

# Eisner

Eisner LLP  
Accountants and Advisors

## UNITED STATES - JAPAN FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2007 and 2006

# Eisner

Eisner LLP  
Accountants and Advisors

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
United States - Japan Foundation  
New York, New York

We have audited the accompanying statements of financial position of the United States - Japan Foundation (the "Foundation") as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of the Foundation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of United States - Japan Foundation as of December 31, 2007 and 2006, and the results of its activities and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The signature of Eisner LLP is written in a cursive, handwritten style.

New York, New York  
October 30, 2008

# UNITED STATES - JAPAN FOUNDATION

## Statements of Financial Position

	December 31,	
	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash	\$ 46,165	\$ 74,713
Due from broker	57,170	51,853
Accrued income receivable	17,488	11,536
Investments	99,798,377	91,971,777
Property and equipment, net	564,043	590,634
Prepaid federal excise tax	84,792	80,935
Security deposits and other assets	<u>56,946</u>	<u>62,939</u>
	<b><u>\$ 100,624,981</u></b>	<b><u>\$ 92,844,387</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Grants payable	\$ 290,827	\$ 276,582
Deferred excise taxes payable	454,072	329,078
Accounts payable and accrued expenses	<u>40,854</u>	<u>40,326</u>
	785,753	645,986
Commitment (Note E)		
Net assets - unrestricted	<u>99,839,228</u>	<u>92,198,401</u>
	<b><u>\$ 100,624,981</u></b>	<b><u>\$ 92,844,387</u></b>

# UNITED STATES - JAPAN FOUNDATION

## Statements of Activities

	<u>Year Ended December 31,</u>	
	<u>2007</u>	<u>2006</u>
<b>Revenues:</b>		
<b>Contributions</b>	<b>\$ 37,305</b>	\$ 11,910
<b>Investment income:</b>		
Dividends	2,627,163	1,722,451
Interest	<u>251,491</u>	<u>241,707</u>
	<b>2,878,654</b>	1,964,158
Investment expenses	<b>(742,210)</b>	(838,219)
Federal excise taxes	<u>(101,143)</u>	<u>(115,389)</u>
	<b>2,035,301</b>	1,010,550
Net investment income	<u>2,035,301</u>	<u>1,010,550</u>
	<b>2,072,606</b>	1,022,460
Total revenues	<u>2,072,606</u>	<u>1,022,460</u>
<b>Expenses:</b>		
Grants	1,388,616	1,225,566
US - Japan Leadership Program	508,093	538,042
Other programs	1,114,966	980,893
Administrative	<u>453,952</u>	<u>512,778</u>
	<b>3,465,627</b>	3,257,279
Total expenses	<u>3,465,627</u>	<u>3,257,279</u>
Excess of expenses over contribution and net investment income before net realized and unrealized gains on investments	<b>(1,393,021)</b>	(2,234,819)
Realized gains on investments	<b>2,988,006</b>	4,796,909
Net unrealized appreciation in fair value of investments (net of deferred excise taxes expense of \$124,994 and \$87,080 in 2007 and 2006, respectively)	<u>6,045,842</u>	<u>4,266,936</u>
	<b>7,640,827</b>	6,829,026
<b>Increase in net assets - unrestricted</b>	<b>7,640,827</b>	6,829,026
Net assets - unrestricted, January 1, as restated	<u>92,198,401</u>	<u>85,369,375</u>
	<b>\$ 99,839,228</b>	\$ 92,198,401
<b>Net assets - unrestricted, December 31</b>	<u>\$ 99,839,228</u>	<u>\$ 92,198,401</u>

