

In fiscal 2003, SPF implemented a total of 79 projects, including both regular and special-fund projects, with an aggregate expenditure of ¥925 million. Subtracting project operation expenditures, ¥627 million was spent on projects in fiscal 2003, down from the ¥670 million spent in fiscal 2002. Aside from the Sasakawa Pan Asia Fund, whose endowment grew substantially thanks to grants from The Nippon Foundation, the trend toward smaller projects continued.

Because of the continued impact of low interest income on SPF's endowment, expenditure on regular projects was ¥261 million*, down ¥79 million on the previous year. Despite this difficult project-implementation environment, considerable effort was devoted to the development of new projects with the aim of maintaining and enhancing the Foundation's vitality over the long term. New projects included Developing Methods of Promoting Civic Participation in Science and Technology and Developing Teaching Materials on Bioethics in the field of science and bioethics, and Studying a Satellite Account on Nonprofit Institutions and Its Relation to the System of National Accounts in Japan, Comparative Studies of NGOs among China, Kazakhstan, Mongolia, and Vietnam, and Building Civil Society Capacity in Negotiating Debt Conversion in the field of assistance to private nonprofit organizations.

This year marked the fifteenth anniversary of the establishment of the Sasakawa Pacific Island Nations Fund and the Sasakawa Japan-China Friendship Fund. In order to review their activities so far and consider future directions, the two Funds held back on new projects, concentrating instead on continuing projects.

The Sasakawa Pacific Island Nations Fund implemented the long-term project Coconuts College of the Pacific and distance-education projects (total expenditure of ¥39 million*, down ¥5 million on the previous year). Meanwhile, the Sasakawa Japan-China Friendship Fund carried out security-related exchange projects, one of the Fund's priority categories, and other exchange projects aimed at furthering understanding of Japan, as well as projects assisting Chinese NGOs (total expenditure of ¥68 million*, down ¥40 million on the previous year). In addition to implementing Contemporary Japanese Studies at Central European Universities and other ongoing projects, the Sasakawa Central Europe Fund launched a new project, Promotion of "Percentage" Philanthropy in Central and Eastern Europe (total expenditure of ¥34 million*, up ¥3 million on the previous year).

SPF's Operational Guidelines for the Third Midterm Program places the emphasis on activities in Asia. To achieve this policy objective the Sasakawa Pan Asia Fund had received grants from The Nippon Foundation to increase the Fund's endowment in fiscal 2000, 2001, and 2002. This year the Fund received an additional grant of ¥2 billion, raising the endowment to ¥12.5 billion. In view of the improved climate for expanding the scale of projects, it was decided to subsume regular projects in the category Japan and Asia in the World into the Fund, and the Fund's target region was expanded to include all of Asia. In addition to projects in the original region of Southeast Asia, the Fund began developing projects in Northeast Asia, the Middle East, and the Caucasus, as well as South Asia, centered on India. In particular, significant resources were directed to human resource development and exchange projects in Central Asia and the Caucasus and Civilizational Dialogue: Promotion of Intellectual Exchange and Mutual Understanding in Asia, a project based on recognition of the importance of sharing Asian value systems (total expenditure of ¥223 million*, up ¥79 million on the

Note:

* = project expenditures excluding operational costs

Overall Program Summary

(units: ¥1,000)

	Regular Projects	Sasakawa Pacific Island Nations Fund	Sasakawa Japan-China Friendship Fund	Sasakawa Central Europe Fund	Sasakawa Pan Asia Fund	Total
FY 2001	31 projects 480,345	11 projects 75,952	20 projects 196,800	5 projects 52,497	17 projects 102,867	84 projects 908,461
FY 2002	29 projects 507,659	11 projects 73,062	18 projects 168,671	5 projects 60,905	22 projects 167,599	85 projects 977,896
FY 2003	26 projects 435,735	8 projects 57,639	12 projects 114,258	5 projects 67,588	28 projects 249,530	79 projects 924,750

Notes:

(1) Each of the projects in multiple-project programs is counted.

(2) As these figures have been rounded down to the closest ¥1,000, their totals may not coincide exactly with those in the project overview and the financial statement.

