



UNITED STATES - JAPAN FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2011 and 2010

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, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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, 2011 and 2010, 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.

EisnerAmper LLP

New York, New York
November 14, 2012

UNITED STATES - JAPAN FOUNDATION

Statements of Financial Position

	December 31,	
	2011	2010
ASSETS		
Cash	\$ 10,083,224	\$ 261,148
Investments	64,243,755	83,535,941
Due from broker	4,082,284	291,229
Accrued income receivable	64,605	138,593
Pledges receivable	170,880	171,414
Property and equipment, net	439,916	456,609
Prepaid federal excise taxes	83,965	
Security deposits and other assets	58,987	61,612
	<u>\$ 79,227,616</u>	<u>\$ 84,916,546</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 43,538	\$ 41,210
Grants payable	138,126	447,053
Federal excise taxes payable		82,566
Deferred excise taxes payable	46,741	157,922
	<u>228,405</u>	<u>728,751</u>
Commitments (Note G)		
Net assets:		
Unrestricted	78,828,331	84,016,381
Temporary restricted	170,880	171,414
	<u>78,999,211</u>	<u>84,187,795</u>
	<u>\$ 79,227,616</u>	<u>\$ 84,916,546</u>

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Statements of Activities

	Year Ended December 31,					
	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue:						
Contributions	\$ 197,425	\$ 24,332	\$ 221,757	\$ 32,125	\$ 171,414	\$ 203,539
Investment Income:						
Dividends	964,087		964,087	1,386,597		1,386,597
Interest	2,645		2,645	446,700		446,700
Net undistributed share of ordinary earnings from partnership investments	119,394		119,394	161,086		161,086
	1,086,126		1,086,126	1,994,383		1,994,383
Investment expenses	(917,811)		(917,811)	(1,031,003)		(1,031,003)
Federal tax expense	51,531		51,531	(212,641)		(212,641)
Net investment income	219,846		219,846	750,739		750,739
Total revenues before net assets released from restrictions	417,271	24,332	441,603	782,864	171,414	954,278
Net assets released from restrictions	24,866	(24,866)	0			
Total revenues	442,137	(534)	441,603	782,864	171,414	954,278
Expenses:						
Grants	619,798		619,798	873,234		873,234
US - Japan Leadership Program	698,055		698,055	671,503		671,503
Other programs	1,463,338		1,463,338	1,460,799		1,460,799
Administrative	391,159		391,159	385,559		385,559
Total expenses	3,172,350		3,172,350	3,391,095		3,391,095
Excess of expenses over contribution and net investment income before net realized and unrealized (losses) gains on investments	(2,730,213)	(534)	(2,730,747)	(2,608,231)	171,414	(2,436,817)
Realized gains on investments	2,673,608		2,673,608	7,138,355		7,138,355
Net unrealized depreciation in fair value of investments (net of deferred excise taxes benefit of \$111,181 and \$14,035 in 2011 and 2010, respectively)	(5,131,445)		(5,131,445)	(687,700)		(687,700)
Change in net assets	(5,188,050)	(534)	(5,188,584)	3,842,424	171,414	4,013,838
Net assets - January 1	84,016,381	171,414	84,187,795	80,173,957		80,173,957
Net assets - December 31	\$ 78,828,331	\$ 170,880	\$ 78,999,211	\$ 84,016,381	\$ 171,414	\$ 84,187,795