# UNITED STATES - JAPAN FOUNDATION

## Statements of Cash Flows

	Year Ended December 31,	
	2007	2006
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 7,640,827	\$ 6,829,026
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(9,033,848)	(9,150,925)
Depreciation and amortization	37,048	34,150
Changes in:		
Due from broker	(5,317)	804,147
Accrued income receivable	(5,952)	(2,178)
Prepaid federal excise tax	(3,857)	(80,935)
Security deposits and other assets	5,993	(6,506)
Grants payable	14,245	(48,650)
Deferred tax liability	124,994	87,080
Federal excise tax payable		(4,750)
Accounts payable and accrued expenses	528	5,997
Net cash used in operating activities	<u>(1,225,339)</u>	<u>(1,533,544)</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments	(12,564,416)	(16,426,840)
Proceeds from sales of investments	13,771,664	18,031,362
Purchases of property and equipment	<u>(10,457)</u>	<u>(21,473)</u>
Net cash provided by investing activities	<u>1,196,791</u>	<u>1,583,049</u>
<b>Change in cash</b>	<b>(28,548)</b>	<b>49,505</b>
Cash - January 1	<u>74,713</u>	<u>25,208</u>
<b>Cash - December 31</b>	<b>\$ <u>46,165</u></b>	<b>\$ <u>74,713</u></b>
<b>Supplemental information:</b>		
Cash paid for excise tax	<u>\$ 105,000</u>	<u>\$ 101,075</u>

# UNITED STATES - JAPAN FOUNDATION

## Notes to Financial Statements December 31, 2007 and 2006

### NOTE A - THE FOUNDATION AND ITS SIGNIFICANT ACCOUNTING POLICIES

#### [1] The Foundation:

The United States - Japan Foundation (the "Foundation") is a private foundation organized in 1980 for the purpose of promoting understanding and cooperation between the peoples and institutions of the United States and Japan.

#### [2] Federal excise taxes:

The Foundation qualifies as a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code (the "Code") and, accordingly, is not subject to federal income taxes. However, the Foundation is subject to an excise tax, not to exceed 2% on net investment income, including realized gains, as defined in the Code.

In addition, the Foundation must make certain minimum distributions in an amount equal to 5% of the average fair value of its assets held during the year. The required distributions for the years ended December 31, 2007 and 2006 were approximately \$4,636,000 and \$4,830,000, respectively. At December 31, 2007, the Foundation has excess distribution carryforwards of approximately \$852,000, expiring in 2008 through 2012.

For 2007 and 2006, the Foundation was subject to the 2% federal excise tax rate and provided for deferred federal excise taxes on the total unrealized appreciation in fair value over the original cost of its investments. The tax calculation resulted in a deferred excise tax expense for 2007 and 2006 amounted to approximately \$125,000 and \$87,000, respectively, and deferred excise taxes payable of approximately \$454,000 and \$329,000, respectively.

#### [3] Basis of accounting:

The financial statements of the Foundation have been prepared using the accrual basis of accounting.

#### [4] Net assets:

The Foundation's net assets, which are unrestricted, represent resources available for current operations as there are no donor restrictions on the use of these assets.

#### [5] Contributions:

Proceeds from contributions are recorded as revenue upon receipt of cash or unconditional pledges. Proceeds from contributions are considered available for unrestricted use unless specifically restricted by the donor.

#### [6] Grants:

Grants are recognized as expenses in the accompanying financial statements at the time of Foundation approval. All multi-year grant requests are subject to annual review and approval.

#### [7] Fair value of financial instruments:

Financial instruments are composed of cash and other assets, the carrying values of which approximate their fair values. Similarly, the reported amounts of liabilities are estimated to approximate their fair value. Investments are reported at their fair market values.

## UNITED STATES - JAPAN FOUNDATION

### Notes to Financial Statements December 31, 2007 and 2006

#### NOTE A - THE FOUNDATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [8] Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

##### [9] Allocations of expenses:

The costs of providing the Foundation's programs and activities have been summarized in the accompanying statements of activities. Program and administrative expenses represent costs associated with the grant-making and operational activities of the Foundation and have been allocated using appropriate measurement methodologies developed by management.

##### [10] Adjustments to prior year's balances:

Prior to 2007, the Foundation's financial statements did not reflect calculations of deferred federal excise taxes on the unrealized appreciation of its investments. Effective January 1, 2006, management has recorded this deferral and accordingly has restated its 2006 financial statement information. Net assets were restated by a decrease of \$241,998 and the 2006 change in net assets declined by \$87,080.

