

Eisner

Eisner LLP
Accountants and Advisors

UNITED STATES - JAPAN FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2008 and 2007



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, 2008 and 2007, 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, 2008 and 2007, 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.

A handwritten signature in cursive script that reads "Eisner LLP".

New York, New York
October 29, 2009

UNITED STATES - JAPAN FOUNDATION

Statements of Financial Position

	December 31,	
	<u>2008</u>	<u>2007</u>
ASSETS		
Cash	\$ 230,768	\$ 46,165
Due from broker	65,298	57,170
Accrued income receivable	14,614	17,488
Investments	72,563,942	99,798,377
Property and equipment, net	530,353	564,043
Prepaid federal excise tax	82,509	84,792
Security deposits and other assets	<u>47,343</u>	<u>56,946</u>
	<u>\$ 73,534,827</u>	<u>\$ 100,624,981</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants payable	\$ 396,416	\$ 290,827
Deferred excise taxes payable		454,072
Accounts payable and accrued expenses	<u>175,895</u>	<u>40,854</u>
	572,311	785,753
Commitment (Note F)		
Net assets - unrestricted	<u>72,962,516</u>	<u>99,839,228</u>
	<u>\$ 73,534,827</u>	<u>\$ 100,624,981</u>

UNITED STATES - JAPAN FOUNDATION

Statements of Activities

	Year Ended December 31,	
	2008	2007
Revenues:		
Contributions	\$ 20,740	\$ 37,305
Investment income:		
Dividends	1,922,355	2,627,163
Interest	<u>109,221</u>	<u>251,491</u>
	2,031,576	2,878,654
Investment expenses	(784,710)	(742,210)
Federal tax expenses	<u>(72,400)</u>	<u>(101,143)</u>
	1,174,466	2,035,301
Net investment income	<u>1,174,466</u>	<u>2,035,301</u>
Total revenues	<u>1,195,206</u>	<u>2,072,606</u>
Expenses:		
Grants	1,343,614	1,388,616
US - Japan Leadership Program	603,000	508,093
Other programs	1,187,869	1,114,966
Administrative	<u>620,588</u>	<u>453,952</u>
Total expenses	<u>3,755,071</u>	<u>3,465,627</u>
Excess of expenses over contribution and net investment income before net realized and unrealized (losses) gains on investments	(2,559,865)	(1,393,021)
Realized gains on investments	1,561,497	2,988,006
Net unrealized (depreciation) appreciation in fair value of investments [net of deferred excise taxes benefit (expense) of \$454,072 and (\$124,994) in 2008 and 2007, respectively]	<u>(25,878,344)</u>	<u>6,045,842</u>
Change in net assets - unrestricted	(26,876,712)	7,640,827
Net assets - unrestricted, January 1	<u>99,839,228</u>	<u>92,198,401</u>
Net assets - unrestricted, December 31	<u>\$ 72,962,516</u>	<u>\$ 99,839,228</u>

UNITED STATES - JAPAN FOUNDATION

Statements of Cash Flows

	<u>Year Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ (26,876,712)	\$ 7,640,827
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized loss (gain) on investments	24,758,012	(9,033,848)
Depreciation and amortization	37,862	37,048
Changes in:		
Due from broker	(8,128)	(5,317)
Accrued income receivable	2,874	(5,952)
Prepaid federal excise tax	2,283	(3,857)
Security deposits and other assets	9,603	5,993
Grants payable	105,589	14,245
Deferred tax liability	(454,072)	124,994
Accounts payable and accrued expenses	135,041	528
Net cash used in operating activities	<u>(2,287,648)</u>	<u>(1,225,339)</u>
Cash flows from investing activities:		
Purchases of investments	(13,685,098)	(12,564,416)
Proceeds from sales of investments	16,161,521	13,771,664
Purchases of property and equipment	(4,172)	(10,457)
Net cash provided by investing activities	<u>2,472,251</u>	<u>1,196,791</u>
Change in cash	184,603	(28,548)
Cash - January 1	<u>46,165</u>	<u>74,713</u>
Cash - December 31	<u>\$ 230,768</u>	<u>\$ 46,165</u>
Supplemental information:		
Cash paid for excise tax	\$ 5,000	\$ 105,000

UNITED STATES - JAPAN FOUNDATION

Notes to Financial Statements December 31, 2008 and 2007

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, 2008 and 2007 were approximately \$4,351,000 and \$4,636,000, respectively. At December 31, 2008, the Foundation has excess distribution carryforwards of approximately \$97,000, expiring in 2009 through 2013.