See notes to financial statements

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Statements of Cash Flows

	Year Ended December 31,	
	2011	2010
Cash flows from operating activities:		
Change in net assets	\$ (5,188,584)	\$ 4,013,838
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized losses (gains) on investments	2,457,837	(6,436,620)
Net undistributed share of ordinary earnings from partnership investments	(119,394)	(161,086)
Depreciation and amortization	34,780	36,065
Changes in:		
Due from broker	(3,791,055)	195,297
Accrued income receivable	73,988	(115,153)
Pledges receivable	534	(171,414)
Prepaid federal excise taxes	(83,965)	166,693
Security deposits and other assets	2,625	(9,243)
Grants payable	(308,927)	(191,599)
Accounts payable and accrued expenses	2,328	(15,056)
Excise tax payable	(82,566)	
Deferred tax liability	(111,181)	(14,035)
Net cash used in operating activities	<u>(7,113,580)</u>	<u>(2,702,313)</u>
Cash flows from investing activities:		
Purchases of investments	(23,224,811)	(46,638,904)
Proceeds from sales of investments	40,178,554	49,173,993
Purchases of property and equipment	(18,087)	
Net cash provided by investing activities	<u>16,935,656</u>	<u>2,535,089</u>
Net change in cash	9,822,076	(167,224)
Cash - January 1	<u>261,148</u>	<u>428,372</u>
Cash - December 31	<u>\$ 10,083,224</u>	<u>\$ 261,148</u>
Supplemental information:		
Cash paid for excise tax	<u>\$ 21,014</u>	<u>\$ 50,000</u>

UNITED STATES - JAPAN FOUNDATION

Notes to Financial Statements December 31, 2011 and 2010

NOTE A - THE FOUNDATION AND ITS SIGNIFICANT ACCOUNTING POLICIES

[1] The Foundation:

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

[2] Financial reporting:

(a) Tax status:

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 either federal or state income taxes. However, the Foundation is subject to a federal excise tax, not to exceed 2% on net investment income, including realized gains, as defined in the Code. The Foundation was subject to the 2% tax in 2011 and 2010.

In addition, the Foundation must make certain minimum qualifying distributions, in the form of grants and expenses spent for charitable purposes, in an amount equal to 5% of the average fair value of its assets held during the year. At December 31, 2011, the Foundation has approximately \$484,000 of undistributed income. The Foundation made the required distributions for 2010.

(b) Basis of accounting:

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

(c) Cash and cash equivalents:

The Foundation considers highly liquid investments with maturities of three months or less when purchased to be cash equivalents, except for those held as part of the investment portfolio.

(d) 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.

(e) Net assets:

The net assets of the Foundation are classified as follows:

(i) *Unrestricted:*

Unrestricted net assets represent resources available for current operations as there are no donor restrictions as to their use.

(ii) *Temporary restricted:*

Temporarily restricted net assets represent those resources that have been restricted by donors for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying statements of activities as "net assets released from restrictions".

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Notes to Financial Statements December 31, 2011 and 2010

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

[2] Financial reporting: (continued)

(f) Allocation 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.

[3] Investments:

Investments are reported at their fair values, and costs are recorded on the trade date. The investments in limited partnerships and hedge funds are reported at the Foundation's equity in the fair value of the underlying net assets, as determined by the applicable investment manager of each entity. The Foundation reviews and evaluates the values provided by the investment managers and believes the carrying amounts of the investments that are not held in publicly traded instruments are reported at reasonable estimates of their fair value. Estimated fair values may differ significantly from the values that would have been used had a ready market for these instruments existed. Mutual funds are invested in equity and fixed-income funds. The underlying cost basis of investments is the purchase price, except for limited partnerships' cost bases, and the limited liability companies' cost bases, which are adjusted for recognized income and losses, and capital additions and withdrawals.

Realized and unrealized gains and losses are determined by comparison of specific costs at acquisition to the proceeds at the time of disposal, or to the fair values at year-end, and are reported in the accompanying statements of activities.

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.

Certain of the underlying investments of the limited partnerships in which the Foundation has positions enter into various financial investments, in the normal course of their operations, including derivatives held or issued for trading purposes. These investments are subject to market risk, which arises from changes in securities values and other market conditions. The Foundation believes that its various managers monitor their positions continuously to reduce risk of losses due to changes in market values or the failures of third parties to perform.

[4] Fair-value of financial measurement:

The Foundation is subject to the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 820-10-05 relating to fair-value measurement. Accordingly, the Foundation reports a fair-value measurement of all applicable financial assets and liabilities, including investments and grants payable.

[5] Property and equipment:

Property and equipment are stated at their costs at the dates of acquisition. Depreciation is calculated in accordance with the applicable tax method in the year acquired, using statutory rates pursuant to the Code and estimated useful lives ranging from five to ten years. Leasehold improvements are capitalized and amortized using the straight-line method over the remaining lease term, or the useful lives of the improvements, whichever is shorter.

