

Cultural Foundation Common Accounting (Item) Reference Table

1. Explanation:

The accounting items applicable to cultural foundations shall be established in accordance with the following principles:

- (1) The establishment of accounting items shall meet generally accepted accounting principles and correctly express the nature of each accounting item and formulate various reports to present business operations and financial conditions.
- (2) The names of accounting items shall be concise and they shall display the nature of each accounting item.
- (3) The definitions of accounting items shall be detailed and they shall clearly specify the contents and applicable scope.
- (4) Accounting items are classified into assets, liabilities, net worth, income and expenditures. The sequence and numbering principles are provided below:
 - A. The sequence of accounting items shall be based on the nature of the accounting items, liquidity, and time to the maturity date; larger accounting items and those with closer maturity dates are listed in the front; smaller accounting items and those with more distant maturity dates are listed in the back. As a principle, the sequence is provided for ease of analysis and expression of the financial status.
 - B. Accounting items shall be numbered in integers and the detailed account numbering shall be appropriately arranged based on requirements for the digitalization of accounting operations.
- (5) Accounting items may be established based on actual business requirements and actual transactions in accordance with the Reference Table specified in Point B. For special business requirements, the cultural affairs foundation may add appropriate accounting items based on the nature of its business operations and actual requirements.

2. The Cultural Foundation Common Accounting (Item) Reference Tables are as follows:
 - (1) Cultural Foundation Common Income and Expenditures Accounts Reference Table (Appendix 1-1)
 - (2) Cultural Foundation Common Statement of Changes in Net Worth Reference Table (Appendix 1-2)
 - (3) Cultural Foundation Common Cash Flow Statement Reference Table (Appendix 1-3)
 - (4) Cultural Foundation Common Balance Sheet Reference Table (Appendix 1-4)

Appendix 1-1

Cultural Foundation Common Income and Expenditures Accounts Reference Table

Account	Definitions
Income	Increase in assets, decrease in liabilities, and other profits or gains derived from transactions and other items in this period. Realized income is registered under credit. The balance of credit accounts is transferred into "surplus (deficit) of current period" in final accounts.
Operating income	All income from the provision of services and products in business operations and acceptance of donations and subsidies from external entities.
Income from labor services	Income from the provision of labor services and income from the execution of projects with government subsidies.
Sales revenue	Income from the sales of products.
Donated income	Donations of cash and other property accepted.
Government subsidies for basic operations income	Income from government subsidies for use in basic operations.
Other operating income	All other operating income not specified above.
Income from other operations	Income from activities that are not the foundation's main business activities.
Financial income	Income from interest, leases, exchanged surplus, and surplus from investments.
Other income from other operations	All other income from other operations not specified above.
Expenditures	Decrease in assets, increase in liabilities, and other expenses or deficits derived from transactions and other items in this period.

Account	Definitions
	Realized amounts are registered under debit. The balance of debit accounts is transferred into "surplus (deficit) of current period" in final accounts.
Business expenditures	All necessary expenditures derived from business operations.
Labor cost	Cost of the provision of labor services and Cost from the execution of projects with government subsidies.
Cost of sales	Cost of the sales of products.
Management expenses	Expenses incurred or amortized by departments for management.
Other business expenditures	All other operating expenditures not specified above.
Expenditures of other operations	Expenditures in activities that are not the foundation's main business activities.
Financial expenses	Interest expenses, exchanged deficits, and deficits from investments.
Other expenditures of other operations	All other expenditures from other operations not specified above.
Income tax expenses (benefits)	Income tax expense (or benefits) recognized in accordance with the Income Tax Act and other related regulations.
Surplus (deficit) of current period	If the balance of income minus expenditures in this period is positive, it is a surplus; if the balance is negative, it is a deficit.
Other comprehensive surplus/deficit of the year	Other comprehensive surplus/deficit (net income after-tax) in this period.
Other comprehensive surplus/deficit of the year	The sum of surplus/deficit unrealized income from available-for-sale financial assets, translation differences in financial statements from foreign operations, and other related income tax in other comprehensive

Account	Definitions
	surplus/deficit items before deducting related tax-effected expenses.