#### NOTE B - INVESTMENTS

[1] Investments are reported at their aggregate fair values, and investment transactions are recorded as of the trade dates. Management reports its investments in limited partnerships and hedge funds based upon the valuation of each partnership's assets, or cash held, as determined by the related investment manager or advisor. Mutual funds consist primarily of equity and fixed-income funds. The Foundation's investments in offshore hedge funds are subject to market risk, which arises from changes in securities values and other market conditions. Hedge funds may trade in derivative instruments that involve varying degrees of market risk including credit exposure and interest rates. The Foundation understands that its various managers monitor their positions continuously to reduce the risk of loss due to changes in fair values. Estimated values provided by these fund managers may differ significantly from actual values, had a ready market for these instruments existed.

Any investments denominated in foreign currencies are translated at the closing rate of exchange at the end of the reporting period. Transactions during the year, including purchases and sales and income and expenses, are translated at the rate of exchange prevailing on the dates of the transactions.

Realized and unrealized gains or losses on investments are determined by the comparison of specific costs of acquisition to the proceeds at the time of disposal and the market values at the balance-sheet date, respectively. Realized and unrealized gains or losses include the effects of currency translation with respect to foreign security transactions. Realized gains were \$2,998,006 and \$4,796,909 for 2007 and 2006, respectively. Unrealized gains were \$6,170,836 and \$4,354,016 for 2007 and 2006, respectively.

A forward exchange currency contract is a commitment to purchase or sell a foreign currency at a future date, at a negotiated rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized gains or losses on investments. The net realized gains/(losses) on forward exchange currency contracts were \$6,031 and (\$3,554) for 2007 and 2006, respectively.

## UNITED STATES - JAPAN FOUNDATION

### Notes to Financial Statements December 31, 2007 and 2006

#### NOTE B - INVESTMENTS (CONTINUED)

[2] At each year-end, the cost and fair value of the Foundation's investments were as follows:

	December 31,			
	2007		2006	
	Fair Value	Cost	Fair Value	Cost
Money-market and other temporary investments	\$ 1,009,907	\$ 1,009,907	\$ 1,896,268	\$ 1,896,268
Mutual funds	43,308,121	34,161,593	42,113,671	34,046,772
Limited partnerships	42,659,384	32,227,491	37,535,224	30,905,867
Equity securities	<u>12,820,965</u>	<u>9,774,642</u>	<u>10,426,614</u>	<u>8,668,962</u>
Total investments	<u>\$ 99,798,377</u>	<u>\$ 77,173,633</u>	<u>\$ 91,971,777</u>	<u>\$ 75,517,869</u>

Approximately 20 percent and 21 percent of the Foundation's marketable securities were held by highly capitalized financial institutions, during 2007 and 2006, respectively.

In connection with investment activity, the Foundation selects various investment vehicles, including limited partnerships. Under the terms of the limited-partnership agreements, the Foundation may make an initial capital contribution and may commit to funding additional capital. At December 31, 2007, the Foundation has commitments to provide additional capital investments of approximately \$1,710,000.

#### NOTE C - PROPERTY AND EQUIPMENT

The costs of a cooperative apartment owned by the Foundation (including subsequent improvements), office furnishings, equipment and leasehold improvements have been capitalized and are being depreciated over their anticipated useful lives. The apartment and related improvements are being depreciated over forty years. Office furnishings and equipment are being depreciated over five years. Leasehold improvements are being amortized over the life of the underlying leases. Depreciation and amortization expense was \$37,048 and \$34,150 for 2007 and 2006, respectively.

At each year-end, property and equipment consisted of the following:

	December 31,	
	2007	2006
Cooperative apartment	\$ 790,725	\$ 790,725
Cooperative apartment improvements	241,370	242,700
Leasehold improvements	230,685	229,685
Equipment	80,117	119,272
Furniture and fixtures	<u>286,452</u>	<u>288,264</u>
	1,629,349	1,670,646
Less accumulated depreciation and amortization	<u>1,065,306</u>	<u>1,080,012</u>
	<u>\$ 564,043</u>	<u>\$ 590,634</u>

The Foundation wrote off fully depreciated property and equipment of \$51,754 for 2007. The maintenance and utility charges on the cooperative apartment were \$46,103 and \$44,176 for 2007 and 2006, respectively.



