000)
Outsourcing Expenses	8,612,800	7,425,800	1,187,000
(Asset Management Expenses)	(17,885,006)	(15,690,534)	(2,194,472)
Building Management Expenses	1,149,865	900,919	248,946
Rental Fees	15,720,058	14,441,829	1,278,229

Item	Current fiscal year	Previous fiscal year	Change
Repair Costs	995,323	339,896	655,427
Insurance expenses	19,760	7,890	11,870
(Taxes and Dues)	(464,659)	(224,275)	(240,384)
Taxes and Dues	464,659	224,275	240,384
(Miscellaneous Expenses)	(7,754,888)	(8,162,545)	(-407,657)
Training expenses	504,745	920,576	-415,831
Miscellaneous stipends	6,518,489	6,414,381	104,108
Miscellaneous Expenses	731,654	827,588	-95,934
Total Ordinary Expenses	587,567,891	563,595,459	23,972,432
Changes in Ordinary Expenses during the Current Year	195,938,394	-48,616,038	244,554,432
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	195,938,394	-48,616,038	244,554,432
Income Tax, Resident Tax, and Business Tax	70,000	70,000	0
Changes in General Net Assets during the Current Year	195,868,394	-48,686,038	244,554,432
Beginning Balance of Net Assets	75,144,589	123,830,627	-48,686,038
Ending Balance of Net Assets	271,012,983	75,144,589	195,868,394
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	771,012,983	575,144,589	195,868,394

## 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. However, the straight-line method is applied to equipment attached to buildings and structures acquired on or after April 1, 2016.

##### 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 2019), 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	23,480,000	175,880,000	0	199,360,000
Assets for the Fund	500,000,000	0	0	500,000,000
Total	523,480,000	175,880,000	0	699,360,000

### 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	199,360,000	---	199,360,000	---
Assets for the Fund	500,000,000	500,000,000	---	---
Total	699,360,000	500,000,000	199,360,000	---

4. Cash and Marketable securities held as collateral

7,912,673,850,000 yen in Cash and 1,671,527,481,839yen (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.