Appendix 1-2

Cultural Foundation Common Statement of Changes in Net Worth Reference Table

Account	Definitions
Net worth	The balance of all assets minus all liabilities. Net worth includes fund, surplus, and accrued balance.
Funds	Funds received by the foundation into its fund and remaining appropriated funds from past years.
Founding fund	Funds received by the foundation when it was founded or actual funds received each year in accordance with the establishment regulations and charity charter.
Donated funds	Funds donated by the government or private entities for designated purposes.
Other funds	All other funds not specified above.
Surplus	Reserves appropriated from surpluses in past years based on the approval of the board of directors.
Special surplus	Surplus appropriated from earnings for specific purposes.
Accrued balance	Cumulative surplus or cumulative deficit.
Cumulative surplus	Cumulative surplus unappropriated as of the end of the period.
Cumulative deficit	Cumulative deficit not made up as of the end of the period.
Net worth of other accounts	Adjustments to the net worth including all other comprehensive accrued balance and net deficit due to non-inclusion in cost of pension benefits.
Other comprehensive accrued balance	Unrealized income from available-for-sale financial assets and translation differences in financial statements from foreign operations.
Net deficit unrecognized in	The amount of the supplementary pension liabilities added because the recognized

Account	Definitions
cost of pension benefits	pension benefit liabilities failed to reach the minimum pension benefit liabilities that exceeded the cost of unrecognized preliminary services plus unrecognized transitional net payment obligations (or minus the unrecognized transitional net assets).

Appendix 1-3

Cultural Foundation Common Cash Flow Statement Reference Table

Account	Definitions
Cash flow from business activities	Inflows and outflows of cash and cash equivalents (including cash and debt securities due or repaid within three months from the date of investment) other than investment and financing activities included in the transactions and other items in the current period.
Surplus (deficit) before tax	Surplus (deficit) before tax in the income and expenditures accounts.
Interest and dividend adjustment	Cash flows from interest, dividends and interest expenses must be disclosed separately and adjustments must therefore be provided for the calculation of interest income, dividend income, and interest expenses for surplus (deficit) before tax.
Surplus (deficit) before tax before adding interest and dividend	Surplus (deficit) before tax before adding interest income, dividend income, and interest expenses.
Adjusted non-cash items	Operating income generates cash inflows when cash is received and business expenditures generate cash outflows when cash is paid. However, as the timing of business income and expenditures and cash income and expenditures may be different, the cash flow derived from businesses in the income and expenditures table must be adjusted for items that do not affect cash income and expenditures as well as other cash flow items from business activities (excluding interest income, dividend income, interest expenses and income tax).
Cash inflow (outflow)	Where the cash inflow of business activities before interest, dividends and income tax is

Account	Definitions
excluding interest and dividends	greater than its cash outflow, it constitutes net cash inflow excluding interest and dividends; if it is lower than the cash outflow, it constitutes net cash outflow excluding interest and dividends.
Interest received	The amount in determining interest received as surplus (deficit) that causes cash to increase in this period.
Dividends received	The amount in determining dividends received as surplus (deficit) that causes cash to increase in this period.
Interest paid	The amount in determining interest paid as surplus (deficit) that causes cash to decrease in this period.
Income tax paid	Payment of income tax paid that causes cash to increase in this period.
Net cash inflow (outflow) from business activities	Where the cash inflow of business activities is greater than its cash outflow, it constitutes net cash inflow in business activities; if it is lower than the cash outflow, it constitutes net cash outflow in business activities.
Cash flow from investment activities	Cash inflow and outflow from the acquisition and disposal of current financial assets other than cash equivalents, investments, property, plant and equipment, investment property, intangible assets, miscellaneous assets, decreased long-term receivables other than cash equivalents, deferred assets, and remuneration for investments obtained through interest and dividends.
Decreased current financial assets and short-term advances	Increase in cash in the current period due to decrease in current financial assets and short-term advances.
Decreased Investment, long-	Increase in cash in the current period due to decreased Investment, long-term receivables,

Account	Definitions
term receivables, loans, and reserve funds.	loans, and reserve funds.
Decreased property, plant and equipment	Increase in cash in the current period due to disposal of property, plant and equipment.
Decreased investment property	Increase in cash in the current period due to disposal of investment properties.
Decreased intangible assets and other assets	Increase in cash in the current period due to decrease in intangible assets and other assets.
Interest received	Increase in cash in the current period due to interest gained from remuneration for investment.
Dividends received	Increase in cash in the current period due to dividends gained from remuneration for investment.
Cash inflow from other investment activities	Increase in cash in the current period due to investment activities not specified above.
Increased current financial assets and short-term advances	Decrease in cash in the current period due to increase in current financial assets and short-term advances.
Increased investment, long-term receivables, loans, and reserve funds	Decrease in cash in the current period due to increase in investment, long-term receivables, loans, and reserve funds.
Increased property, plant and equipment	Decrease in cash in the current period due to increase in property, plant and equipment.
Increased investment property	Decrease in cash in the current period due to acquisition of investment properties.

