

Financial Statements

The 20th term

**From July 1, 2022
To June 30, 2023**

**Statement of Activity
Balance Sheet
List of Assets and Liabilities**

**Specified non-profit organization
Habitat for Humanity Japan**

Statement of Activity

For the year ended June 30, 2023

Specified non-profit organization Habitat for Humanity Japan

Unit in Japanese Yen

Account	Amount		
I Ordinary income			
1 Membership fees			
Membership fees, Full members	192,000		
Membership fees, Supporting members	1,748,000	1,940,000	
2 Donations			
Donations	67,437,372	67,437,372	
3 Grants			
Government Grants	3,876,208		
Private Grants	500,000	4,376,208	
4 Project revenue			
GV (Global Village volunteer program) project	20,671,000	20,671,000	
5 Other income			
Interests income	2,548		
Foreign exchange gain	1,734,582		
Others	2,467,101	4,204,231	
Total ordinary income			98,628,811
II Ordinary expenses			
1 Project expenses			
1) Personnel expenses			
Salaries and allowances	22,855,415		
Legal welfare expenses	3,555,267		
Commutation	1,020,878		
Training	207,575		
Total personnel expenses	27,639,135		
2) Other expenses			
Construction	30,670,032		
Donations	17,582,258		
Insurance	97,440		
Rents	3,322,378		
Utilities	179,718		
Supplies	1,500,828		
Depreciation	267,465		
Travel expenses	1,265,277		
Meeting expenses	408,263		
Communication	469,315		
Postage and freight	205,672		
Advertisement	934,961		
Outsourcing expenses	1,182,365		
Sundry taxes	1,800		
Bank charges	175,208		
Membership fees	122,674		
Total other expenses	58,385,654		
Total project expenses		86,024,789	
2 Administrative expenses			
1) Personnel expenses			
Salaries and allowances	2,857,786		
Legal welfare expenses	489,965		
Welfare expenses	36,884		
Commutation	81,283		
Total personnel expenses	3,465,918		
2) Other expenses			
Insurance	2,880		
Rents	262,622		
Utilities	14,206		
Supplies	12,495		
Depreciation	2,551		
Travel expenses	184,671		
Meeting expenses	4,573		
Communication	14,413		

Postage and freight	3,151		
Outsourcing expenses	629,943		
Professional fees	1,320,000		
Sundry taxes	1,200		
Bank charges	112,806		
Membership fees	20,526		
Total other expenses	<u>2,586,037</u>		
Total administrative expenses		6,051,955	
Total ordinary expenses			92,076,744
Change in ordinary income and expenses			6,552,067
III Non-recurring income			
Subsidy for Employment Adjustment		372,000	
Total non-recurring income			372,000
Change in net assets before taxes			6,924,067
Taxes			0
Net assets brought forward from previous year			72,447,027
Net assets carried forward to next year			<u>79,371,094</u>

Balance Sheet

As of June 30, 2023

Specified non-profit organization Habitat for Humanity Japan

Unit in Japanese Yen

Account	Amount	
I Assets		
1 Current assets		
Cash and deposits	73,945,719	
Accounts receivable	9,609,698	
Prepaid expenses	280,723	
Total current assets		83,836,140
2 Fixed assets		
(1) Tangible fixed assets		
Building facilities	293,102	
Office equipments	161,284	
Total tangible fixed assets	454,386	
(2) Investment and other assets		
Security deposit	1,000,000	
Guarantee deposit	500,000	
Total investment and other assets	1,500,000	
Total fixed assets		1,954,386
Total assets		85,790,526
II Liabilities		
1 Current liabilities		
Accrued expenses	2,165,773	
Advances received	2,837,000	
Deposit received	1,416,659	
Total current liabilities		6,419,432
2 Fixed liabilities		
Total fixed liabilities		0
Total liabilities		6,419,432
III Net assets		
Net assets brought forward from previous year		72,447,027
Change in net assets		6,924,067
Total net assets		79,371,094
Total liabilities and net assets		85,790,526

List of Assets and Liabilities

As of June 30, 2023

Specified non-profit organization Habitat for Humanity Japan

Unit in Japanese Yen

Account	Amount		
I Assets			
1 Current assets			
Cash and deposits			
Saving account- MUFG Bank	52,580,928		
Saving account- MUFG Bank (in USD)	19,017,549		
Saving account- SMBC	1,822,844		
Japan Post Bank	524,398		
Accounts receivable	9,609,698		
Prepaid expenses	280,723		
Total current assets		83,836,140	
2 Fixed assets			
(1) Tangible fixed assets			
Building facilities			
Electrical & Telephone work	293,102		
Office equipments			
Computers (3 laptops)	161,284		
Total tangible fixed assets	454,386		
(2) Investment and other assets			
Security deposit	1,000,000		
Guarantee deposit	500,000		
Total investment and other assets	1,500,000		
Total fixed assets		1,954,386	
Total assets			85,790,526
II Liabilities			
1 Current liabilities			
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2 Fixed liabilities			
Total fixed liabilities		0	
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Total net assets			79,371,094

