



UNITED STATES - JAPAN FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2010 and 2009

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, 2010 and 2009, 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, 2010 and 2009, 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 10, 2011

UNITED STATES - JAPAN FOUNDATION

Statements of Financial Position

	December 31,	
	<u>2010</u>	<u>2009</u>
ASSETS		
Cash	\$ 261,148	\$ 428,372
Investments	83,535,941	79,473,324
Due from broker	291,229	486,526
Accrued income receivable	138,593	23,440
Pledges receivable, net	401,856	
Property and equipment, net	456,609	492,674
Prepaid federal excise taxes		84,127
Security deposits and other assets	<u>61,612</u>	<u>52,369</u>
	<u>\$ 85,146,988</u>	<u>\$ 81,040,832</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 41,210	\$ 56,266
Grants payable	447,053	638,652
Federal excise taxes payable	82,566	
Deferred excise taxes payable	<u>157,922</u>	<u>171,957</u>
	<u>728,751</u>	<u>866,875</u>
Commitments (Note G)		
Net assets:		
Unrestricted	84,016,381	80,173,957
Temporary restricted	<u>401,856</u>	<u> </u>
	<u>84,418,237</u>	<u>80,173,957</u>
	<u>\$ 85,146,988</u>	<u>\$ 81,040,832</u>

UNITED STATES - JAPAN FOUNDATION

Statements of Activities

	<u>Year Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Revenues:		
Contributions	<u>\$ 433,981</u>	<u>\$ 13,898</u>
Investment income:		
Dividends	1,386,597	1,479,796
Interest	446,700	233,547
Net undistributed share of ordinary earnings (losses) from partnership investments	<u>161,086</u>	<u>(264,736)</u>
	<u>1,994,383</u>	1,448,607
Investment expenses	<u>(1,031,003)</u>	(734,845)
Federal tax expenses	<u>(212,641)</u>	(13,573)
	<u>750,739</u>	700,189
Net investment income	<u>750,739</u>	700,189
	<u>1,184,720</u>	714,087
Expenses:		
Grants	873,234	1,180,994
US - Japan Leadership Program	671,503	669,576
Other programs	1,460,799	1,343,404
Administrative	<u>385,559</u>	<u>362,641</u>
	<u>3,391,095</u>	3,556,615
Total expenses	<u>3,391,095</u>	3,556,615
Excess of expenses over contribution and net investment income before net realized and unrealized (losses) gains on investments	<u>(2,206,375)</u>	(2,842,528)
Realized gains (losses) on investments	7,138,355	(2,079,586)
Net unrealized (depreciation) appreciation in fair value of investments [net of deferred excise taxes benefit (expense) of \$14,035 and (\$171,957) in 2010 and 2009, respectively]	<u>(687,700)</u>	<u>12,133,555</u>
	<u>4,244,280</u>	7,211,441
Increase in net assets	<u>4,244,280</u>	7,211,441
Net assets - January 1	<u>80,173,957</u>	<u>72,962,516</u>
	<u>84,418,237</u>	<u>80,173,957</u>
Net assets - December 31	<u>\$ 84,418,237</u>	<u>\$ 80,173,957</u>

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Statements of Cash Flows

	Year Ended December 31,	
	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ 4,244,280	\$ 7,211,441
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized gain on investments	(6,436,620)	(10,225,926)
Net undistributed share of ordinary (earnings) losses from partnership investments	(161,086)	264,736
Depreciation and amortization	36,065	37,679
Changes in:		
Due from broker	195,297	(421,228)
Accrued income receivable	(115,153)	(8,826)
Pledges receivable	(401,856)	
Prepaid federal excise taxes	166,693	(1,618)
Security deposits and other assets	(9,243)	(5,026)
Grants payable	(191,599)	242,236
Accounts payable and accrued expenses	(15,056)	(119,629)
Deferred tax liability	(14,035)	171,957
Net cash used in operating activities	<u>(2,702,313)</u>	<u>(2,854,204)</u>
Cash flows from investing activities:		
Purchases of investments	(46,638,904)	(29,374,791)
Proceeds from sales of investments	<u>49,173,993</u>	<u>32,426,599</u>
Net cash provided by investing activities	<u>2,535,089</u>	<u>3,051,808</u>
Change in cash	(167,224)	197,604
Cash - January 1	<u>428,372</u>	<u>230,768</u>
Cash - December 31	\$ <u>261,148</u>	\$ <u>428,372</u>
Supplemental information:		
Cash paid for excise tax	\$ 50,000	

