

Balance Sheets  
As of March 31, 2019

	Yen		
	March 31, 2019	March 31, 2018	Increase/(Decrease)
<b>I Assets</b>			
1. Current assets			
Cash and deposits	252,708,626	196,622,391	56,086,235
Accounts receivable	74,865,648	118,297,299	(43,431,651)
Prepayments	35,709	99,465	(63,756)
Prepaid expense	3,807,134	4,616,993	(809,859)
Suspense payments	1,644,338	7,256,899	(5,612,561)
Total current assets	<u>333,061,455</u>	<u>326,893,047</u>	<u>6,168,408</u>
2. Fixed assets			
(1) Specified assets			
Retirement benefit reserve assets	19,255,868	49,219,964	(29,964,096)
Total specified assets	<u>19,255,868</u>	<u>49,219,964</u>	<u>(29,964,096)</u>
(2) Other fixed assets			
Building fixtures	2,537,199	2,977,237	(440,038)
Furniture and equipments	912,400	100,895	811,505
Telephone subscription rights	15,000	15,000	0
Guarantee and security deposits	15,522,090	15,793,571	(271,481)
Investment securities	397,425,690	497,026,908	(99,601,218)
Total other fixed assets	<u>416,412,379</u>	<u>515,913,611</u>	<u>(99,501,232)</u>
Total fixed assets	<u>435,668,247</u>	<u>565,133,575</u>	<u>(129,465,328)</u>
Total assets	<u><u>768,729,702</u></u>	<u><u>892,026,622</u></u>	<u><u>(123,296,920)</u></u>
<b>II Liabilities</b>			
1. Current liabilities			
Temporary deposit	46,116	0	46,116
Accounts payable	16,907,238	26,653,348	(9,746,110)
Advance received	40,759,704	86,950,747	(46,191,043)
Deposits received	4,643,851	16,948,060	(12,304,209)
Bonus reserves	2,765,342	2,898,610	(133,268)
Total current liabilities	<u>65,122,251</u>	<u>133,450,765</u>	<u>(68,328,514)</u>
2. Fixed liabilities			
Retirement benefit reserves	19,255,868	49,219,964	(29,964,096)
Total fixed liabilities	<u>19,255,868</u>	<u>49,219,964</u>	<u>(29,964,096)</u>
Total liabilities	<u>84,378,119</u>	<u>182,670,729</u>	<u>(98,292,610)</u>
<b>III Net assets</b>			
1. Designated net assets	-	-	-
2. General net assets			
General net assets	684,351,583	709,355,893	(25,004,310)
Total general net assets	<u>684,351,583</u>	<u>709,355,893</u>	<u>(25,004,310)</u>
Total net assets	<u>684,351,583</u>	<u>709,355,893</u>	<u>(25,004,310)</u>
Total liabilities and net assets	<u><u>768,729,702</u></u>	<u><u>892,026,622</u></u>	<u><u>(123,296,920)</u></u>