(units: ¥1,000)

	Regular Projects	Sasakawa Pacific Island Nations	Sasakawa Japan-China Friendship	Sasakawa Central	Sasakawa Pan Asia	
Grant-Funded Projects	19 projects 141,817	4 projects 23,155	7 projects 28,383	1 project 7,186	20 projects 136,459	51 projects 337,000
Self-Operated Projects	7 projects 293,918	4 projects 34,484	5 projects 85,875	4 projects 60,402	8 projects 113,071	28 projects 587,750
<i>Project Operation Expenditures</i>	(174,545)	(18,248)	(45,784)	(33,273)	(26,337)	(298,187)
<i>Program Development and Research Expenditures</i>	(53,988)	(0)	(1,364)	(0)	(0)	(55,352)
<i>Communications Expenses</i>	(28,830)	(0)	(0)	(0)	(0)	(28,830)
Ongoing Projects	12 projects 103,168	7 projects 39,391	7 projects 26,553	3 projects 27,129	11 projects 114,053	40 projects 310,294
Newly Started Projects	11 projects 75,204	0 projects 0	3 projects 40,557	1 project 7,186	16 projects 109,140	31 projects 232,087
Current Expenses	3 projects 257,363	1 project 18,248	2 projects 47,148	1 project 33,273	1 project 26,337	8 projects 382,369

Notes:

(1) Each of the projects in multiple-project programs is counted.

(2) As these figures have been rounded down to the closest ¥1,000, their totals may not coincide exactly with those in the project overview and the financial statement.

(3) Current Expenses include SPF's Project Operation Expenditures, Program Development and Research Expenditures, and Communications Expenses.

<i>Regular Projects Expenditure</i>	¥435,735,400
<i>Special Funds Expenditure</i>	¥489,014,726
Total Expenditure	¥924,750,126

Please see pages 27 through 65 for details on individual projects

Regular Projects

I. Toward the Coexistence of Pluralistic Values ¥107,440,892

1. Initiatives in Comprehensive Understanding of Civilizational Issues	¥44,227,650
<i>Islam and the IT Revolution</i>	¥4,919,410
<i>Intellectual Property Rights and Traditional Knowledge</i>	¥10,314,900
<i>Bioethical Issues of Intellectual Property Rights</i>	¥11,231,250
<i>Developing Methods of Promoting Civic Participation in Science and Technology</i>	¥10,762,090
<i>Developing Teaching Materials on Bioethics</i>	¥7,000,000
2. Dialogue and Exchange on Common Regional Issues	¥33,428,317
<i>Capacity Building for Development in Central Asia and Caucasus</i>	¥22,012,717
<i>A Vision for Enhancing Peace and Human Environment in the Middle East</i>	¥11,415,600
3. Information Sharing and Dissemination to the Global Community	¥29,784,925
<i>Get Across the Voices of Asia Program/Phase II</i>	¥6,904,625
<i>Genron NPO: Encouragement of Intellectual Debate and Its Dissemination to the International Community</i>	¥10,000,000
<i>Forum 2000: Bridging Global Gaps</i>	¥12,880,300

II. Fostering Human Security and Private Nonprofit Activities ¥ 70,931,369

1. Cooperation among Private Nonprofit Organizations, Business, and the Public Sector	¥28,897,471
<i>Expert System on Armed Conflict</i>	¥3,823,181
<i>Analysis of Collaboration between the Market and Volunteers in the Linux Model</i>	¥5,216,978
<i>Leadership for Environment and Development Program—LEAD Japan/Phase II</i>	¥10,000,000
<i>Human Resource Development in Conflict Prevention Activity</i>	¥9,857,312
2. Capacity Building and Institutionalization of Private Nonprofit Activities	¥17,745,244
<i>Improvement of PCNC's Certification/Evaluation System</i>	¥2,700,689
<i>Preparation for Establishment of NPO-Related Graduate Courses</i>	¥8,000,000
<i>Establishing an Online Resource Center for NPOs/NGOs</i>	¥1,874,160
<i>Building Civil Society Capacity in Negotiating Debt Conversion</i>	¥5,170,395
3. Surveys and Research on Private Nonprofit Activities	¥24,288,654
<i>Comparative Studies of NGOs among China, Kazakhstan, Mongolia, and Vietnam</i>	¥5,542,213
<i>Research on the Role of Program Officers in Grantmaking Systems</i>	¥2,095,194
<i>Program/Project Evaluation: A View from the Other Side</i>	¥3,533,240
<i>Studying a Satellite Account on Nonprofit Institutions and Its Relation to the System of National Accounts in Japan</i>	¥8,500,000
<i>Research on the Concept of Public Interest and the Evaluation Standards of Public-Interest Corporations</i>	¥4,618,007

III. Japan and Asia in the World	¥0
1. Japan's Structural Change and East Asia	¥0
2. East Asian Renewal and Transfer of Experience	¥0
Note: Due to the enlarged scale of projects and regional parameters of the Sasakawa Pan Asia Fund, all projects in this category are now administered by the Fund.	
3. Construction of a World Economic System and the Role of Japan and East Asia	¥0

