

**Balance Sheet**  
As of March 31, 2020

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
<b>I. Assets</b>			
1. Current Assets			
Cash and Deposits	64,949,004	112,437,361	-47,488,357
Consumption taxes receivable	5,217,200	0	5,217,200
Prepayments	6,961,182	1,509,912	5,451,270
Suspense payments	99,255	0	99,255
Total Current Assets	77,226,641	113,947,273	-36,720,632
2. Fixed Assets			
(1) Specified Assets			
Accumulated Assets for Operating Costs	169,360,000	199,360,000	-30,000,000
Assets for the Fund	500,000,000	500,000,000	0
Total specified assets	669,360,000	699,360,000	-30,000,000
(2) Other Fixed Assets			
Buildings	3,781,960	4,168,847	-386,887
Cumulative depreciation of buildings (-)	-2,015,851	-2,451,911	436,060
Furniture, Fixtures and Equipment	9,505,960	3,022,456	6,483,504
Accumulated Depreciation of Furniture, Fixtures and Equipment (-)	-2,434,881	-1,190,199	-1,244,682
Long-term guarantee deposits	6,284,400	6,284,400	0
Total Other Fixed Assets	15,121,588	9,833,593	5,287,995
Total Fixed Assets	684,481,588	709,193,593	-24,712,005
Total assets	761,708,229	823,140,866	-61,432,637
<b>II. Liabilities</b>			
1. Current Liabilities			
Accounts Payable - Other	14,159,261	17,650,781	-3,491,520
Income Taxes Payable	70,000	70,000	0
Accrued consumption taxes	0	28,230,900	-28,230,900
Deposits Taken	18,378	8,984	9,394
Total Current Liabilities	14,247,639	45,960,665	-31,713,026
2. Long-term Liabilities			
Allowance for Relocation Work Expenses	15,840,073	6,167,218	9,672,855
Total Long-term Liabilities	15,840,073	6,167,218	9,672,855
Total Liabilities	30,087,712	52,127,883	-22,040,171
<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	231,620,517	271,012,983	-39,392,466
(Amount allocated to Specified Assets)	(169,360,000)	(199,360,000)	(-30,000,000)
Total Net Assets	731,620,517	771,012,983	-39,392,466
Total Liabilities and Net Assets	761,708,229	823,140,866	-61,432,637