Account	Definitions
Increased intangible assets and other assets	Decrease in cash in the current period due to increased intangible assets and other assets.
Cash outflow from other investment activities	Decrease in cash in the current period due to investment activities not specified above.
Net cash inflow (outflow) from investment activities	Where the cash inflow of investment activities is greater than its cash outflow, it constitutes net cash inflow in investment activities; if it is lower than the cash outflow, it constitutes net cash outflow in investment activities.
Cash flow from financing activities	Cash inflow and outflow caused by increase and decrease in debts, other liabilities, funds, reserves, and paid interest.
Increase in short-term liabilities, current financial liabilities, and other liabilities	Increase in cash in the current period due to increased short-term liabilities, current financial liabilities, and other liabilities.
Increase in long-term liabilities	Increase in cash in the current period due to long-term borrowing raised.
Increase in funds and reserves	Increase in cash in the current period due to increased funds and reserves.
Cash inflow from other financing activities	Increase in cash in the current period not attributable to the aforementioned financing activities.
Decrease in short-term liabilities, current financial liabilities, and other liabilities	Decrease in cash in the current period due to decreased short-term liabilities, current financial liabilities, and other liabilities.
Decrease in long-term liabilities	Decrease in cash in the current period due to long-term borrowing repaid.
Decrease in funds and reserves	Decrease in cash in the current period due to decreased funds and reserves.
Interest paid	Decrease in cash in the current period due to

Account	Definitions
	payment of interest for financial resources obtained.
Cash outflow from other financing activities	Decrease in cash in the current period due to financing activities not specified above.
Net cash inflow (outflow) from financing activities	Where the cash inflow of financing activities is greater than its cash outflow, it constitutes net cash inflow in financing activities; if it is lower than the cash outflow, it constitutes net cash outflow in financing activities.
Net increase (net decrease) of cash and cash equivalents	If the cash inflow generated in the business investment and financing activities in this period is greater than the cash outflow, it constitutes a net increase of cash and cash equivalents; if it is lower than the cash outflow, it constitutes net cash outflow of cash and cash equivalents.
Opening cash and cash equivalents	The sum of the opening cash and debt securities due or repaid within three months from the date of investment.
Closing cash and cash equivalents	The sum of the closing cash and debt securities due or repaid within three months from the date of investment.

Note: The table is based on cash and cash equivalents including cash and debt securities due or repaid within three months from the date of investment.

Appendix 1-4

Cultural Foundation Common Balance Sheet Reference Table

Account	Definitions
Asset	Economic resources obtained or controlled through various transactions or other items, which can be measured in currencies and expected to provide economic benefits in the future. They include current assets, investments, long-term receivables, loans and reserves, property, plant and equipment, and real estate, intangible assets and other assets held for investment.
Current assets	Cash and other assets to be liquidated, sold, or consumed within one year or one business cycle (whichever is longer).
Cash	Cash includes cash on hand, bank deposits, petty cash and working capital, cash in remittance, etc. but excludes cash with the designated use or subject to legal or contractual restrictions.
Current financial assets	Purchase of financial assets measured at fair value through profit and loss, available-for-sale financial assets, financial assets held to maturity, derivative financing for hedging, financial assets measured at cost, investment in debt instruments without active market, and other financial assets that are expected to be realized within 12 months after the balance sheet date.
Accounts receivable	Notes receivables and various account receivables.
Inventory	All current stocks of goods and products available for sale.
Advance payments	Advance payments for products, inventory of supplies, and various prepaid expenses.
Short-term	Short-term advances, advanced insurance

Account	Definitions
advances	premiums, and various advances.
Other current assets	All other current assets.
Investment, long-term receivables, loans, and reserve funds.	All long-term receivables and loans required for investments or derived from business activities or reserve funds appropriated from specific sources of funds for specific purposes.
Equity-accounted investments	Investment in enterprises or purchase of stocks of other companies that provide control or significant influence.
Non-current financial assets	Purchase of financial assets measured at fair value through profit and loss, available-for-sale financial assets, financial assets held to maturity, derivative financing for hedging, financial assets measured at cost, investment in debt instruments without active market, and other financial assets that are expected to be realized within 12 months after the balance sheet date.
Long-term receivables	Long-term notes receivables and various account receivables.
Long-term loans	All long-term loans
Reserve	A reserve is a fund appropriated for special purposes.
Property, plant and equipment	Tangible assets held for use in the production or supply of products or labor services, lease to others, or held for management over an expected period of more than one year.
Land	The cost of all land used for business activities.
Improvement on land	Bridges, walls, and other improvement on land with a certain durable life.
Buildings and structures	Houses, buildings, and equipment.
Machinery and equipment	Machinery and equipment provided for supply or office use.