For 2008 and 2007, 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 benefit (expense) for 2008 and 2007 of approximately \$454,000 and (\$125,000), respectively, and deferred excise taxes payable of approximately \$454,000 in 2007.

[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.

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Notes to Financial Statements December 31, 2008 and 2007

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] New accounting pronouncements:

In July 2006, the Financial Accounting Standards Board (the "FASB") issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 establishes for all financial enterprises, including not-for-profit organizations to the extent applicable, a requirement for financial-statement recognition of any benefits that the enterprise may expect to receive as the result of a position taken with regard to income taxes, as well as for expanded tax-related disclosures. A subsequent FASB release has permitted deferral of the application of FIN 48; management evaluates any material uncertain tax positions on an ongoing basis and has elected to defer application of FIN 48 to 2009. The adoption of FIN 48 is not expected to have a material effect on the Foundation's financial statements.

In September 2006, the FASB also released Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurement," which establishes a framework for the measurement of the fair value of an enterprise's assets and liabilities in various circumstances, and for enhanced disclosures about fair-value measurements. The Organization adopted SFAS No. 157 effective January 1, 2008.

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 security values and other market conditions. Hedge funds may trade in derivative instruments that involve varying degrees of market risk, including those related to 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.

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Notes to Financial Statements December 31, 2008 and 2007

NOTE B - INVESTMENTS (CONTINUED)

- [1] 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 of \$12,907 and \$6,031 for 2008 and 2007, 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 on forward exchange currency contracts were \$12,907 and \$6,031 for 2008 and 2007, respectively.

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

	December 31,			
	2008		2007	
	Fair Value	Cost	Fair Value	Cost
Money-market and other temporary investments	\$ 1,447,068	\$ 1,447,068	\$ 1,009,907	\$ 1,009,907
Mutual funds	25,466,712	27,409,574	36,026,640	29,961,593
Limited partnerships and limited liability company	37,015,476	37,631,479	49,940,865	36,427,491
Equity securities	<u>8,634,686</u>	<u>9,783,494</u>	<u>12,820,965</u>	<u>9,774,642</u>
Total investments	<u>\$ 72,563,942</u>	<u>\$ 76,271,615</u>	<u>\$ 99,798,377</u>	<u>\$ 77,173,633</u>

Approximately 18 percent and 20 percent of the Foundation's marketable securities were held by highly capitalized financial institutions, during 2008 and 2007, 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.

Subsequent to December 31, 2008, there was a decline in the fair value of the Foundation's investments, due to current economic and market conditions. Management believes that there will be no adverse effect of this decline on the Foundation's viability and expects that there will be an eventual recovery of value in these investments.

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Notes to Financial Statements December 31, 2008 and 2007

NOTE C - FAIR VALUE MEASUREMENT

As discussed in Note A, the Foundation adopted SFAS No. 157 on January 1, 2008 for certain financial assets and liabilities, which among other things, requires enhanced disclosures about assets and liabilities measured at fair value. Accordingly, SFAS No. 157:

- defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value;
- establishes a three-level hierarchy for fair value measurement based upon the observability of inputs to the evaluation of an asset or liability as of the measurement date;
- requires consideration of our nonperformance risk when valuing liabilities; and
- expands disclosures about instruments measured at fair value.

SFAS No. 157 also establishes a three-level valuation hierarchy for 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 our market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1 - Quoted prices for *identical* instruments in active markets;
- Level 2 - Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose significant inputs are observable; and
- Level 3 - Instruments whose significant inputs are *unobservable*.