Statement of Changes in Net Assets  
April 1, 2019 to March 31, 2020

(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	526,159,000	606,345,000	-80,186,000
(Expense Contributions)	(526,159,000)	(606,345,000)	(Δ80,186,000)
Operating Expense Contributions	526,159,000	606,345,000	-80,186,000
Enrollment Fees	0	175,880,000	-175,880,000
Enrollment Fees	0	175,880,000	-175,880,000
Revenue from Management of Specified Assets	1,874	44,025	-42,151
Interest Received from Specified Assets	1,874	44,025	-42,151
Miscellaneous Revenue	403,269	1,237,260	-833,991
(Miscellaneous Revenue)	(403,269)	(1,237,260)	(-833,991)
Interest Received	803	981	-178
Miscellaneous Revenue	402,466	1,236,279	-833,813
<b>Total Ordinary Revenue</b>	<b>526,564,143</b>	<b>783,506,285</b>	<b>-256,942,142</b>
<b>(2) Ordinary Expenses</b>			
Operating Expenses	324,251,814	344,201,950	-19,950,136
(Personnel Expenses)	(209,717,920)	(241,409,100)	(-31,691,180)
Payroll allowance	199,383,798	229,977,310	-30,593,512
Retirement benefit expenses	10,334,122	11,431,790	-1,097,668
(Public Relations Expenses)	(5,157,500)	(1,176,100)	(3,981,400)
Public Relations Expenses	5,157,500	1,176,100	3,981,400
(Membership and Meeting Expenses)	(2,970,497)	(2,024,228)	(946,269)
Membership Expenses	50,000	50,000	0
Meeting Expenses	2,920,497	1,974,228	946,269
(Property Expenses)	(86,287,682)	(61,318,616)	(24,969,066)
Travel and Transportation Expenses	3,683,766	5,051,006	-1,367,240
Communication and Transport Expenses	39,898,854	38,821,676	1,077,178
Printing and Binding Expenses	2,976,984	4,696,398	-1,719,414
Consumable Supplies Expenses	1,896,614	1,461,166	435,448
Books and Newspaper Expenses	189,613	206,507	-16,894
Outsourcing Expenses	10,281,900	5,599,200	4,682,700
Rental Fees	3,401,882	3,262,326	139,556
Repair Costs	5,197,119	267,564	4,929,555
Depreciation	2,435,812	1,121,238	1,314,574
Provision of Allowance for Relocation Work Expenses	16,325,138	831,535	15,493,603
(Taxes and Dues・Miscellaneous Expenses)	(20,118,215)	(38,273,906)	(-18,155,691)
Taxes and Dues	27,000	37,600	-10,600
Miscellaneous stipends	9,741,108	30,536,238	-20,795,130
Miscellaneous Expenses	10,350,107	7,700,068	2,650,039
Administrative Expenses	241,202,438	243,365,941	-2,163,503
(Personnel Expenses)	(192,167,636)	(196,841,758)	(-4,674,122)
Payroll allowance	181,726,700	187,419,332	-5,692,632
Retirement benefit expenses	10,440,936	9,422,426	1,018,510
(Public Relations Expenses)	(2,017,429)	(6,159,000)	(Δ4,141,571)
Public Relations Expenses	2,017,429	6,159,000	-4,141,571
(Property Expenses)	(35,190,820)	(32,145,636)	(3,045,184)
Travel and Transportation Expenses	81,411	2,753	78,658
Communication and Transport Expenses	5,315,548	4,960,831	354,717
Printing and Binding Expenses	136,800	124,500	12,300
Consumable Supplies Expenses	1,325,272	559,746	765,526
Books and Newspaper Expenses	11,040	0	11,040
Outsourcing Expenses	9,293,800	8,612,800	681,000
Building Management Expenses	839,605	1,149,865	-310,260
Rental Fees	15,773,860	15,720,058	53,802
Repair Costs	2,233,121	995,323	1,237,798
Utilities expense	160,603	0	160,603
Insurance expenses	19,760	19,760	0

Item	Current fiscal year	Previous fiscal year	Change
(Taxes and Dues *Miscellaneous Expenses)	(11,826,553)	(8,219,547)	(3,607,006)
Taxes and Dues	590,694	464,659	126,035
Training expenses	548,577	504,745	43,832
Miscellaneous stipends	10,000,000	6,518,489	3,481,511
Miscellaneous Expenses	687,282	731,654	-44,372
Total Ordinary Expenses	565,454,252	587,567,891	-22,113,639
Changes in Ordinary Expenses during the Current Year	-38,890,109	195,938,394	-234,828,503
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 noncurrent assets	432,357	0	432,357
Loss on retirement of buildings	432,357	0	432,357
Total Non-recurring Expenses	432,357	0	432,357
Changes in Non-recurring Expenses during the Current Year	-432,357	0	-432,357
Changes in General Net Assets during the Current Year Before Taxes	-39,322,466	195,938,394	-235,260,860
Income Tax, Resident Tax, and Business Tax	70,000	70,000	0
Changes in General Net Assets during the Current Year	-39,392,466	195,868,394	-235,260,860
Beginning Balance of Net Assets	271,012,983	75,144,589	195,868,394
Ending Balance of Net Assets	231,620,517	271,012,983	-39,392,466
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	731,620,517	771,012,983	-39,392,466

## 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 is applied.

##### 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 allowance is estimated from the costs required for removal work in the current Zengin Centers as a point of closing the 7th Zengin system contract (planned for November 2027) that started in November 2019.

#### (3) Accounting treatment of consumption tax, etc.

The tax exclusion method is applied.

### 2. Change in specified assets and respective balances

Changes in the 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	199,360,000	0	30,000,000	169,360,000
Assets for the Fund	500,000,000	0	0	500,000,000
Total	699,360,000	0	30,000,000	669,360,000

### 3. Breakdown of the 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	169,360,000	---	169,360,000	---
Assets for the Fund	500,000,000	500,000,000	---	---
Total	669,360,000	500,000,000	169,360,000	---

4. Cash and Marketable securities held as collateral

8,213,615,390,000 yen in Cash and 616,667,254,925 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 respective 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