IV. Program Operation and Formulation	¥257,363,139
Communications	¥28,829,560
Program Development and Research Expenditure	¥53,988,398
Project Operation Expenditure	¥174,545,181

Special Funds

The Sasakawa Pacific Island Nations Fund	¥57,638,634
1. Exchange Projects That Respect the Values and Cultural Identity of Each Island Society	¥9,995,766
Exchange Media Personnel among the Pacific Island Region and Japan	¥4,334,747
Coconuts College of the Pacific	¥5,661,019
2. Micronesia-Focused Projects Aimed at Promoting Regional Harmony	¥0
3. Projects That Support Education and Training through the Medium of Distance Education	¥23,154,200
Internet Course Development by School of Law of USP	¥4,532,031
Forming a Distance Education Alliance for Progress in the Western Pacific	¥7,995,049
Distance Education in the South-West Pacific Cultural Heritage Training	¥7,241,320
Transcending Borders with Education On-Line	¥3,385,800
4. Projects to Promote Networking among NGOs and NPOs Operating in the Region and to Form Linkages among Pacific Island Nations and Asian Countries	¥6,240,743
Research Committee for Pacific Islands' Digital Opportunity	¥6,240,743

5. Strengthening the Fund Base	¥18,247,925
Project Operation Expenditure	¥18,247,925

The Sasakawa Japan-China Friendship Fund	¥114,258,085
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1. Fostering Human Resources for 21st-Century Japan-China Relations	¥14,908,012
Cultivating Specialists in International Security Issues	¥6,898,794
Sasakawa Scholarship System for Chinese Students Studying Japanese, Phase II	¥4,129,463
Japan Visit Exchange Program for Young Students	¥3,879,755
2. Deepening Mutual Understanding in the 21st Century	¥42,920,196
Program for Promoting Japan-China Exchange in the Field of Security	¥28,395,070
Promoting Study Exchange on Japan-China Security Issues	¥8,502,335
21st-Century Young Japan Researchers Forum	¥2,363,231
Japan Visit Exchange Program for Town and City Mayors	¥3,659,560
3. Activities to Promote Japan-China Relations in the 21st Century	¥3,433,789
Japan-China Young History Researchers Conference	¥3,433,789
4. Activities to Advance the Fund's International Role	¥5,848,363
Promoting Evaluation for Development of the Chinese Nonprofit Sector	¥2,544,654
Promotion of Chinese Social Sector Reform	¥3,303,709
5. Strengthening the Fund Base	¥47,147,725
Program Development and Research Expenditure	¥1,363,678
Project Operation Expenditure	¥45,784,047

The Sasakawa Central Europe Fund	¥67,588,263
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1. Enhancing Mutual Exchange between Japan and Central European Countries	¥15,613,956
Contemporary Japanese Studies at Central European Universities	¥6,663,949
Promotion of Small Enterprises: Sharing Experiences between Japan and Central Europe	¥8,950,007
2. The Role of Central European Countries in the Twenty-First Century	¥7,186,344
Promotion of "Percentage" Philanthropy in Central and Eastern Europe	¥7,186,344
3. The Role of NGOs in Creating Civil Society	¥11,515,127
Enhancing NGOs through Environmental Activities	¥11,515,127