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Notes to Financial Statements December 31, 2011 and 2010

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

[6] Contributions and pledges receivable:

Contributions are recognized as revenue upon receipt of cash or unconditional pledges. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions to be received after one year are discounted to present value at an appropriate discount rate commensurate with the risk involved. Conditional promises to give are not included as revenue until such time as the conditions are substantially met.

The Foundation reports contributions in the temporarily restricted net-asset classification if they are received with donor stipulation or time consideration as to their use. When a donor's restriction is met, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

[7] Grants:

Grants are recognized as obligations at the time of approval by the Board of Directors. Grants approved by the Board, but unpaid as of year-end, are reported as liabilities in the accompanying statements of financial position. Grants are generally paid within the upcoming year.

[8] Income tax uncertainties:

The Foundation adopted the provisions of ASC 740-10-05 relating to accounting and reporting for uncertainty in income taxes. Since the Foundation has always recorded the potential tax liability for excise and unrelated business taxes, and due to its general not-for-profit status, ASC 740-10-05 has not had, and is not anticipated to have, a material impact on the Foundation's financial statements.

[9] Subsequent events:

The Foundation considers the accounting treatments, and the related disclosures in the current fiscal-year's financial statements, that may be required as the result of all events or transactions that occur after year-end through the date of the independent auditors' report.

[10] Reclassification:

The Foundation's 2010 net asset balance has been restated to reflect adjustment for contributions that more appropriately reflect donor's intent.

NOTE B - INVESTMENTS

At each year-end, investments consisted of the following:

	December 31,			
	2011		2010	
	Fair Value	Cost	Fair Value	Cost
Money-market and other temporary investments	\$ 513,230	\$ 513,230	\$ 619,032	\$ 619,032
Equity securities	9,819,049	7,775,574	10,209,669	7,280,373
Mutual and fixed-income funds	19,935,567	20,450,377	28,821,717	27,999,991
Limited partnerships and limited liability companies	14,155,535	13,074,996	16,010,429	13,537,210
Private equity securities	3,933,821	4,391,323	8,006,635	7,703,235
Hedge funds	<u>15,886,553</u>	<u>15,384,779</u>	<u>19,868,459</u>	<u>18,500,000</u>
Total investments	<u>\$ 64,243,755</u>	<u>\$ 61,590,279</u>	<u>\$ 83,535,941</u>	<u>\$ 75,639,841</u>

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Notes to Financial Statements December 31, 2011 and 2010

NOTE B - INVESTMENTS (CONTINUED)

ASC 820-10-05 establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical assets and liabilities at the reporting date. The types of investments and other assets included in Level 1 are exchange-traded equity securities, equity mutual funds, and short-term money-market funds.
- Level 2: Valuations are based on (i) quoted prices for similar assets or liabilities in active markets, or (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include securities that are redeemable at or near the balance sheet date and for which a model was derived for valuation.
- Level 3: Fair value is determined based on pricing inputs that are unobservable and includes situations where there is little, if any, market activity for the asset or liability. Level 3 assets include securities, the underlying investments of which could not be either independently valued or immediately redeemed at or near the balance sheet date.

Most investments classified in Levels 2 and 3 consist of shares or units in investment funds, as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the net asset value reported by each fund is used as a practical expedient to estimate fair value of Foundation's interest therein, its classification in Level 2 or 3 is based on Foundation's ability to redeem its interest at or near the fiscal year-end. If the interest can be redeemed in the near term, the investment is classified as Level 2.

The classification in the fair-value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

The following tables summarize the fair values of the Foundation's assets at each year-end, in accordance with the ASC 820-10-05 valuation levels:

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Money-market and other temporary investments	\$ 513,230			\$ 513,230
Equity securities	9,819,049			9,819,049
Mutual and fixed-income funds	15,053,713	\$ 4,881,854		19,935,567
Limited partnerships and limited liability companies	2,368,644	1,854,994	\$ 9,931,897	14,155,535
Private equity securities			3,933,821	3,933,821
Hedge funds			15,886,553	15,886,553
Total investments	<u>\$ 27,754,636</u>	<u>\$ 6,736,848</u>	<u>\$ 29,752,271</u>	<u>\$ 64,243,755</u>