The following table presents for each of these hierarchy levels, the Foundation's financial assets that are measured at fair value on a recurring basis at December 31, 2008:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Money-market and other temporary investments	\$ 1,447,068			\$ 1,447,068
Mutual funds	25,466,712			25,466,712
Limited partnerships and limited liability company		\$5,995,960	\$ 31,019,516	37,015,476
Equity securities	<u>8,634,686</u>			<u>8,634,686</u>
Total investments	<u>\$ 35,548,466</u>	<u>\$5,995,960</u>	<u>\$ 31,019,516</u>	<u>\$ 72,563,942</u>

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Notes to Financial Statements December 31, 2008 and 2007

NOTE C - FAIR VALUE MEASUREMENT (CONTINUED)

The table below summarizes the changes in investments measured at fair value for which the Foundation used Level 3 inputs to determine fair value during fiscal-year ended 2008.

	Fair-Value Measurements Using Level 3 Inputs Limited Partnerships
Balance at January 1, 2008	\$ 42,599,749
Net purchases	820,083
Net sales	(1,452,505)
Net realized gains	444,242
Net change in unrealized losses	<u>(11,392,053)</u>
Balance at December 31, 2008	<u>\$ 31,019,516</u>

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. Depreciation and amortization expense was \$37,862 and \$37,048 for 2008 and 2007, respectively.

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

	December 31,	
	2008	2007
Cooperative apartment	\$ 790,725	\$ 790,725
Cooperative apartment improvements	241,370	241,370
Leasehold improvements	230,685	230,685
Equipment	84,289	80,117
Furniture and fixtures	<u>286,452</u>	<u>286,452</u>
	1,633,521	1,629,349
Less accumulated depreciation and amortization	<u>1,103,168</u>	<u>1,065,306</u>
	<u>\$ 530,353</u>	<u>\$ 564,043</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 \$48,134 and \$46,103 for 2008 and 2007, respectively.

NOTE E - 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 2008 and 2007, the Foundation received contributions from former Program participants which are used to defray the annual costs of administering the Program.

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Notes to Financial Statements December 31, 2008 and 2007

NOTE F - LEASES

At December 31, 2008, future minimum lease payments under noncancellable leases (with expirations through 2017) are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 204,990
2010	177,830
2011	183,165
2012	188,659
2013	194,319
Thereafter	<u>654,201</u>
	<u>\$1,603,164</u>

Rent expense was \$212,402 and \$212,213 for 2008 and 2007, respectively.

NOTE G - RETIREMENT PLAN

The Foundation has a defined-contribution 403(b) retirement plan for the benefit of its employees. Contributions were \$145,126 and \$130,894 for 2008 and 2007, respectively.

NOTE H - 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, 2008 and 2007

NOTE I - GRANT ACTIVITY

The Foundation's grant activity for 2008 was as follows:

