

This English translation of “Notes on Financial Statements” of the Institute of Actuaries of Japan is an unofficial translation. Only its original Japanese texts have effect, and the translation is to be used solely as reference material to aid in the understanding of the original one.

この「財務諸表に対する注記」の翻訳は公定訳ではありません。効力を有するのは日本語の資料であり、翻訳はあくまでその理解を助けるための参考資料です。

Notes on Financial Statements

The IAJ, starting from the current fiscal year, applies the “Accounting Standards for Public-interest Corporations” (established by the Japanese Cabinet Office’s Public Interest Commission, on April 11, 2008, and revised on October 16, 2009).

1. Important accounting policies

- (1) Standards and methods for valuation of securities
The mark-to-market method based on the fair market value is applied to valuation of securities as of the last day of the fiscal year.
- (2) Standards and methods of valuation of inventories
First In First Out, cost method is applied.
Only inventories acquired during and after FY2006 are booked.
- (3) Method of depreciation of fixed assets
The straight-line method is applied to depreciation of tangible fixed asset.
- (4) Standards for booking of reserves
 - Reserve for bonuses
The anticipated amount of bonuses payable attributable to the current fiscal year is booked.
 - Reserve for retirement benefits
The amount equivalent to benefits payable as of the end of the fiscal year is booked.
- (5) Method of processing lease transactions
Accounting process similar to the method used for normal lease transactions is used for finance lease transactions excluding those in which the ownership of the leased item is deemed to transfer to the lessee.
- (6) Accounting for consumption tax and other taxes.
Consumption tax and other taxes are booked by the tax included method.

2. Changes to accounting policies

“Accounting Standards for Public-interest Corporations” (established by the Japanese Cabinet Office’s Public Interest Commission, on April 11, 2008, and revised on October 16, 2009) is applied from the current fiscal year, while “Accounting Standards for Public-interest Corporations” (October 14, 2004, Arrangement of Concerned Ministries and Agencies Concerning Guidance and Supervision, etc. of Public-interest Corporation, etc.) had been previously applied.

The amount of changes in net assets for the current year is not affected by this change.

3. Statement of changes in basic fund and specified assets.

Statement of changes in specified assets is as shown below.

(Unit: Yen)

Item	Closing balance at the end of the previous year	Increase during the current year	Decrease during the current year	Closing balance at the end of the current year
Specified assets				
International conference expense fund	71,086,143	10,000,000	0	81,086,143
Research and investigation operation fund	70,000,000	0	0	70,000,000
Examination and education operation fund	70,000,000	0	0	70,000,000
Reserve for retirement benefits fund	4,765,700	694,200	0	5,459,900
Total	215,851,843	10,694,200	0	226,546,043

4. Breakdown of sources of basic fund and specified assets

Breakdown of sources of specified assets is as shown below.

(Unit: Yen)

Item	Closing balance at the end of the current year	(Of the balance, amount applied from general net assets)	(Of the balance, amount corresponding to liabilities)
Specified assets			
International conference expense fund	81,086,143	(81,086,143)	(0)
Research and investigation operation fund	70,000,000	(70,000,000)	(0)
Examination and education operation fund	70,000,000	(70,000,000)	(0)
Reserve for retirement benefits fund	5,459,900	(0)	(5,459,900)
Total	226,546,043	(221,086,143)	(5,459,900)

5. Acquisition price, accumulated depreciation and closing balance of fixed assets.

The acquisition price, accumulated depreciation and closing balance of fixed assets are as shown below.

(Unit: Yen)

Item	Acquisition price	Accumulated depreciation	Closing balance at the end of the current year
Building and accessories	11,477,092	7,492,104	3,984,988
Fixtures and equipment	1,631,200	1,118,232	512,968
Total	13,108,292	8,610,336	4,497,956