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Notes to Financial Statements December 31, 2011 and 2010

NOTE B - INVESTMENTS (CONTINUED)

	December 31, 2010			Total
	Level 1	Level 2	Level 3	
Money-market and other temporary investments	\$ 619,032			\$ 619,032
Equity securities	10,209,669			10,209,669
Mutual and fixed-income funds	28,821,717	\$ 3,136,207		31,957,924
Limited partnerships and limited liability companies	2,541,507	6,332,794	\$ 2,876,301	11,750,602
Private equity securities			9,130,255	9,130,255
Hedge funds			19,868,459	19,868,459
Total investments	<u>\$ 42,191,925</u>	<u>\$ 9,469,001</u>	<u>\$ 31,875,015</u>	<u>\$ 83,535,941</u>

The following tables summarize the activity for financial instruments classified within level 3:

	Year Ended December 31, 2011			
	Limited Partnerships and Limited Liability Companies	Private Equities	Hedge Funds	Total
Balance - January 1, 2011	\$ 7,352,575	\$ 4,653,981	\$ 19,868,459	\$ 31,875,015
Net purchases	3,621,878	100,397	3,532,064	7,254,339
Net sales	(768,164)	(1,162,846)	(6,420,355)	(8,351,365)
Realized (losses) gains	(56,341)	521,192	(226,930)	237,921
Unrealized losses	<u>(218,051)</u>	<u>(178,903)</u>	<u>(866,685)</u>	<u>(1,263,639)</u>
Balance - December 31, 2011	<u>\$ 9,931,897</u>	<u>\$ 3,933,821</u>	<u>\$ 15,886,553</u>	<u>\$ 29,752,271</u>

	Year Ended December 31, 2010			
	Limited Partnerships and Limited Liability Companies	Private Equities	Hedge Funds	Total
Balance - January 1, 2010	\$ 17,527,762	\$ 9,286,752		\$ 26,814,514
Net purchases	3,483,199	268,257	\$ 18,500,000	22,251,456
Net sales	(14,422,763)	(5,352,237)		(19,775,000)
Realized gains	3,502,592	807,490		4,310,082
Unrealized (losses) gains	<u>(2,738,215)</u>	<u>(356,281)</u>	<u>1,368,459</u>	<u>(1,726,037)</u>
Balance - December 31, 2010	<u>\$ 7,352,575</u>	<u>\$ 4,653,981</u>	<u>\$ 19,868,459</u>	<u>\$ 31,875,015</u>

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Notes to Financial Statements December 31, 2011 and 2010

NOTE B - INVESTMENTS (CONTINUED)

The following tables lists investments in other investment companies by major category:

	December 31, 2011			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Private equities	\$ 3,933,821	\$ 531,857	None	N/A
Limited partnerships and limited liability companies	\$ 5,669,957		Liquidated subsequent to year-end	N/A
	4,261,940		Annually	90 days
	1,635,471		Semi-Annually	45 days
	2,538,955		Monthly	9-45 days
	<u>49,212</u>		Daily	N/A
	<u>\$ 14,155,535</u>			
Hedge funds	\$ 6,234,111		Annually	90 days
	4,370,013		Semi-Annually	60-65 days
	2,156,167		Quarterly	60 days
	<u>3,126,262</u>		Rolling 2-year lock-up; afterward 1/8 redemption of capital account allowed quarterly	65 days
	<u>\$ 15,886,553</u>			

NOTE C - PLEDGES RECEIVABLE

The pledges receivable at each year end represent amounts promised to the Foundation's capital campaign for its US - Japan Leadership program, but which had not yet been collected as of that date. Such pledges are classified as temporary restricted.

Outstanding pledges are expected to be collected as follows:

	December 31,	
	<u>2011</u>	<u>2010</u>
Less than one year	\$ 64,866	\$ 40,000
One to five years	<u>119,600</u>	<u>145,000</u>
	184,466	185,000
Reduction of pledges due in excess of one year to present value at 3.00%	<u>(13,586)</u>	<u>(13,586)</u>
	<u>\$ 170,880</u>	<u>\$ 171,414</u>

Management expects to fully collect the balance of pledges receivable, and accordingly, has not established an allowance for doubtful accounts.