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Notes to Financial Statements December 31, 2010 and 2009

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.

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. The Foundation made the required distributions for 2010 and 2009.

(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. Temporarily restricted contributions, the requirements of which are met in the year of donation, are reported as unrestricted. 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, 2010 and 2009

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.

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Notes to Financial Statements December 31, 2010 and 2009

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.

[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.

NOTE B - INVESTMENTS

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

	December 31,			
	2010		2009	
	Fair Value	Cost	Fair Value	Cost
Money-market and other temporary investments	\$ 619,032	\$ 619,032	\$ 299,483	\$ 299,483
Equity securities	10,209,669	7,280,373	9,974,667	7,547,997
Mutual and fixed-income funds	28,821,717	27,999,991	30,716,326	30,123,218
Limited partnerships and limited liability companies	16,010,429	13,537,210	30,242,617	24,694,696
Private equity securities	8,006,635	7,703,235	8,240,231	8,210,093
Hedge funds	<u>19,868,459</u>	<u>18,500,000</u>		
Total investments	<u>\$ 83,535,941</u>	<u>\$ 75,639,841</u>	<u>\$ 79,473,324</u>	<u>\$ 70,875,487</u>

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Notes to Financial Statements December 31, 2010 and 2009

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 U.S. government and agency securities and corporate debt 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 in privately held companies, split-interest agreements, hedge funds, and limited partnerships, the underlying investments of which could not be either independently valued or immediately redeemed at or near the balance sheet date.

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, 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			28,821,717
Limited partnerships and limited liability companies		\$ 4,285,423	\$ 11,725,006	16,010,429
Private equity securities			8,006,635	8,006,635
Hedge funds			19,868,459	19,868,459
Total investments	<u>\$ 39,650,418</u>	<u>\$ 4,285,423</u>	<u>\$ 39,600,100</u>	<u>\$ 83,535,941</u>

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Notes to Financial Statements December 31, 2010 and 2009

NOTE B - INVESTMENTS (CONTINUED)

	December 31, 2009			Total
	Level 1	Level 2	Level 3	
Money-market and other temporary investments	\$ 299,483			\$ 299,483
Equity securities	9,974,667			9,974,667
Mutual and fixed-income funds	30,716,326			30,716,326
Limited partnerships and limited liability companies		\$ 7,069,505	\$ 23,173,112	30,242,617
Private equity securities			8,240,231	8,240,231
Total investments	<u>\$ 40,990,476</u>	<u>\$ 7,069,505</u>	<u>\$ 31,413,343</u>	<u>\$ 79,473,324</u>

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

	Year Ended December 31, 2010			
	Limited Partnerships and Limited Liability Companies	Private Equities	Hedge Funds	Total
Balance - January 1, 2010	\$ 23,173,112	\$ 8,240,231		\$ 31,413,343
Net purchases	5,682,364	756,398	\$ 18,500,000	24,938,762
Net sales	(18,009,601)	(1,927,694)		(19,937,295)
Realized gains	3,807,939	664,438		4,472,377
Unrealized (losses) gains	<u>(2,928,808)</u>	<u>273,262</u>	<u>1,368,459</u>	<u>(1,287,087)</u>
Balance - December 31, 2010	<u>\$ 11,725,006</u>	<u>\$ 8,006,635</u>	<u>\$ 19,868,459</u>	<u>\$ 39,600,100</u>

