

Balance Sheet
As of March 31, 2021

(Yen)

Item	Current fiscal year	Previous fiscal year	Change
I. Assets			
1. Current Assets			
Cash and Deposits	108,833,250	64,949,004	43,884,246
Consumption taxes receivable	0	5,217,200	-5,217,200
Prepayments	4,514,465	6,961,182	-2,446,717
Suspense payments	0	99,255	-99,255
Total Current Assets	113,347,715	77,226,641	36,121,074
2. Fixed Assets			
(1) Specified Assets			
Accumulated Assets for Operating Costs	138,640,000	169,360,000	-30,720,000
Assets for the Fund	500,000,000	500,000,000	0
Total specified assets	638,640,000	669,360,000	-30,720,000
(2) Other Fixed Assets			
Buildings	1,672,660	3,781,960	-2,109,300
Cumulative depreciation of buildings (-)	-181,303	-2,015,851	1,834,548
Furniture, Fixtures and Equipment	11,927,385	9,505,960	2,421,425
Accumulated Depreciation of Furniture, Fixtures and Equipment (-)	-3,246,692	-2,434,881	-811,811
Software assets	2,261,667	0	2,261,667
Long-term guarantee deposits	0	6,284,400	-6,284,400
Total Other Fixed Assets	12,433,717	15,121,588	-2,687,871
Total Fixed Assets	651,073,717	684,481,588	-33,407,871
Total assets	764,421,432	761,708,229	2,713,203
II. Liabilities			
1. Current Liabilities			
Accounts Payable - Other	28,734,261	14,159,261	14,575,000
Income Taxes Payable	70,000	70,000	0
Accrued consumption taxes	8,393,100	0	8,393,100
Deposits Taken	0	18,378	-18,378
Total Current Liabilities	37,197,361	14,247,639	22,949,722
2. Long-term Liabilities			
Allowance for Relocation Work Expenses	15,840,073	15,840,073	0
Total Long-term Liabilities	15,840,073	15,840,073	0
Total Liabilities	53,037,434	30,087,712	22,949,722
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	211,383,998	231,620,517	-20,236,519
(Amount allocated to Specified Assets)	(138,640,000)	(169,360,000)	(-30,720,000)
Total Net Assets	711,383,998	731,620,517	-20,236,519
Total Liabilities and Net Assets	764,421,432	761,708,229	2,713,203