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Notes to Financial Statements December 31, 2011 and 2010

NOTE D - 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.

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

	December 31,	
	2011	2010
Cooperative apartment	\$ 790,725	\$ 790,725
Cooperative apartment improvements	241,370	241,370
Leasehold improvements	230,685	230,685
Equipment	102,378	84,289
Furniture and fixtures	286,452	286,452
	<u>1,651,610</u>	1,633,521
Less accumulated depreciation and amortization	<u>1,211,694</u>	<u>1,176,912</u>
	<u>\$ 439,916</u>	<u>\$ 456,609</u>

The maintenance and utility charges on the cooperative apartment were \$52,338 and \$50,959 for 2011 and 2010, respectively.

NOTE E - DEFERRED FEDERAL EXCISE TAXES

For 2011 and 2010, the Foundation was subject to the 2% federal excise tax rate and provided for deferred excise taxes on the total unrealized appreciation in fair value over the original cost of its investments. Deferred excise taxes payable at December 31, 2011 and 2010 were \$46,922 and \$157,922, respectively.

NOTE F - 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.

NOTE G - COMMITMENTS

[1] At December 31, 2011, future minimum lease payments under noncancellable leases (with expirations through 2017) are as follows:

Year	Amount
2012	\$ 243,263
2013	248,923
2014	250,202
2015	206,153
2016	212,337
Thereafter	<u>35,562</u>
	<u>\$ 1,196,440</u>

Rent expense was \$246,439 and \$234,167 in 2011 and 2010, respectively.

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Notes to Financial Statements December 31, 2011 and 2010

NOTE G - COMMITMENTS (CONTINUED)

[2] In connection with its investment activity, the Foundation selects various investment vehicles, including limited partnerships. Under the terms of certain limited-partnership agreements, the Foundation may make an initial capital contribution, as well as commit to funding additional capital contributions. During 2011 and 2010, the Foundation had commitments to provide additional capital investments of approximately \$532,000 and \$320,000, respectively.

NOTE H - RETIREMENT PLAN

The Foundation has a defined-contribution 403(b) retirement plan for the benefit of its employees. Contributions were \$150,878 and \$150,056 for 2011 and 2010, respectively.

NOTE I - 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.

NOTE J - RESTRICTED NET ASSETS

Temporarily restricted net assets relate to the Foundation's US-Japan Leadership program. During 2011, \$24,866 of restrictions were satisfied.

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Notes to Financial Statements December 31, 2011 and 2010

NOTE K - GRANT ACTIVITY

The Foundation's grant activity for 2011 was as follows:

Recipient Name and Purpose	Unpaid January 1, 2011	Net Grants Authorized 2011	Paid	Unpaid December 31, 2011
Precollege Education				
AmerAsian School in Okinawa (Ginowan, Japan) To support the salary for a new instructor at the school.	\$ 30,332		\$ 30,332	
AmerAsian School in Okinawa (Ginowan, Japan) To support the salary for a qualified teacher at the school.		\$ 33,018		\$ 33,018
Association for Asian Studies (Ann Arbor, MI) To support special Japan-related sections for two issues of Education About Asia on Japan's Democracy.	37,500		37,500	
Buddhist Film Foundation (Berkeley, CA) To support the production and distribution of a new classroom edition DVD and study guide to accompany the feature documentary Shugendo Now in an effort to foster greater understanding between everyday Japanese and American citizens.		9,000	9,000	
Calloway County Board of Education (Murray, KY) To support matching funds needed to hire a full-time Japanese language teacher.		10,000	10,000	
Center Grove Community School Corporation (Greenwood, IN) To support a United States-Japan Day event for one hundred fifty students as part of the 2011 Elgin Heinz Outstanding Teacher Award.		5,000	5,000	
Creative Connections (Norwalk, CT) To support an arts-related cultural exchange project for pre-college students in the United States and Japan.		10,000	10,000	
Five Colleges (Amherst, MA) To support a series of Japan-focused webinars taught by expert faculty for K-12 teachers throughout the United States.		9,526	9,526	
Institute of International Education (New York, NY) To support a US Higher Education Fair in Japan.		5,000	5,000	
Japan Society (New York, NY) To support a social networking project for secondary schools.	14,916		14,916	
Japan Society of San Diego and Tijuana (San Diego, CA) To support the Japanese Cultural and Academic Proficiency Competition (J-CAP) for high school students studying Japanese.	20,000		20,000	
Japan Society of San Diego and Tijuana (San Diego, CA) To support a Japanese language competition held annually in February for high school students currently studying Japanese in the San Diego area.		10,000	10,000	
Japan-America Society of Washington, DC (Washington, DC) To support a national Japanese language and culture competition for high school students.	50,490		50,490	
Jotetsu University of Education (Joetsu-shi, Japan) To support the collaborative development of curriculum materials by educators in the US and Japan focused on Education for Sustainable Development.	<u>38,462</u>	<u>(124)</u>	<u>38,338</u>	
(carried forward)	191,700	91,420	250,102	33,018