	Year Ended December 31, 2009		
	Limited Partnerships and Limited Liability Companies	Private Equities	Total
Balance - January 1, 2009	\$ 22,952,671	\$ 8,066,845	\$ 31,019,516
Net purchases	6,484,666	330,302	6,814,968
Net sales	(10,187,017)	(893,501)	(11,080,518)
Realized (losses) gains	(512,983)	526,935	13,952
Unrealized gains	<u>4,435,775</u>	<u>209,650</u>	<u>4,645,425</u>
Balance - December 31, 2009	<u>\$ 23,173,112</u>	<u>\$ 8,240,231</u>	<u>\$ 31,413,343</u>

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Notes to Financial Statements December 31, 2010 and 2009

NOTE B - INVESTMENTS (CONTINUED)

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

	December 31, 2010			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Private equities	\$ 8,006,635	\$ 320,000	None	N/A
Limited partnerships and limited liability companies	\$ 1,245,855		Liquidated subsequent to year-end	N/A
	1,981,441		Semi-Annually	45 days
	5,743,644		Monthly	9-35 days
	<u>2,754,066</u>		Quarterly	65 days
	<u>\$ 11,725,006</u>			
Hedge funds	\$ 2,411,731		Liquidated subsequent to year-end	N/A
	6,816,266		Annually	90 days
	5,329,145		Semi-Annually	60-65 days
	2,121,051		Quarterly	60 days
	<u>3,190,266</u>		Rolling 2-year lock-up; afterward 1/8 redemption of capital account allowed quarterly	65 days
	<u>\$ 19,868,459</u>			

NOTE C - PLEDGES RECEIVABLE

The pledges receivable as of December 31, 2010 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, 2010
Less than one year	\$ 90,000
One to five years	<u>345,000</u>
	435,000
Reduction of pledges due in excess of one year to present value at 3.00%	<u>(33,144)</u>
	<u>\$ 401,856</u>

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Notes to Financial Statements December 31, 2010 and 2009

NOTE C - PLEDGES RECEIVABLE (CONTINUED)

At December 31, 2010 approximately \$390,000 or 90% of the outstanding pledge balance is due from trustees of the Foundation. Based on its prior experience with donors, management expects to fully collect the balance of pledges receivable, and accordingly, has not established an allowance for doubtful accounts.

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:

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Cooperative apartment	\$ 790,725	\$ 790,725
Cooperative apartment improvements	241,370	241,370
Leasehold improvements	230,685	230,685
Equipment	84,289	84,289
Furniture and fixtures	<u>286,452</u>	<u>286,452</u>
	1,633,521	1,633,521
Less accumulated depreciation and amortization	<u>1,176,912</u>	<u>1,140,847</u>
	<u>\$ 456,609</u>	<u>\$ 492,674</u>

The maintenance and utility charges on the cooperative apartment were \$50,959 and \$49,353 for 2010 and 2009, respectively.

NOTE E - DEFERRED FEDERAL EXCISE TAXES

For 2010 and 2009, 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, 2010 and 2009 were \$157,922 and \$171,957, 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. During 2009, the Foundation received contributions from former Program participants which are used to defray the annual costs of administering the Program. During 2010, the Foundation started its capital campaign to support the Program for which all contributions were recognized as revenue upon receipt.

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Notes to Financial Statements December 31, 2010 and 2009

NOTE G - COMMITMENTS

[1] At December 31, 2010, future minimum lease payments under noncancellable leases (with expirations through 2017) are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 235,073
2012	240,567
2013	246,227
2014	247,731
2015	206,153
Thereafter	<u>247,899</u>
	<u>\$ 1,423,650</u>

Rent expense was \$234,167 and \$224,406 in 2010 and 2009, respectively.

