

## FISCAL 2004 FINANCIAL STATEMENTS

### List of Property

		(Units: yen)
Outline	Amount	Total
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Deposit	344,584,636	
Cash	35,829	
Ordinary Deposits (3 accounts):	344,533,607	
Sumitomo Mitsui Bank, Ebisu Branch and Another Bank		
Postal Book-transfer Saving (1 account) : Shibuya Post Office	15,200	
Accrued Income (112 accounts)	267,083,588	
Accounts Receivable (royalties and others)	1,562,016	
Other Current Assets (10 accounts)	7,273,500	
<b>Total Current Assets</b>		<b>620,503,740</b>
<b>Fixed Asset</b>		
Tangible Fixed Assets	21,084,038	
Equipment (Fireproof Safe and 135 others)	8,497,438	
Acquisition Cost	52,837,916	
Accumulated Depreciation	44,340,478	
Other Tangible Fixed Assets:	12,586,600	
Other Facilities Attached to the Yebisu Garden Place Building		
Acquisition Cost	125,866,000	
Accumulated Depreciation	113,279,400	
Intangible Fixed Assets		
Telephone Rights (95 subscriptions)	8,250,967	
Investments and Other Assets	31,820,864,174	
Operating Fund Assets	20,170,500,000	
Ordinary Deposits (1 account): Resona Bank, Tokyo kumubu	936,970	
Government Bounds (4 units): Face Value: 1,400,000,000	1,398,086,000	
Municipal Bonds (5 units) : Face Value: 1,549,000,000	1,547,171,960	
Financial Bonds (1 unit) : Face Value: 400,000,000	400,000,000	
Special Bonds (9 units) : Face Value: 2,686,500,000	2,678,819,600	
Corporate Bonds (22 units) : Face Value: 7,504,090,560	7,502,985,470	
Yen-dominated Foreign Bounds (17 units):	6,642,500,000	
Face Value: 6,650,000,000		

Outline	Amount	Total
Grant Fund Assets	5,815,265,100	
Ordinary Deposits (1 account): Resona Bank, Tokyo koumubu	745,316	
Government Bonds (4 units): Face Value: 1,500,000,000	1,488,092,000	
Municipal Bonds (5 units): Face Value: 816,000,000	808,885,920	
Special Bonds (9 units): Face Value: 1,483,600,000	1,459,322,694	
Corporate Bonds (8 units): Face Value: 1,108,469,440	1,108,219,170	
Yen-dominated Foreign Bounds (3 unites): Face Value: 950,000,000	950,000,000	
Investment Securities	5,431,114,360	
Municipal Bonds (5 units): Face Value: 984,000,000	981,891,200	
Special Bonds (4 units): Face Value: 1,080,000,000	1,070,704,800	
Corporate Bonds (6 units): Face Value: 1,287,440,000	1,278,518,360	
Yen-dominated Foreign Bounds (7 units): Face Value: 2,100,000,000	2,100,000,000	
Deposits on Rental Properties (Yebis Garden Place Building)	403,984,714	
<b>Total Fixed Assets</b>		<b>31,850,199,179</b>
<b>Total Assets</b>		<b>32,470,702,919</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Income Taxes Payable	3,800,000	
Accrued Expenses (Overtime pay and 18 others)	60,015,989	
Deposits Received (Income tax and 2 others)	3,896,765	
Total Current Liabilities		67,712,754
<b>Fixed Liabilities</b>		
Allowance		
Allowance for Retirement Benefits	235,133,477	
Total Fixed Liabilities		235,133,477
Total Liabilities		302,846,231
<b>Net Property</b>		<b>32,167,856,688</b>

(As of March 31, 2005)

## Balance Sheet

(Units: yen)

<b>Assets</b>		<b>Liabilities and Shareholders' Equity</b>	
<b>Assets</b>	<b>32,470,702,919</b>	<b>Liabilities</b>	<b>302,846,231</b>
Current Assets	620,503,740	Current Liabilities	67,712,754
Cash and Deposit	344,584,636	Income Taxes Payable	3,800,000
Accrued Income	267,083,588	Accrued Expenses	60,015,989
Accounts Receivable	1,562,016	Deposits Received	3,896,765
Other Current Assets	7,273,500	Fixed Liabilities	
Fixed Assets	31,850,199,179	Allowance	
Tangible Fixed Assets	21,084,038	Allowance for Retirement Benefits	235,133,477
Equipment	8,497,438	<b>Shareholders' Equity</b>	<b>32,167,856,688</b>
Other Tangible Fixed Assets	12,586,600	Common Stock	20,720,500,000
Intangible Fixed Assets		From the Central Government	15,550,000,000
Telephone Rights	8,250,967	From the Local Public Sector	5,075,000,000
Investments and Other Assets	31,820,864,174	From the Private Sector	95,500,000
Operating Fund Assets	20,170,500,000	Surpluses	11,447,356,688
Grant Fund Assets	5,815,265,100	Capital Surpluses	
Investment Securities	5,431,114,360	Donations	5,815,265,100
Deposits on Rental Properties	403,984,714	Earned Surplus	5,632,091,588
		Surplus Reserve	5,555,880,837
		Net Profit	76,210,751
<b>Total</b>	<b>32,470,702,919</b>	<b>Total</b>	<b>32,470,702,919</b>

(As of March 31, 2005)

Note: For fiscal 2004, NIRA posted net profits of ¥76,210,751 and in accordance with the provisions of Article 30 clause 1 of National Institute for Research Advancement Act (Japanese Law No. 51, 1973), the surplus reserve has been increased.

## Statement of Income and Expenditures

(Units: yen)

<b>Expenses</b>		<b>Income</b>	
Operating Expenses	1,092,761,108	Ordinary Income	1,172,961,909
Research Activities	499,584,332	Endowment Income	935,022,328
Research Programs	115,900,715	From Operating Fund	746,630,118
International Research Exchange Programs	25,024,872	From Grant Fund	188,392,210
Regional Research Exchange Programs	3,391,910	From Research Dissemination Activities	
Research Grants	58,147,268	From Sale of Publications	11,101,399
Administrative Costs	297,119,567	Non-operating Income	226,838,182
Research Publications and Dissemination Activities	170,832,250	Interest Income	2,540
Research Publications	48,928,855	Interest Securities	224,662,244
Information Programs	107,636,014	Profits on Securities Redeemed	1,820,905
Other Publications	14,267,381	Miscellaneous Income	352,493
General Operating Expenditures	422,344,526		
General Operating Expenditures	410,395,815		
Provision for Accrued Retirement Allowances	6,807,775		
Depreciation Expenses	5,140,936		
Additional Expenses			
Loss on Disposal of Fixed Asset	120,050		
Corporate Tax, Inhabitant Tax and Enterprise Tax	3,870,000		
Net Profit	76,210,751		
<b>Total</b>	<b>1,172,961,909</b>	<b>Total</b>	<b>1,172,961,909</b>

(From April 1, 2004 to March 31, 2005)

## Notes

1. Criterion and method of evaluating negotiable securities:

Negotiable securities are valued at the moving average of their original prices.

2. Depreciation of fixed assets:

The corporate tax law standard has been adopted, and depreciation of tangible fixed assets is calculated using the fixed depreciation method. The accumulation of depreciation of tangible fixed assets total is as follows.

Tangible fixed assets            ¥157,619,878

3. Summing up standard for reserves:

The allowance for retirement benefits is calculated as the sum that would have to be paid at the end of the accounting period if all employees retired voluntarily during the period.

4. Another important point regarding the financial statement:

The accounting system for consumption tax is the tax-included method