## UNITED STATES - JAPAN FOUNDATION

### Notes to Financial Statements December 31, 2007 and 2006

#### NOTE D - US - JAPAN LEADERSHIP PROGRAM

The Foundation manages the US - Japan Leadership Program (the "Program"), which develops a network of communication, friendship and understanding among the next generation of leaders in each country. The Program brings selected young leaders together through annual conferences, a dedicated website, a semiannual newsletter and frequent reunions. During 2007 and 2006, the Foundation received contributions from former Program participants which are used to defray the annual costs of administering the Program.

#### NOTE E - LEASES

At December 31, 2007, future minimum lease payments under noncancellable leases (with expirations through 2017) are as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 202,901
2009	204,990
2010	177,830
2011	183,165
2012	188,659
Thereafter	<u>848,520</u>
	<u>\$ 1,806,065</u>

Rent expense was \$212,213 and \$186,748 for 2007 and 2006, respectively.

#### NOTE F - RETIREMENT PLAN

The Foundation has a defined-contribution retirement plan for the benefit of its employees. Contributions were \$130,894 and \$116,259 for 2007 and 2006, respectively.

#### NOTE G - CONCENTRATION OF CREDIT RISK

The Foundation's balances in money market funds and temporary investments frequently exceed federally insured limits. The Foundation places its investments with large, high-quality financial institutions and diversifies its investments in hedge funds, mutual funds, and equity securities of financially strong corporations. The Foundation has not experienced any losses in such accounts, and management believes the Foundation is not exposed to the risk of any significant loss due to the failure of the financial institutions.

# UNITED STATES - JAPAN FOUNDATION

## Notes to Financial Statements December 31, 2007 and 2006

### NOTE H - GRANT ACTIVITY

The Foundation's grant activity for 2007 was as follows:

Recipient Name and Purpose	Unpaid January 1, 2007	Net Grants Authorized 2007	Paid	Unpaid December 31, 2007
<b>Precollege Education</b>				
<b>Action for a Better International Community (ABIC) (Tokyo, Japan)</b> To support education about the United States through the development of exchanges between Americans and Japanese and special classes for understanding America.		\$ 4,137	\$ 4,137	
<b>AmerAsian School in Okinawa (Okinawa, Japan)</b> To support the third year of a three-year project for the enhancement of the bi-lingual/bi-cultural education provided to students at the AmerAsian School in Okinawa through the hiring of two American teachers.	\$ 25,000		25,000	
<b>Anacortes School District (Anacortes, WA)</b> To support the second year of a three-year program of Japanese language instruction at Island View Elementary School in Anacortes, WA.		1,427	1,427	
<b>Asian Art Museum Foundation of San Francisco (Asian Art Museum) (San Francisco, CA)</b> To support educational programming related to the Museum's "Year of Japan" that will include an array of special exhibitions on Japanese art.		25,000	25,000	
<b>Asian Cine-Vision (New York, NY)</b> To support an education epilogue and teaching guide to the feature length documentary film, Wings of Defeat.		44,796	44,796	
<b>Association for Asian Studies (Ann Arbor, MI)</b> To support the second year of a two-year project for special Japan-related section in the Association for Asian Studies' teaching journal <i>Education About Asia</i> .		32,000	32,000	
<b>AYUSA International (San Francisco, CA)</b> To support the third year of a three-year project to selectively recruit ten high school students for an academic year of study and service in Japan.	47,323		47,323	
<b>Bethlehem Central Middle School (Delmar, NY)</b> To support an art exchange project between students at Bethlehem Central Middle School in New York State and the Junior High School at the Oizumi Campus of Gakugei University.		2,000	2,000	
<b>Concordia College (Moorhead, MN)</b> To support the second year of a three-year project for the Concordia Language Village's strategic plan to transform <i>Mori no Ike</i> into a permanent, culturally authentic, Japanese Language Village.		20,000	20,000	
<b>Five Colleges (Five College Center for East Asian Studies) (Amherst, MA)</b> To support the second year of a three-year project for the publication of <i>East Asia for Teachers</i> , a newsletter that reaches 6,000 precollege teachers in the Northeast and provides them with information about events and opportunities related to Japan.		10,000	10,000	
<b>Forest Grove High School (Forest Grove, OR)</b> To support Japan-related projects at Forest Grove High School as part of the 2007 Elgin Heinz Award Program.		5,000	5,000	
<b>Grace Church School (New York, NY)</b> To support the Yukuhashi-Grace Church School Exchange.		14,000	14,000	
(carried forward)	72,323	158,360	230,683	