[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 2010 and 2009, the Foundation had commitments to provide additional capital investments of approximately \$320,000 and \$880,000, respectively.

NOTE H - RETIREMENT PLAN

The Foundation has a defined-contribution 403(b) retirement plan for the benefit of its employees. Contributions were \$150,056 and \$143,657 for 2010 and 2009, 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.

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Notes to Financial Statements December 31, 2010 and 2009

NOTE J - GRANT ACTIVITY

The Foundation's grant activity for 2010 was as follows:

Recipient Name and Purpose	Unpaid January 1, 2010	Net Grants Authorized 2010	Paid	Unpaid December 31, 2010
Precollege Education				
AmerAsian School in Okinawa (Ginowan, Japan) To support the salary for a new instructor at the school.		\$ 30,332		\$ 30,332
Association for Asian Studies (Ann Arbor, MI) To support special Japan-related sections in the Association for Asian Studies' teaching journal Education About Asia.	\$ 37,500		\$ 37,500	
Association for Asian Studies (Ann Arbor, MI) To support special Japan-related sections in the Association for Asian Studies' teaching journal Education About Asia.		37,500		37,500
Board of Trustees of the University of Illinois (Champaign, IL) To support a documentary video with supplementary instructional materials about the half-century long engagement between people in a town in Tohoku and an American anthropologist.	40,205		40,205	
Calloway County High School/Calloway County Board of Education (Murray, KY) To support the enhancement of Japanese language and cultural learning at Calloway County High School as part of the 2010 Elgin Heinz Outstanding Teacher Award.		5,000	5,000	
Creative Connections (Norwalk, CT) To support an arts-related cultural exchange project for 600 students in Hiroshima and the US.	16,750		16,750	
Five Colleges Inc. (Five College Center for East Asian Studies) (Amherst, MA) To support a thirty-hour pilot program that will train fifteen middle school teachers to teach about Japan through the use of the literature that examines the physical and human characteristics of Japan.	15,125		15,125	
Global Nomads Group (New York, NY) To support a series of live video conferences that will connect high schools in the US and Japan.	15,000		15,000	
Grace Church School (New York, NY) To support the Yukuhashi-Grace Church School sister school program.	18,200		18,200	
Great Falls Elementary School (Great Falls, VA) To support the development of a Japanese Garden at Great Falls Elementary School as part of the 2009 Elgin Heinz Outstanding Teacher Award.	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 Boston (Boston, MA) To support the second year of a two-year program to strengthen the ties between Kyoto and Boston by bringing together little-league baseball players from both cities.		5,000	5,000	
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.	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.		20,000		20,000
(carried forward)	167,780	112,748	177,780	102,748

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Notes to Financial Statements December 31, 2010 and 2009

NOTE J - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2010	Net Grants Authorized 2010	Paid	Unpaid December 31, 2010
(brought forward)	\$ 167,780	\$ 112,748	\$ 177,780	\$ 102,748
Precollege Education (continued)				
Japan-America Society of Washington, DC (Washington, DC) To support a national Japanese language and culture competition for high school students	50,000		50,000	
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
Joetsu University of Education (Joetsu-shi, Japan) To support the collaborative development of curriculum material by educators in the US and Japan focused on Education for sustainable development		38,462		38,462
Keio University (Kanagawa, Japan) To support a pilot internet-mediated American Studies program for Japanese high school students.		50,000	50,000	
Kushi Foundation (Becket, MA) To support the design and development of a website that will support the sharing of culture-rich teaching materials for K-12 Japanese-language instruction.	17,243		17,243	
Laurasian Institution (Seattle, WA) To support scholarships for economically challenged students to travel to Japan this summer as part of the New Perspectives Japan program.		6,000	6,000	
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.		30,000	30,000	
Murray State University (Murray, KY) To support Japanese language teaching in public schools in western Kentucky.		9,840	9,840	
NY de Volunteer (New York, NY) To support a series of Japanese cultural education programs for underprivileged children in New York City.	28,000		28,000	
Ohio Northern University (Ada, OH) To support a U.S.-Japan Camp that brings twenty American high school students interested in Japanese language and culture together to participate in an innovative, academically-oriented immersion program during the summer at Ohio Northern University (ONU) in the West Central Ohio community of Ada.		40,608	40,608	
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.		72,041	37,011	35,030
(carried forward)	263,023	424,749	446,482	241,290