Account	Definitions
Transportation and communication equipment	All equipment used for transportation and communication.
Miscellaneous equipment	Office equipment provided for operations and office use.
Leasehold improvements	Cost of improvements paid for leased assets.
Fixed assets in purchase or under construction	All real estate to be transferred, incomplete construction, prepaid construction and land payment, funds for ordering machinery and equipment.
Investment property	Investment property is property held by the owner or the lessee in financing leasing to earn rent or for capital appreciation or both.
Investment property	Investment property is property held by the owner or the lessee in financing leasing to earn rent or for capital appreciation or both.
Intangible assets	Exclusive usage rights for assets not physical in nature with future economic benefits held for long-term business use.
Intangible assets	Trademark rights, patent rights, special permits, computer software, and leasehold.
Other assets	All other assets not specified above.
Deferred assets	Technical cooperation fees, deferred income tax assets, and other deferred assets.
Miscellaneous assets	All guaranteed deposits paid, overdue receivables, temporary payments, pending fund transfers, and escrow assets.
Liabilities	Economic obligations derived from past transactions or other events that can be measured in monetary terms and repaid by providing labor services or payment of financial resources. They include current liabilities, long-term liabilities, and other liabilities.

Account	Definitions
Current liabilities	Liabilities that must be repaid with current assets or other current liabilities within one year or one business cycle (whichever is longer).
Short-term liabilities	Bank overdrafts, loans, and matured long-term liabilities with a repayment period of less than one year or one business cycle (whichever is longer).
Payables	All payable bills, accounts, advance payment, fees, taxes and construction fees.
Advance receipts	All advance receipts, interest, income, insurance premiums, deposits, and construction fees.
Current financial liabilities	Financial liabilities measured at fair value through profit or loss, derivative financial liabilities for hedging, financial liabilities measured at cost, and other financial liabilities that are repaid within 12 months of the balance sheet date.
Other current liabilities	All other current liabilities.
Long-term liabilities	Liabilities that mature in over one year or one business cycle (whichever is longer) or those that do not have to be repaid with current assets or other current liabilities.
Long-term debt	Bonds payable, long-term loans, payable long-term construction fees, and rent payable with a repayment period of one year or one business cycle (whichever is longer).
Other liabilities	All other liabilities not specified above.
Liability reserve	All Insurance reserves appropriated.
Deferred liabilities	Various deferred income, deferred income tax liabilities, and other deferred liabilities.
Miscellaneous liabilities	All guaranteed deposits, safekeeping funds, payable retirement and severance pay, temporary receipts, and pending fund transfers.
Net worth	The balance of all assets minus all liabilities. Net

Account	Definitions
	worth includes fund, surplus, and accrued balance.
Funds	Funds received by the foundation into its fund and remaining appropriated surplus funds from past years.
Founding fund	Funds received by the foundation when it was founded or actual funds received each year in accordance with the establishment regulations and charity charter.
Donated funds	Funds donated by the government or private entities for designated purposes.
Other funds	All other funds not specified above.
Surplus	Reserves appropriated from the surplus in past years based on the approval of the board of directors.
Special surplus	Surplus appropriated from earnings for specific purposes.
Accrued balance	Cumulative surplus or cumulative deficit.
Cumulative surplus	Cumulative surplus unappropriated as of the end of the period.
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Net worth of other accounts	Adjustments to the net worth including all other comprehensive accrued balance and net deficit due to non-inclusion in cost of pension benefits.
Other comprehensive accrued balance	Unrealized income from available-for-sale financial assets and translation differences in financial statements from foreign operations.
Net deficit due to non-inclusion in cost of pension benefits	The amount of the supplementary pension liabilities added because the recognized pension benefit liabilities failed to reach the minimum pension benefit liabilities that exceeded the cost of unrecognized preliminary services plus unrecognized transitional net payment obligations (or minus the

Account	Definitions
	unrecognized transitional net assets).