Recipient Name and Purpose	Unpaid January 1, 2008	Net Grants Authorized 2008	Paid	Unpaid December 31, 2008
Precollege Education				
Action for a Better International Community (ABIC) (Tokyo, Japan) To support a project to improve education about the United States through the development of exchanges between Americans and Japanese and special classes for understanding America.		\$ 4,793	\$ 4,793	
Anacortes School District (Anacortes, WA) To support the third year of a three-year program of Japanese language instruction at Island View Elementary School in Anacortes, WA.		2,092	2,092	
Children's Museum (Boston, MA) To support new educational programs for children and educators focused on the <i>Kyo no Machiya</i> , a permanent exhibition of the Boston Children's Museum.		50,000	50,000	
Concordia College (Concordia Language Villages) (Moorhead, MN) To support the third year of Concordia Language Village's strategic plan to transform <i>Mori no Ike</i> into a permanent, culturally authentic, Japanese Language Village.		25,000	25,000	
Five Colleges (Five College Center for East Asian Studies) (Amherst, MA) To support a third year of the publication of <i>East Asia for Teachers</i> , a newsletter that reaches over 6,000 precollege teachers in the Northeast and provides them with information about events and opportunities related to Japan.		16,000	16,000	
Friends of the Japanese House and Garden (Shofuso) (Philadelphia, PA) To support a family guide for visitors and hands-on educational materials for Shofuso's East Meets West program in honor of Mr. David Murphy, an inspirational educator who serves as a volunteer at Shofuso.		5,000	5,000	
Hulstrom Options School (Northglenn, CO) To support a Japan-focused teacher professional development program for teachers in the Denver metro area, and for a visiting scholar program for students in the Adams 12 school district as part of the 2008 Elgin Heinz Outstanding Teacher Award.		5,000	5,000	
Japan Society of Boston (Boston, MA) To support the first year of a two-year program to strengthen ties between Kyoto and Boston by bringing together little-league baseball players from both cities.		30,000	30,000	
Japan-America Society of Washington, DC (Washington, DC) To support the fourteenth year of a national Japanese language and culture competition for high school students (Japan Bowl).		50,000	50,000	
Michigan State University (East Lansing, MI) To support a three-week environmental studies exchange program between high school science students and teachers in the state of Michigan and Shiga prefecture.		75,000	75,000	
Midori Foundation (Midori and Friends) (New York, NY) To support Midori and Friends' music education programs in underprivileged elementary schools in the New York City area.		35,000	35,000	
Nanzan University (Nagoya Aichi, Japan) To support the second year of the Nagoya American Studies Summer seminars, which aims to enhance mutual understanding between Americans and Japanese.	\$ 35,000	3,858	38,858	
Nanzan University (Nagoya Aichi, Japan) To support the third year of the Nagoya American Studies Summer Seminars, which aim to enhance mutual understanding between Americans and Japanese.		35,000		\$ 35,000
New Heights Academy Charter School (New York, NY) To support the development of a Japanese language resource library at New Heights Academy.		15,000	15,000	
(carried forward)	35,000	351,743	351,743	35,000

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Notes to Financial Statements December 31, 2008 and 2007

NOTE I - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2008	Net Grants Authorized 2008	Paid	Unpaid December 31, 2008
(brought forward)	\$ 35,000	\$ 351,743	\$ 351,743	\$ 35,000
Precollege Education (continued)				
New York Botanical Garden (Bronx, NY) To support the development and implementation of hands-on activities for children, teachers, and families to be presented during <i>Kiku: The Art of the Japanese Chrysanthemum</i> , which will be held in October and November 2008.		25,000	25,000	
Seattle Public Schools (Seattle, WA) To support the first year of a three-year project for the next phase of development of a model kindergarten through 12 th grade Japanese immersion program for the Seattle Public Schools as part of their international school initiative.	41,000			41,000
Seattle Public Schools (Seattle, WA) To support the second year of the next phase of development of a model kindergarten through 12 th grade Japanese immersion program for the Seattle Public Schools as part of their international school initiative.		89,014	44,507	44,507
Simmons College (Boston, MA) 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.	37,500		37,500	
Temple University Japan (Tokyo, Japan) 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	1,744	32,443	
Temple University Japan (Tokyo, Japan) To support the third 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.		51,466		51,466
The Mountain Institute (Washington, DC) To support the second 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.		80,000		80,000
University of Pennsylvania (Philadelphia, PA) To support the second year of a three-year program to prepare educators to teach about contemporary Japan in the Greater Philadelphia Region.		74,082	74,082	
Waterbury Department of Education, Maloney Magnet School (Waterbury, CT) To support the development of an Ipod Learning Station for Maloney Magnet School's Japanese language classes as part of the 2008 Elgin Heinz Outstanding Teacher Award.		5,000	5,000	
World Affairs Council of Philadelphia (Philadelphia, PA) To support the Margaret Lonzetta Global Leadership Fund and to honor her years of dedication to introducing educators and students in the Philadelphia area to Japanese culture and history.		1,000	1,000	
WXXI Public Broadcasting Council (Rochester, NY) To support a documentary film, and accompanying education materials, that explores how the return of a wartime diary teaches lessons of peace and how the US and Japan have transformed past conflicts into effective partnerships.		35,000	35,000	
Subtotal for Precollege Education	144,199	714,049	606,275	251,973
US - Japan Policy				
Council on Foreign Relations (New York, NY) To support the third year of a three-year project to explore the prospects and potential for a new regional security architecture in the Asia-Pacific Region.		70,000	70,000	
(carried forward)		70,000	70,000	