Statement of Changes in Net Assets
April 1, 2020 to March 31, 2021

(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	419,467,000	526,159,000	-106,692,000
(Expense Contributions)	(419,467,000)	(526,159,000)	(Δ106,692,000)
Operating Expense Contributions	419,467,000	526,159,000	-106,692,000
Enrollment Fees	64,650,000	0	64,650,000
Enrollment Fees	64,650,000	0	64,650,000
Revenue from Management of Specified Assets	35,781	1,874	33,907
Interest Received from Specified Assets	35,781	1,874	33,907
Miscellaneous Revenue	1,132,647	403,269	729,378
(Miscellaneous Revenue)	(1,132,647)	(403,269)	(729,378)
Interest Received	140	803	-663
Miscellaneous Revenue	1,132,507	402,466	730,041
Total Ordinary Revenue	485,285,428	526,564,143	-41,278,715
(2) Ordinary Expenses			
Operating Expenses	287,828,418	324,251,814	-36,423,396
(Personnel Expenses)	(196,443,996)	(209,717,920)	(-13,273,924)
Payroll allowance	184,888,656	199,383,798	-14,495,142
Retirement benefit expenses	11,555,340	10,334,122	1,221,218
(Public Relations Expenses)	(11,386,100)	(5,157,500)	(6,228,600)
Public Relations Expenses	11,386,100	5,157,500	6,228,600
(Membership and Meeting Expenses)	(2,404,502)	(2,970,497)	(-565,995)
Membership Expenses	50,000	50,000	0
Meeting Expenses	2,354,502	2,920,497	-565,995
(Property Expenses)	(59,290,792)	(86,287,682)	(-26,996,890)
Travel and Transportation Expenses	610,479	3,683,766	-3,073,287
Communication and Transport Expenses	39,220,109	39,898,854	-678,745
Printing and Binding Expenses	3,199,018	2,976,984	222,034
Consumable Supplies Expenses	658,362	1,896,614	-1,238,252
Books and Newspaper Expenses	237,548	189,613	47,935
Outsourcing Expenses	10,401,600	10,281,900	119,700
Rental Fees	3,179,185	3,401,882	-222,697
Repair Costs	330,425	5,197,119	-4,866,694
Depreciation	1,415,733	2,435,812	-1,020,079
Software depreciation	38,333	0	38,333
Provision of Allowance for Relocation Work Expenses	0	16,325,138	-16,325,138
(Taxes and Dues・Miscellaneous Expenses)	(18,303,028)	(20,118,215)	(-1,815,187)
Taxes and Dues	28,000	27,000	1,000
Miscellaneous stipends	10,930,533	9,741,108	1,189,425
Miscellaneous Expenses	7,344,495	10,350,107	-3,005,612
 Administrative Expenses	 217,623,524	 241,202,438	 -23,578,914
(Personnel Expenses)	(165,795,296)	(192,167,636)	(-26,372,340)
Payroll allowance	156,412,796	181,726,700	-25,313,904
Retirement benefit expenses	9,382,500	10,440,936	-1,058,436
(Public Relations Expenses)	(2,019,966)	(2,017,429)	(2,537)
Public Relations Expenses	2,019,966	2,017,429	2,537
(Property Expenses)	(35,112,693)	(35,190,820)	(-78,127)
Travel and Transportation Expenses	0	81,411	-81,411
Communication and Transport Expenses	4,524,023	5,315,548	-791,525
Printing and Binding Expenses	172,200	136,800	35,400
Consumable Supplies Expenses	1,418,418	1,325,272	93,146
Books and Newspaper Expenses	4,323	11,040	-6,717
Outsourcing Expenses	9,280,616	9,293,800	-13,184
Building Management Expenses	882,495	839,605	42,890
Rental Fees	17,867,731	15,773,860	2,093,871
Repair Costs	771,819	2,233,121	-1,461,302
Utilities expense	176,109	160,603	15,506

Item	Current fiscal year	Previous fiscal year	Change
Insurance expenses	14,959	19,760	-4,801
(Taxes and Dues • Miscellaneous Expenses)	(11,472,296)	(11,826,553)	(-354,257)
Taxes and Dues	343,276	590,694	-247,418
Training expenses	312,764	548,577	-235,813
Miscellaneous stipends	10,200,000	10,000,000	200,000
Miscellaneous Expenses	616,256	687,282	-71,026
(Office transfer expenses contributions)	(3,223,273)	(0)	(3,223,273)
Office transfer expenses contributions	3,223,273	0	3,223,273
Total Ordinary Expenses	505,451,942	565,454,252	-60,002,310
Changes in Ordinary Expenses during the Current Year	-20,166,514	-38,890,109	18,723,595
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	5	432,357	-432,352
Loss on retirement of buildings	4	432,357	-432,353
Loss on retirement of Furniture, Fixtures and Equipment	1	0	1
Total Non-recurring Expenses	5	432,357	-432,352
Changes in Non-recurring Expenses during the Current Year	-5	-432,357	432,352
Changes in General Net Assets during the Current Year Before Taxes	-20,166,519	-39,322,466	19,155,947
Income Tax, Resident Tax, and Business Tax	70,000	70,000	0
Changes in General Net Assets during the Current Year	-20,236,519	-39,392,466	19,155,947
Beginning Balance of Net Assets	231,620,517	271,012,983	-39,392,466
Ending Balance of Net Assets	211,383,998	231,620,517	-20,236,519
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	711,383,998	731,620,517	-20,236,519

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	169,360,000	64,650,000	95,370,000	138,640,000
Assets for the Fund	500,000,000	0	0	500,000,000
Total	669,360,000	64,650,000	95,370,000	638,640,000

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	138,640,000	---	138,640,000	---
Assets for the Fund	500,000,000	500,000,000	---	---
Total	638,640,000	500,000,000	138,640,000	---

4. Cash and Marketable securities held as collateral

8,280,215,096,000 yen in Cash and 747,329,681,623 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