UNITED STATES - JAPAN FOUNDATION

Notes to Financial Statements December 31, 2010 and 2009

NOTE J - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2010	Net Grants Authorized 2010	Paid	Unpaid December 31, 2010
(brought forward)	\$ 263,023	\$ 424,749	\$ 446,482	\$ 241,290
Precollege Education (continued)				
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 Board of Trustees of the Leland Stanford Junior University (Stanford, CA) To support the development of educational materials, in partnership with the Tribute WTC Center, that help students to reflect upon the impact of September 11 th and the humanitarian efforts that took place in the aftermath of the attack on the World Trade Center.		23,863	23,863	
The Board of Trustees of the University of Illinois (Champaign, IL) To support a pilot Japan House Summer Arts Camo for up to 20 children, ages 8 to 12 that will explore the culture and traditional arts of Japan and introduce Japanese concepts.		12,474	12,474	
The Gitter-Yelen Foundation (New Orleans, LA) To support the second year of a series of Japanese art education workshops in New Orleans. To support a pilot Japan House Summer Arts Camo for up to 20 children, ages 8 to 12 that will explore the culture and traditional arts of Japan and introduce Japanese concepts.		20,000	20,000	
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.	80,000		40,000	40,000
Trustees of Tuft College (Medford, MA) To support the Institute for Global Leadership's US High School Research Trip to Japan that focuses on nuclear weapons and nuclear power.		27,170	27,170	
University of Pennsylvania (Philadelphia, PA) To support the third year of a three-year program to prepare educators to teach about contemporary Japan in the Greater Philadelphia Region.	74,082		74,082	
World Affairs Council of Oregon (Portland, OR) To support Teach East Asia Educator and Youth Forums in 2011.		7,240		7,240
Subtotal for Precollege Education	<u>417,105</u>	<u>520,496</u>	<u>644,071</u>	<u>293,530</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
Institute for International Policy Studies (Tokyo, Japan) To support the third year of a three-year series of comprehensive studies of what the Japan-US Alliance toward 2020 should be.	45,647		45,647	
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.		2,608		2,608
(carried forward)	45,647	47,420	45,647	47,420

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Notes to Financial Statements December 31, 2010 and 2009