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Notes to Financial Statements December 31, 2008 and 2007

NOTE I - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2008	Net Grants Authorized 2008	Paid	Unpaid December 31, 2008
(brought forward)		\$ 70,000	\$ 70,000	
US - Japan Policy (continued)				
Institute for International Policy Studies (IIPS) (Tokyo, Japan) To support the first year of a three-year series of comprehensive studies of what the Japan-US Alliance toward 2020 should be.	\$ 45,742	5,174	50,916	
Institute for International Policy Studies (IIPS) (Tokyo, Japan) To support the second year of a three-year series of comprehensive studies of what the Japan-US Alliance toward 2020 should be.		71,797	14,457	\$ 57,340
International University of Japan (Niigata, Japan) 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	471	8,769	
International University of Japan (Niigata, Japan) To support the second year of a two-year project to research and produce a comprehensive and updated book on the US foreign policy decision making process.		27,015		27,015
Massachusetts Institute of Technology (MIT) (Cambridge, MA) 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 world stage.	10,000		10,000	
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.		37,278	37,278	
Social Sciences Research Council (New York, NY) To support the first year of a two-year project of Track II talks with North Korea and other six-party members.		80,000	80,000	
The Board of Trustees of the Leland Stanford Junior University (Stanford, CA) 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.		52,798	52,798	
Subtotal for US - Japan Policy	64,040	344,533	324,218	84,355
Communications/Public Opinion				
Asian Cine-Vision (New York, NY) 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.	27,588			27,588
Chicago Council on Global Affairs (Chicago, IL) To support an in-depth examination of American perceptions of Japan and US-Japan relations as part of the Council's 2008 public opinion study.		35,000	35,000	
Community Television Foundation of South Florida (Nightly Business Report) (Miami, FL) To support the second year of the production and broadcast of twelve reports on Japanese business/economic topics on public television's Nightly Business Report.		22,000	22,000	
Japan Society (New York, NY) 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)	82,588	57,000	112,000	27,588

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Notes to Financial Statements December 31, 2008 and 2007

NOTE I - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2008	Net Grants Authorized 2008	Paid	Unpaid December 31, 2008
(brought forward)	\$ 82,588	\$ 57,000	\$ 112,000	\$ 27,588
Communications/Public Opinion (continued)				
Meridian International Center (Washington, DC) To support a symposium titled, <i>Shigeru Ban: Paper Houses and the Architecture of Disaster Relief</i> and the Second Annual Meridian Spring Garden Benefit that will focus on Japan, as well as to honor Ambassador Ryozo Kato for his contributions to US-Japan relations.		50,000	50,000	
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.		15,000	15,000	
New York Buddhist Church (New York, NY) To support the reconstruction and renovation of the hondo (main hall) and in honor of T.K. Nakagaki's efforts to help Americans understand Japanese Buddhism.		500	500	
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.		65,000	32,500	32,500
The Maureen and Mike Mansfield Foundation (Washington, DC) To support the second year of a two-year project to enhance 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	
Whitfield-Manjiro Friendship Society (Acushnet, MA) To support the development of a media room and creation of DVDs about Manjiro in conjunction with the opening of the Whitfield-Manjiro Friendship House.		25,000	25,000	
WNYC Radio (New York, NY) To support a special focus on Japan for WNYC Radio's nationally broadcast program, Studio 360.		75,000	75,000	
Subtotal for Communications/Public Opinion	<u>82,588</u>	<u>297,500</u>	<u>320,000</u>	<u>60,088</u>
Prior year's awards withdrawn/returned in current year		<u>(2,823)</u>	<u>(2,823)</u>	
Total	<u>\$ 290,827</u>	<u>\$ 1,353,259</u>	<u>\$ 1,247,670</u>	<u>\$ 396,416</u>

(a) Net grants authorized reflect the subtractions of net currency losses which totaled (\$9,645) 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.