# UNITED STATES - JAPAN FOUNDATION

## Notes to Financial Statements December 31, 2007 and 2006

### NOTE H - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2007	Net Grants Authorized 2007	Paid	Unpaid December 31, 2007
(brought forward)	\$ 72,323	\$ 158,360	\$ 230,683	
<b>Precollege Education (continued)</b>				
<b>Hartford Area Career and Technology Center (White River Junction, VT)</b> To support the second year of a two-year technical education study program in Japan for secondary vocational technical education students from the Hartford Area Career and Technology Center and River Valley Technical Center in Vermont.		38,835	38,835	
<b>Hiroshima University (Hiroshima, Japan)</b> To support the second year of a two-year program to continue the development of Hiroshima University's Global Partnership Schools Center that will promote school-to-school relationships in the US and Japan.	57,218	(1,222)	55,996	
<b>Japan Society of Boston (Boston, MA)</b> To support educational programming in connection with a major US tour of Japan's National Bunraku Puppet Theater.		50,000	50,000	
<b>Japan-America Society of Washington, DC (Washington, DC)</b> To support the thirteenth year of a national Japanese language and culture competition for high school students (Japan Bowl).		50,000	50,000	
<b>John F. Kennedy High School (Tamuning, GUAM)</b> To support the creation of a mini Japanese language learning lab for students at John F. Kennedy High School in Guam.		14,968	14,968	
<b>Library of Congress (Washington, DC)</b> To support an exhibition of fine Japanese prints titled, <i>On the Cutting Edge: Contemporary Japanese Prints</i> , and specifically to cover the costs of the exhibition's brochure.		15,000	15,000	
<b>Michigan State University (East Lansing, MI)</b> To support an environmental education exchange and curriculum development project designed for high school teachers and science students.		51,106	51,106	
<b>Midori Foundation (New York, NY)</b> To support Midori and Friends' music education programs in underprivileged elementary schools in the New York City area, including their <i>Midori Adventure Concerts and Adventure Concert Series</i> .		35,000	35,000	
<b>Mountain Institute (Washington, DC)</b> To support the first year of a three-year project to develop new and innovative middle to high school level curricula that use the virtual climb of each mountain as the central study themes to introduce American and Japanese students to the history, culture, geography, and environmental issues of each other's countries.		49,987	49,987	
<b>Nanzan University (Nagoya Aichi, Japan)</b> To support the second year of the Nagoya American Studies Summer Seminars, which aims to enhance mutual understanding between Americans and Japanese.		35,000		\$ 35,000
<b>Primary Source (Watertown, MA)</b> To support the second year of a professional development program on Japan for precollegiate educators that will feature a core seminar series, a lecture series of current issues in modern Japan, and three to six in-district workshops.		34,129	34,129	
<b>Rampart High School (Colorado Springs, CO)</b> To support Japan-related programs at Rampart High School as part of the 2007 Elgin Heinz Outstanding Teacher Award Program.		5,000	5,000	
<b>Rutgers University Foundation (Piscataway, NJ)</b> To support the publication of Dr. Benjamin Duke's book titled <i>The History of Modern Japanese Education</i> by Rutgers University Press.		10,500	10,500	
(carried forward)	129,541	546,663	641,204	35,000