Statements of changes in net assets  
For the year ended March 31, 2019

		Yen		
		Year ended March 31, 2018 (A)	Year ended March 31, 2018 (B)	Increase/(Decrease) (A) - (B)
I	Changes in general net assets			
1.	Ordinary changes			
(1)	Ordinary revenues			
①	Supporting membership fees received			
	Corporate supporting membership fees	2,000,000	2,400,000	(400,000)
	Individual supporting membership fees	20,000	20,000	0
		<u>2,020,000</u>	<u>2,420,000</u>	<u>(400,000)</u>
②	Business revenues			
	Training courses	24,821,244	27,317,578	(2,496,334)
	Research and consulting services	232,284,840	246,280,416	(13,995,576)
		<u>257,106,084</u>	<u>273,597,994</u>	<u>(16,491,910)</u>
③	Grants received			
	Grants for international development research	1,000,000	1,000,000	0
		<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
④	Miscellaneous revenues			
	Interest earned	4,550,030	5,126,617	(576,587)
	Other miscellaneous revenues	115,500	0	115,500
		<u>4,665,530</u>	<u>5,126,617</u>	<u>(461,087)</u>
	Total ordinary revenues	<u>264,791,614</u>	<u>282,144,611</u>	<u>(17,352,997)</u>
(2)	Ordinary expenses			
①	Business expenses			
	Personnel expenses	134,343,462	137,738,315	(3,394,853)
	Field activities expenses	64,872,034	53,753,365	11,118,669
	Travel and traffic expenses	40,858,707	46,675,408	(5,816,701)
	Communication and transportation charges	1,003,694	911,171	92,523
	Printing and binding costs	1,955,747	2,190,871	(235,124)
	Rental expenses	17,051,353	14,714,415	2,336,938
	Insurance expenses	1,518,341	1,936,723	(418,382)
	Sundry honoraria	4,694,514	5,255,265	(560,751)
	Scholarship benefits	3,817,000	2,928,200	888,800
	Miscellaneous expenses	8,123,014	8,015,968	107,046
		<u>278,237,866</u>	<u>274,119,701</u>	<u>4,118,165</u>
②	Administrative expenses			
	Personnel expenses	3,258,176	5,198,596	(1,940,420)
	Printing and binding costs	114,652	117,504	(2,852)
	Rental expenses	1,870,240	2,198,831	(328,591)
	Sundry honoraria	1,563,060	1,558,740	4,320
	Taxes and dues	823,498	922,353	(98,855)
	Publicity expenses	1,060,000	50,000	1,010,000
	Miscellaneous expenses	3,520,432	3,329,126	191,306
		<u>12,210,058</u>	<u>13,375,150</u>	<u>(1,165,092)</u>
	Total ordinary expenses	<u>290,447,924</u>	<u>287,494,851</u>	<u>2,953,073</u>
	Ordinary changes for the period before gain or loss on investment securities	<u>(25,656,310)</u>	<u>(5,350,240)</u>	<u>(20,306,070)</u>
	Gain or loss on investment securities	352,000	(192,000)	544,000
	Total gain or loss on investment securities	<u>352,000</u>	<u>(192,000)</u>	<u>544,000</u>
	Ordinary changes for the period	<u>(25,304,310)</u>	<u>(5,542,240)</u>	<u>(19,762,070)</u>
2.	Non-recurring changes			
(1)	Non-recurring revenues			
	Insurance claims received	50,300,000	0	50,300,000
	Total non-recurring revenues	<u>50,300,000</u>	<u>0</u>	<u>50,300,000</u>
(2)	Non-recurring expenses			
	Insurance premium paid	50,000,000	0	50,000,000
	Total non-recurring expenses	<u>50,000,000</u>	<u>0</u>	<u>50,000,000</u>
	Non-recurring changes for the period	<u>300,000</u>	<u>0</u>	<u>300,000</u>
	Changes in general net assets for the period	<u>(25,004,310)</u>	<u>(5,542,240)</u>	<u>(19,462,070)</u>
	Balance of general net assets at beginning of period	<u>709,355,893</u>	<u>714,898,133</u>	<u>(5,542,240)</u>
	Balance of general net assets at end of period	<u>684,351,583</u>	<u>709,355,893</u>	<u>0</u>
II	Changes in designated net assets	-	-	-
III	Balance of net assets at end of period	<u>684,351,583</u>	<u>709,355,893</u>	<u>(25,004,310)</u>



## 1. Significant accounting policies

## (1) Standards and methods for the valuation of securities

Held-to-maturity securities are accounted for at amortized cost.

Investment securities other than held-to-maturity securities are carried at fair value.

## (2) Depreciation methods of fixed assets

Depreciation charges of building fixtures, furniture and equipments are computed using the straight-line method.

## (3) Basis for appropriation of reserves

In preparation for the payment of bonuses to executives and employees, bonus reserves are provided for the anticipated amount of bonuses attributable to the current fiscal year.

Pursuant to the abolishment of the retirement benefit scheme, retirement benefit reserves are provided for the total of the amount of benefits payable in case that relevant executives and employees leave as of May 31, 2011, and the amount of after tax interest on the retirement benefit reserve assets for the period subsequent to October 1, 2012.

## (4) Accounting for consumption taxes

Consumption taxes are accounted for by the tax excluded method.

## 2. Details of specified assets

	Balance as of March 31, 2018	Increase during the period	Decrease during the period	Balance as of March 31, 2019
Specified assets				
Retirement benefit reserve assets	49,219,964	3,244	29,967,340	19,255,868
Total	<u>49,219,964</u>	<u>3,244</u>	<u>29,967,340</u>	<u>19,255,868</u>

## 3. Breakdown of sources of specified assets

	Balance as of March 31, 2019	Amount allocated from designated net assets	Amount allocated from general net assets	Amount corresponding to liabilities
Specified assets				
Retirement benefit reserve assets	19,255,868	—	—	19,255,868
Total	<u>19,255,868</u>	<u>—</u>	<u>—</u>	<u>19,255,868</u>

## 4. Acquisition cost, accumulated depreciation of fixed assets and the balance at the end of fiscal year

	Acquisition cost	Accumulated depreciation	Balance as of March 31, 2019
Building fixtures	5,576,817	3,039,618	2,537,199
Furniture and equipments	1,671,285	758,885	912,400
Total	<u>7,248,102</u>	<u>3,798,503</u>	<u>3,449,599</u>