List of Assets and Liabilities

As of June 30, 2023

Specified non-profit organization Habitat for Humanity Japan

Unit in Japanese Yen

Account	Amount		
I Assets			
1 Current assets			
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Saving account- MUFG Bank	52,580,928		
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1 Current liabilities			
Accrued expenses	2,165,773		
Advances received	2,837,000		
Deposit received	1,416,659		
Total current liabilities		6,419,432	
2 Fixed liabilities			
Total fixed liabilities		0	
Total liabilities			6,419,432
Total net assets			79,371,094

Notes to Financial Statements

1 Significant accounting policies

The accompanying financial statements of Habitat for Humanity Japan are prepared on the basis of Non-Profit Organization Accounting Principle: (Issued on July 20, 2010 and lastly amended on December 12, 2017 by the Council to Establish Accounting Principles for Non-Profit Organization).

- (1) Depreciation method of fixed assets
Fixed assets are depreciated by the straight line method
- (2) Accounting of receiving physical services like facilities use
Not applicable.
- (3) Offer of services from volunteers
Not applicable.
- (4) Consumption tax
Transactions subject to consumption taxes are recorded at amounts inclusive of consumption taxes

2 List of donations, etc. with donor-imposed restrictions that limit the use of the funds

List of donations, etc. with donor-imposed restrictions that limit the use of the funds (status of increase/decrease in net assets and fund balance) is as below. There is the fund of JPY 310,184 with donor-imposed restrictions out of the net assets of JPY 79,371,094. Thus the amount of the net assets without donor-imposed restrictions is JPY 79,060,910.

(Unit: JPY)

Name of grants, subsidies	Subsidizer	Beginning balance	Increase for the year	Decrease for the year	Ending balance	Remarks
Subsidies for housing support corporations	Ministry of Land, Infrastructure, Transport and Tourism	0	3,876,208	3,876,208	0	
Habitat Youth Leadership Development Project	Dentsu Ikuikai Foundation	0	500,000	189,816	310,184	
Total		0	4,376,208	4,066,024	310,184	

3 Breakdown of change in fixed assets

(Unit: JPY)

Account	Acquisition cost beginning	Acquisition	Disposition	Acquisition cost ending	Accumulated depreciation	Net book value
Tangible fixed assets						
Building facilities	522,504	0	0	522,504	△ 229,402	293,102
Office equipments	2,902,755	153,982	0	3,056,737	△ 2,895,453	161,284
Investments and other assets						
Security deposit	1,000,000	0	0	1,000,000	-	1,000,000
Guarantee deposit	500,000	500,000	500,000	500,000	-	500,000
Total	4,925,259	653,982	500,000	5,079,241	△ 3,124,855	1,954,386

4 Transactions with officers and their relatives

Transactions with officers and their relatives are as follows.

(Unit: JPY)

Account	Amount recorded	Transactions with officers and their relatives
(Statement of Activity)		
Donations	67,437,372	4,086,520
Total	67,437,372	4,086,520

5 Other items necessary to clarify the situation of assets, liabilities and net assets and the circumstances of change in net asset

•Allocation method of Project expenses and Administration expenses

Amongst the project expenses and common expenses between project expenses and administration expenses, compensations and fringes are allocated based on occupation.

Independent Auditor's Report
(English Translation)

August 30, 2023

Ms. Liu Gao, Chair of the Board of Directors
Specified non-profit organization Habitat for Humanity Japan

SohkenNichiei Audit Corporation
Chuo-ku, Tokyo
Shunsuke Murata, CPA
Designated and Engagement Partner
Yohei Awaji, CPA
Designated and Engagement Partner

Opinion

We have audited the accompanying financial statements, which comprise the balance sheet, statement of activity, notes to financial statements, and the list of assets and liabilities of Specified non-profit organization Habitat for Humanity Japan (the Company) for the period from July 1, 2022 through June 30, 2023.

In our opinion, the financial statements referred to above are prepared, in all material respects, in accordance with Non-Profit Organization Accounting Principles of Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information comprises the information included in the Financial Reports, but does not include the financial statements and our auditor's report thereon.

We have not conducted any work on other information because we have judged that it does not.

Responsibilities of Management and Corporate Auditors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Non-Profit Organization Accounting Principles of Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with Non-Profit Organization Accounting Principles of Japan.

Corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks.
The procedures selected depend on the auditor's judgement.
In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to assess the risk and design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion

on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the financial statements are in accordance with Non-Profit Organization Accounting Principles of Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Conflicts of Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act of Japan.