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Notes to Financial Statements December 31, 2011 and 2010

NOTE K - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2011	Net Grants Authorized 2011	Paid	Unpaid December 31, 2011
(brought forward)	\$ 191,700	\$ 91,420	\$ 250,102	\$ 33,018
Precollege Education (continued)				
Lincoln Memorial University (Harrogate, TN) To support the LMU-Kanto study abroad program.	9,560		9,560	
Midori Foundation (New York, NY) To support Midori and Friends' music education programs in underprivileged elementary schools in the New York City area.		25,000	25,000	
P.S. 116: The Mary Lindley Murray School (New York, NY) To support the planning, building, and installation of a Japanese garden in The Mary Lindley Murray School yard.	5,000		5,000	
Rochester Institute of Technology (Rochester, NY) To support a pilot program for high school students who are deaf from Japan and the US to enhance and enrich their understanding of the cultures (deaf and hearing) of each country by comparing and contrasting them over a 12 month period.	35,030		35,030	
South Lakes High School/Fairfax County Public Schools (Fairfax, VA) To support the incorporation of kanji-learning technology into Japanese language classes at South Lakes High School as part of the 2010 Elgin Heinz Outstanding Teacher Award.	5,000		5,000	
The Association of Teachers of Japanese (Boulder, CO) To support an on-line professional development course for Japanese language Teachers titled Using Technology in the Japanese Language Classroom.		4,000	4,000	
The Board of Trustees of the Leland Stanford Junior University (Stanford, CA) To support the creation of new Japanese language instructional materials at the InterUniversity Center for Japanese Language Studies.		10,000	10,000	
The Japan-America Society of Washington, DC (Washington, DC) To support a national Japanese language and culture competition for high school students.		50,490	50,490	
The Mountain Institute (Washington, DC) To support the third year of the development of 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 in new and engaging ways.	40,000			40,000
The Woodlands High School (The Woodlands, TX) To support Japanese performing artists to visit The Woodlands High School to perform for students and as part of the 2011 Elgin Heinz Outstanding Teacher Award.		5,000	5,000	
The Young Men's Christian Association of Greater Seattle (Seattle, WA) To support a one-month long intensive language program for US high school students to study Japanese language in Kobe, Japan.		12,000	12,000	
University of Pennsylvania (Philadelphia, PA) To support a program to prepare educators in the Greater Philadelphia region to teach about contemporary Japan in the aftermath of the 2011 disasters.		<u>78,426</u>	<u>78,426</u>	
(carried forward)	<u>286,290</u>	<u>276,336</u>	<u>489,608</u>	<u>73,018</u>