# UNITED STATES - JAPAN FOUNDATION

## Notes to Financial Statements December 31, 2007 and 2006

### NOTE H - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2007	Net Grants Authorized 2007	Paid	Unpaid December 31, 2007
(brought forward)	\$ 129,541	\$ 546,663	\$ 641,204	\$ 35,000
<b>Precollege Education (continued)</b>				
<b>Seafair (Seattle, WA)</b> To support a symposium on international issues for high school students from Washington State that competitively selects US students to travel to Kobe, Japan as "ambassadors."		11,250	11,250	
<b>Seattle Public Schools (Seattle, WA)</b> To support the third year of a three-year project to develop a model kindergarten through 8 <sup>th</sup> grade Japanese immersion program for the Seattle Public Schools as part of their international school initiative.	35,410		35,410	
<b>Seattle Public Schools (Seattle, WA)</b> To support the first year of a three-year project for the next phase of development of a model kindergarten through 12 <sup>th</sup> grade Japanese immersion program for the Seattle Public Schools as part of their international school initiative.		82,000	41,000	41,000
<b>Simmons College (Boston, MA)</b> To support the second year of a three-year teacher-professional development program that will introduce Boston Public high school teachers to the study of Japan.	37,500		37,500	
<b>Simmons College (Boston, MA)</b> To support the third year of a three-year teacher-professional development program that will introduce Boston Public elementary school teachers to the study of Japan.		75,000	37,500	37,500
<b>Temple University Japan (Tokyo, Japan)</b> To support a US study tour for Japanese high school teachers, including lectures, historical tours, and follow-up workshops that will focus on American Studies.	19,131	(223)	18,908	
<b>Temple University Japan (Tokyo, Japan)</b> To support the second year of a three-year US study tour for Japanese high school teachers, including lectures, historical tours, and follow-up workshops that will focus on American Studies.		30,699		30,699
<b>The America-Japan Society (Tokyo, Japan)</b> To support the Ambassadorial Forum in Tokyo and US-Japan Youth Forum and to honor Hon. Yoshio Okawara for his distinguished service to US-Japan relations.		8,524	8,524	
<b>The Isamu Noguchi Foundation and Garden Museum (Long Island City, NY)</b> To support education workshops and activities for children and teens in conjunction with the upcoming exhibition titled <i>Design: Isamu Noguchi and Isamu Kenmochi</i> .		50,000	50,000	
<b>The New York Botanical Garden (Bronx, NY)</b> To support the second year of a two-year project for the development and implementation of hands-on activities for children, teachers, and families to be presented during <i>Kiku: A Japanese Flower Show</i> , the most elaborate flower show in the Garden's 115-year history.		25,000	25,000	
<b>The Ruth &amp; Sherman Lee Institute for Japanese Art at the Clark Center (Hanford, CA)</b> To support the Drucker Scholarship Program which is central to the Center's efforts to contribute to the future vitality of education on Japanese art and culture in the United States.		47,993	47,993	
<b>University of Oklahoma (Norman, OK)</b> To support the second year of a two-year seminar on modern Japan for 25 K-12 teachers in Oklahoma.		15,296	15,296	
<b>University of Pennsylvania (Philadelphia, PA)</b> To support the first year of the three-year program to prepare educators to teach about contemporary Japan in the Greater Philadelphia Region.		74,082	74,082	
<b>Subtotal for Precollege Education</b>	<u>221,582</u>	<u>966,284</u>	<u>1,043,667</u>	<u>144,199</u>