## 5. Details, carrying amount, fair value and valuation gain or loss of held-to-maturity securities at the end of fiscal year

	Carrying amount	Fair value	Valuation gain/(loss)
	<u>                    </u>	<u>                    </u>	<u>                    </u>

Investment securities			
10-year Japanese Government Bond #326	199,825,690	206,800,000	6,974,310
7-year Nomura Holdings, Inc. Unsecured Straight Bond #42	100,000,000	101,384,100	1,384,100
Total	<u>299,825,690</u>	<u>308,184,100</u>	<u>8,358,410</u>

6. Details of reserves

	Balance as of March 31, 2018	Increase during the period	Decrease during the period - reversal due to intended payments	Balance as of March 31, 2019
Current liabilities				
Bonus reserves	2,898,610	2,765,342	2,898,610	2,765,342
Fixed liabilities				
Retirement benefit reserves	49,219,964	3,244	29,967,340	19,255,868

7. Details of asset retirement obligations

	Balance as of March 31, 2018	Increase during the period	Decrease during the period	Balance as of March 31, 2019
Fixed liabilities				
Asset retirement obligations	1,334,233	271,481	0	1,605,714
Total	<u>1,334,233</u>	<u>271,481</u>	<u>0</u>	<u>1,605,714</u>

8. Details of subsidies and grant providers

	Balance as of March 31, 2018	Increase during the period	Decrease during the period	Balance as of March 31, 2019
Grants for international development research	—	1,000,000	1,000,000	—
Total	<u>—</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>—</u>
Grant provider		The SMBC Foundation	for International Cooperation	

## Annexed detailed statements

### 1. Details of basic funds and specified assets

Details of basic funds and specified assets are described in the notes to the financial statements.

### 2. Details of reserves

Details of reserves are described in the notes to the financial statements.

Inventory of Property  
As of March 31, 2019

Yen

<b>I Assets</b>				
<b>1. Current assets</b>				
Cash and deposits	Cash on hand	653,267		
	Mizuho Bank / Tokyo Main Office	414,771		
	Sumitomo Mitsui Banking Corporation / Tokyo Public Institutions Operations Office	132,726,881		
	Bank of Tokyo-Mitsubishi UFJ / Head Office	18,742,199		
	Daiwa Next Bank	100,171,508	252,708,626	
Accounts receivable	Research and consulting services business revenues, etc.		74,865,648	
Prepayments			35,709	
Prepaid expense			3,807,134	
Suspense payments	Travel expenses, travel accident insurance premiums		1,644,338	
	<b>Total current assets</b>			<b>333,061,455</b>
<b>2. Fixed assets</b>				
<b>(1) Specified assets</b>				
Retirement benefit reserve assets	Bank of Tokyo-Mitsubishi UFJ / Head Office		19,255,868	
	<b>Total specified assets</b>			<b>19,255,868</b>
<b>(2) Other fixed assets</b>				
Building fixtures			2,537,199	
Furniture and equipments			912,400	
Telephone subscription rights	10 lines		15,000	
Guarantee and security deposits	Security deposits for the sixth floor of Masonic 39 MT Building		15,522,090	
Investment securities	20-year Japanese Government Bond #121	97,600,000		
	10-year Japanese Government Bond #326	199,825,690		
	7-year Nomura Holdings, Inc. Unsecured Straight Bond #42	100,000,000		
	5-year Meiji Yasuda Life 2013 Fund Special Purpose Company Ltd. Specified Corporate Bond #1	0	397,425,690	
	<b>Total other fixed assets</b>			<b>416,412,379</b>
	<b>Total fixed assets</b>			<b>435,668,247</b>
	<b>Total assets</b>			<b>768,729,702</b>
<b>II Liabilities</b>				
<b>1. Current liabilities</b>				
Accounts payable	Businesses conducting the spending plan for public interest purposes	0		
	Training courses	19,479		
	Research and consulting services	8,895,659		
	Administrative expenses	7,992,100	16,907,238	
Advance received	Research and consulting services business revenues for the subsequent period, etc.		40,759,704	
Temporary deposit			46,116	
Deposits received	Income taxes		4,643,851	
Bonus reserves			2,765,342	
	<b>Total current liabilities</b>			<b>65,122,251</b>
<b>2. Fixed liabilities</b>				
Retirement benefit reserves			19,255,868	
	<b>Total fixed liabilities</b>			<b>19,255,868</b>
	<b>Total liabilities</b>			<b>84,378,119</b>
	<b>Net assets</b>			<b>684,351,583</b>