NOTE J - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2010	Net Grants Authorized 2010	Paid	Unpaid December 31, 2010
(brought forward)	\$ 45,647	\$ 47,420	\$ 45,647	\$ 47,420
US-Japan Policy (continued)				
US-Japan Council (Washington, DC) To support a US-Japan Engagement in Clean Technology project.	<u> </u>	<u>25,000</u>	<u>25,000</u>	<u> </u>
Subtotal for US - Japan Policy	<u>45,647</u>	<u>72,420</u>	<u>70,647</u>	<u>47,420</u>
Communications/Public Opinion				
Class Acts Arts (Silver Spring, MD) To support the creation of a feature-length documentary chronicling the "life" of pictures drawn by children of Hiroshima, Japan in 1947 in gratitude to a church in Washington, DC for their donations of art supplies.		49,913	49,913	
Community Television Foundation of South Florida (Miami, FL) To support the production and broadcast of at least eight reports on Japanese business/economic topics on public television's Nightly Business Report.	37,400		37,400	
Densho (Seattle, WA) To support the design, production, and hosting of a Japanese-language website about Japanese American history focusing on World War II detention that will be promoted in Japan in collaboration with the Tokyo Broadcasting System's new drama about a Japanese American family.		25,000	25,000	
Iowa State University Foundation (Ames, IA) To support a multi-media project that will explore Kobo Daishu and the Shikoku Pilgrimage titled Ritual Praxis and the Body of Belief: Exploring Folk Praxis of the Shikoku Pilgrimage.		37,170		37,170
Isamu Noguchi Foundation and Garden Museum (Long Island City, NY) To support communications initiative promoting The Noguchi Museum and its wide variety of programs to Japanese-speaking individuals.	10,000		10,000	
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.		47,493	26,060	21,433
Japan-America Society of Indiana (Indianapolis, IN) To support the Japan Exhibition at the Indiana State Fair in August of 2010, which will feature traditional and contemporary Japanese arts and cultural activities.		10,000	10,000	
Japanese Garden Society of Oregon (Portland, OR) To support the first-year planning phase of The North American Japanese Garden Initiative, a long-term project that will develop a network of Japanese gardens in the US and link them with garden professionals in Japan.		43,000	43,000	
National Bureau of Asian Research (Seattle, WA) To support the continuation of monthly analysis of Japanese publications by Ms. Fumiko Halloran on the Japan-US Discussion Forum and to support a portion of the Forum's operating costs.		15,000	15,000	
National Bureau of Asian Research (Seattle, WA) To support the continuation of monthly analysis of Japanese publications by Ms. Fumiko Halloran on the Japan-US Discussion Forum and to support a portion of the Forum's operating costs.	<u> </u>	<u>15,000</u>	<u> </u>	<u>15,000</u>
(carried forward)	105,400	184,576	216,373	73,603

UNITED STATES - JAPAN FOUNDATION

Notes to Financial Statements December 31, 2010 and 2009

NOTE J - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2010	Net Grants Authorized 2010	Paid	Unpaid December 31, 2010
(brought forward)	\$ 105,400	\$ 184,576	\$ 216,373	\$ 73,603
Communications/Public Opinion (continued)				
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 a series of workshops in Japan that aims to strengthen the capacity of women to provide leadership and work effectively in the non-profit sector.		61,490	61,490	
The Aspen Institute (Washington, DC) To support the planning and organization of the 2011 Aspen Cultural Diplomacy Forum to be held in Tokyo and Mikata, Japan, under the theme of "the Art of Peace Building".		40,000	40,000	
The Maureen and Mike Mansfield Foundation (Washington, DC) To support the Asian Opinion Poll Database, an online reference tool for researchers in the United States to monitor and access public opinion trends in Japan and other Asian nations.	10,000		10,000	
Tides Center (San Francisco, CA) To support a project that will train and send up to 10 young multimedia reporters and mentors to Okinawa to produce short video stories aimed for the publication on the web site of The Washington Post.		15,000	15,000	
Vermont Studio Center (Johnson, VT) To support fellowships for two Japanese visual artists to engage in eight-week residencies at the Vermont Studio Center and participate in their educational outreach programs	25,000		25,000	
Western Washington University Foundation (Bellingham, WA) To support a community-wide film and discussion program that will explore Japanese society and cultures as it has evolved from the pre-war 1930's through the war and reconstruction.	3,000		3,000	
Whitfield-Manjiro Friendship Society (Fairhaven, MA) To support the training of tour guides for the new Captain Whitfield Museum, as well as to offer Japanese language classes.		<u>16,410</u>	<u>16,410</u>	
Subtotal for Communications/Public Opinion	<u>175,900</u>	<u>317,476</u>	<u>387,273</u>	<u>106,103</u>
Prior year's awards withdrawn/returned in current year		<u>(32,942)</u>	<u>(32,942)</u>	
Total	<u>\$ 638,652</u>	<u>\$ 877,450</u>	<u>\$ 1,069,049</u>	<u>\$ 447,053</u>

(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 (\$4,216) for the year. Current year reductions in awards have been netted against the original award.