# UNITED STATES - JAPAN FOUNDATION

## Notes to Financial Statements December 31, 2007 and 2006

### NOTE H - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2007	Net Grants Authorized 2007	Paid	Unpaid December 31, 2007
<b>US - Japan Policy</b>				
<b>Council on Foreign Relations (New York, NY)</b> To support the second year of a three-year project to explore the prospects and potential for a new regional security architecture in the Asia-Pacific Region.		\$ 60,000	\$ 60,000	
<b>Institute for International Policy Studies (IIPS) (Tokyo, Japan)</b> To support the first year of a three-year series of comprehensive studies of what the Japan-US Alliance toward 2020 should be.		59,080	13,338	\$ 45,742
<b>International University of Japan (Niigata, Japan)</b> To support the first year of a two-year project to research and produce a comprehensive and updated book on the US foreign policy decision making process.		8,298		8,298
<b>Massachusetts Institute of Technology (MIT) (Cambridge, MA)</b> To support a symposium titled <i>Meeting a Rising China</i> , to be held in Tokyo on January 23, 2008, that will bring together academics and policy makers from Japan and the United States to address economic, military and political concerns that arise from Chinese emergence on the regional and the world stage.		10,000		10,000
<b>Pacific Forum CSIS (Honolulu, HI)</b> To support the third year of a three-year focused policy dialogue on US-Japan-China relations that will draw attention to the long-term strategic goals of the three countries, and how current policy positions and pronouncements - on all three sides - impact the realization of those goals.		85,008	5,008	
<b>Peter G. Peterson Institute for International Economics (Washington, DC)</b> To support the second year of a two-year project to support an analysis of the implications of the several East Asian regional economic cooperation initiatives for East Asia itself and for its position in the world economy, and especially its relations with the US.		50,000	50,000	
<b>The Board of Trustees of the Leland Stanford Junior University (Stanford, CA)</b> To support a comparative study of the formation of historical memory of the Sino-Japanese and Pacific wars in China, Japan, Korea, Taiwan and the United States with the aim of promoting understanding and reconciliation.		54,076		
<b>Subtotal for US - Japan Policy</b>		<u>326,462</u>	<u>262,422</u>	<u>64,040</u>
<b>Communications/Public Opinion</b>				
<b>Asian Cine-Vision (New York, NY)</b> To support the creation of a documentary film which focuses on the 50 year friendship between John Rockefeller III and Shigeharu Matsumoto, and explores the vital projects they worked on together to cement a lasting two-way relationship between the United States and Japan.		55,176	27,588	27,588
<b>Community Television Foundation of South Florida (Nightly Business Report) (Miami, FL)</b> To support the production and broadcast of twelve reports on Japanese business/economic topics on public television's Nightly Business Report.		22,000	22,000	
<b>Japan Society (New York, NY)</b> To support the eleventh year of an intensive fellowship program for American media professionals, allowing them to reside, study and work for six weeks in Japan, focused on a research topic of their choice.	\$ 55,000			55,000
(carried forward)	55,000	77,176	49,588	82,588

**UNITED STATES - JAPAN FOUNDATION**

**Notes to Financial Statements  
December 31, 2007 and 2006**

**NOTE H - GRANT ACTIVITY (CONTINUED)**

Recipient Name and Purpose	Unpaid January 1, 2007	Net Grants Authorized 2007	Paid	Unpaid December 31, 2007
(brought forward)	\$ 55,000	\$ 77,176	\$ 49,588	\$ 82,588
<b>Communications/Public Opinion (continued)</b>				
<b>National Bureau of Asian Research (Seattle, WA)</b> To support the continuation of monthly analysis of Japanese publications by Ms. Fumiko Halloran on the Japan-US Discussion Forum.		10,000	10,000	
<b>The Maureen and Mike Mansfield Foundation (Washington, DC)</b> To support the first year of a two-year project to enhance the Asian Opinion Poll Database, an online reference tool for researchers in the United State to monitor and access public opinion trends in Japan and other Asian nations.		10,000	10,000	
<b>Subtotal for Communications/Public Opinion</b>	<u>55,000</u>	<u>97,176</u>	<u>69,588</u>	<u>82,588</u>
Subtotal	276,582	1,389,922	1,375,677	290,827
Prior year's awards withdrawn/returned in current year		<u>(2,662)</u>	<u>(2,662)</u>	
<b>Total</b>	<u>\$ 276,582</u>	<u>\$ 1,387,260</u>	<u>\$ 1,373,015</u>	<u>\$ 290,827</u>

- (a) Net grants authorized reflect the additions of net currency gains which totaled \$1,356 for the year. Current year reductions in awards have been netted against the original award.
- (b) Unexpended funds returned in the current year are netted against payments.