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

1. Important accounting policies

(1)Standards and methods of 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) Methods of depreciation of fixed assets
The straight-line method is applied to depreciation of tangible fixed asset.

(4) Standards of 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) Accounting methods for lease transactions
・Finance lease transactions (Less than 3 million yen)
Accounting method applied to 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.
・Finance lease transactions (More than 3 million yen)
Accounting method applied to sales and purchase 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. 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	81,086,143	0	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
ICA2026 expense fund	20,000,000	0	0	20,000,000
Reserve for retirement benefits fund	17,770,000	3,259,100	754,700	20,274,400
Total	258,856,143	3,259,100	754,700	261,360,543

3. 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)
ICA2026 expense fund	20,000,000	(20,000,000)	(0)
Reserve for retirement benefits fund	20,274,400	(0)	(20,274,400)
Total	261,360,543	241,086,143	(20,274,400)

4. 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	12,721,972	11,975,839	746,133
Fixtures and equipment	1,631,200	1,631,198	2
Machinery and equipment	7,129,872	2,143,910	4,985,962
Total	21,483,044	15,750,947	5,732,097