UNITED STATES - JAPAN FOUNDATION

Notes to Financial Statements December 31, 2011 and 2010

NOTE K - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2011	Net Grants Authorized 2011	Paid	Unpaid December 31, 2011
(brought forward)	\$ 286,290	\$ 276,336	\$ 489,608	\$ 73,018
Precollege Education (continued)				
World Affairs Council of Oregon (Portland, OR) To support Teach East Asia Educator and Youth Forums in 2011.	<u>7,240</u>		<u>7,240</u>	
Subtotal for Precollege Education	<u>293,530</u>	<u>276,336</u>	<u>496,848</u>	<u>73,018</u>
US-Japan Policy				
Council on Foreign Relations (New York, NY) To support a project on Japan's Political Transition and the U.S.-Japanese Alliance.	44,812		44,812	
Council on Foreign Relations (New York, NY) To support the second year of a study to analyze domestic political change in Japan and its effect on the US-Japan Alliance.		44,813	44,813	
Research and Development Initiative, Chuo University (Tokyo, Japan) To support a program that brings together a bi-national team of leading academics to draw up a grand strategy for Japan with the aim of enhancing the US-Japan alliance.	<u>2,608</u>			<u>2,608</u>
Subtotal for US - Japan Policy	<u>47,420</u>	<u>44,813</u>	<u>89,625</u>	<u>2,608</u>
Communications / Public Opinion				
Asian Cultural Council (New York, NY) To support a project titled Voices from Japan: Despair and Hope from Disaster.		30,000		30,000
Iowa State University Foundation (Ames, IA) To support a multi-media project that will explore Kobo Daishi and the Shikoku Pilgrimage titled, Ritual Praxis and the Body of Belief: Exploring Folk Praxis of the Shikoku Pilgrimage.	37,170		37,170	
Japan NGO Center for International Cooperation (JANIC) (Tokyo, Japan) To support a program that aims to improve the effectiveness of aid delivered by Japanese NGOs that utilize Overseas Development Assistance funds from the Japanese government.	21,433	2,755	24,188	
John Manjiro-Whitfield Commemorative Center for International Exchange (Washington, DC) To strengthen and make sustainable its Japan-America Grassroots Summit program.		25,000	25,000	
John Manjiro-Whitfield Commemorative Center for International Exchange (New York, NY) To support the Center and the 2012 Grass-Roots Summit and as part of the United States-Japan Foundation's Distinguished Service Award which was bestowed upon Mr. Minoru Makihara in 2011.		10,000	10,000	
Minnesota Public Radio/American Public Media (St. Paul, MN) To support a special series of reports on Japan for Marketplace that will increase public understanding of the relationship between America and Japan.		20,000	20,000	
National Bureau of Asian Research (Seattle, WA) To support reviews of Japanese Publications by Ms. Fumiko Halloran on the Japan Forum, as well as general support for the Forum.	<u>15,000</u>		<u>15,000</u>	
(carried forward)	73,603	87,755	131,358	30,000

UNITED STATES - JAPAN FOUNDATION

Notes to Financial Statements December 31, 2011 and 2010

NOTE K - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2011	Net Grants Authorized 2011	Paid	Unpaid December 31, 2011
(brought forward)	\$ 73,603	\$ 87,755	\$ 131,358	\$ 30,000
Communications / Public Opinion (continued)				
National Bureau of Asian Research (Seattle, WA) To support the continuation of monthly analyses of Japanese publications by Ms. Fumiko Halloran on the Japan-US Discussion Forum and to support a portion of the Forum's operating cost.		15,000	15,000	
Shelburne Art Center (Shelburne, VT) To support the production of a book on traditional Japanese boat building by Mr. Douglas Brooks, an American who has apprenticed with four master boat builders in Japan.	32,500			32,500
Simmons College (Boston, MA) To support the Japanese Women's Leadership Initiative and Workshop Program.		50,000	50,000	
The Center for Independent Documentary (Sharon, MA) To support a 56-minute documentary about 98-year old Keiko Fukuda, who was recently awarded the 10 th degree (black belt) in Judo.		15,000	15,000	
U.S.-Japan Council Earthquake Relief Fund (Washington, DC) To directly support The U.S.-Japan Council's efforts to raise funds for immediate relief and the long-term rebuilding in Japan as a result of the recent earthquake.		150,000	150,000	
Subtotal for Communications / Public Opinion	106,103	317,755	361,358	62,500
Prior year's awards withdrawn/returned in current year		(16,475)	(16,475)	
Total	\$ 447,053	\$ 622,429	\$ 931,356	\$ 138,126

- (a) Unexpended funds returned in the current year are netted against payments.
 (b) Net grants authorized reflect the subtractions of net currency losses which totaled (\$2,631) for the year. Current year reductions in awards have been netted against the original award.