4. Strengthening the Fund Base	¥33,272,836
<i>Project Operation Expenditure</i>	¥33,272,836

The Sasakawa Pan Asia Fund	¥249,529,744
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1. People Exchange	¥46,144,062
<i>Young Leaders Exchange Program: Dialogue for Enhanced Partnership in the 21st Century</i>	¥11,151,404
<i>Civilizational Dialogue: Promotion of Intellectual Exchange and Mutual Understanding in Asia</i>	¥13,370,657
<i>Russia and Japan in Asia</i>	¥9,704,323
<i>ASEAN Young Politicians Retreat Workshop</i>	¥3,838,150
<i>Enterprising Civil Society Organizations in Asia</i>	¥4,022,988
<i>Strengthening Parliamentary Dialogue in Cambodia</i>	¥4,056,540
2. Human Resource Development	¥85,561,943
<i>Human Resources Development in Myanmar</i>	¥27,299,259
<i>Business Case Development: Enhancement of Business School Education in Uzbekistan</i>	¥8,805,482
<i>Supporting Journalism in Asia</i>	¥13,437,676
<i>Training to Prepare Cambodia for the ASEAN Free Trade Area (AFTA)</i>	¥4,551,221
<i>Developing Marketing and Management Studies in Vietnam</i>	¥5,245,068
<i>Developing an Economic Forecasting Model in Laos</i>	¥6,939,359
<i>Assistance for the Reform of Vietnamese Journalism Schools</i>	¥5,501,353
<i>Research Capacity Building for Agricultural Economics in Vietnamese Universities</i>	¥4,888,785
<i>Research Capacity Building for Economics in the National University of Laos</i>	¥3,005,000
<i>Capacity Building in Strategic Decision Making:</i>	
<i>Lessons from the Development Experience in the Asia-Pacific Region</i>	¥5,888,740
3. Research with Tangible Applications	¥91,486,615
<i>Capacity Building and Promoting Exchange of Central Eurasian Young Leaders</i>	¥23,216,512
– <i>Central Eurasian Leadership Alliance</i>	¥11,697,800
<i>Enhancement of Corporate Governance in Azerbaijan: Experience of Malaysia</i>	¥4,794,140
<i>Evolving Approaches to Security in the Asia-Pacific Region</i>	¥10,371,572
<i>The Linkage of Economic Forecasting Model between Vietnam and ASEAN</i>	¥5,418,594
<i>Role of Mongolia for Peaceful and Stable Development of Northeast Asia/Phase II</i>	¥7,061,076
<i>Toward an Alternative Transitional Development State Paradigm</i>	¥11,077,285
<i>Interaction for Progress: ASEAN and Myanmar/Phase II</i>	¥16,163,336
<i>Security Threats in Afghanistan and South Asia—Implications for Japanese Policy</i>	¥5,707,800
<i>Toward an Asian Economic Community: The Way Forward</i>	¥7,676,300

Statement of Income and Expenditures (From April 1, 2003 to March 31, 2004) (units: ¥1,000)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Income					
Income from endowment	818,254	721,626	808,221	709,232	666,719
Income from special funds	453,198	449,773	406,777	520,549	513,237
Private contributions for special funds	0	2,500,000	2,500,000	1,500,000	2,000,000
Miscellaneous income	27,475	75,685	57,829	50,621	36,925
Income from returned deposits	25,783	24,952	224,200	0	0
Income from liquidation of specific deposits	35,726	17,485	20,101	0	8,280
Income from sale of property	2,760	0	0	0	0
Income/expenditure balance carried over from previous year	792,711	804,939	918,536	941,431	852,197
Expenditures					
Operating expenses	932,987	813,714	908,461	977,896	924,750
Administrative expenses	368,017	324,154	397,407	336,649	332,764
Acquisition of property	0	0	63,803	0	3,000
Disbursement to guarantee deposit	0	0	5,623	0	0
Provision for special funds	0	2,500,000	2,500,000	1,500,000	2,000,000
Disbursement to specific deposits	37,646	38,056	118,939	55,091	22,905
Miscellaneous expenses	12,318	0	0	0	0
Income/expenditure balance carried forward to the next year	804,939	918,536	941,431	852,197	793,939

Statement of Changes in Net Assets (From April 1, 2003 to March 31, 2004) (units: ¥1,000)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Increase					
Asset increase	92,734	2,651,652	2,787,208	1,622,334	2,064,881
Liability decrease	35,725	32,049	23,285	0	10,449
Total (increase)	128,459	2,683,701	2,810,493	1,622,334	2,075,330
Decrease					
Asset decrease	129,063	62,675	415,383	164,921	113,463
Liability increase	28,182	25	22,161	13,005	16,074
Total (decrease)	157,245	62,700	437,544	177,926	129,537
Net asset increase for this year	-28,786	2,621,001	2,372,949	1,444,408	1,945,793
Net assets carried forward to next year	73,064,580	73,035,794	75,656,795	78,029,744	79,474,152
Total assets for the year	73,035,794	75,656,795	78,029,744	79,474,152	81,419,945

Balance Sheets (As of March 31, 2004) (units: ¥1,000)

	March 31, 2000	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004
Assets					
Current assets	889,995	1,002,986	1,035,289	969,580	895,264
Cash and deposits	151,635	191,312	263,145	399,259	469,596
Investments and bonds	723,427	793,698	757,541	562,466	417,091
Other liquid assets	14,933	17,976	14,603	7,855	8,577
Fixed assets	72,392,250	74,867,631	77,216,560	78,763,208	80,772,884
Endowment	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Special funds	21,000,000	23,500,000	26,000,000	27,500,000	29,500,000
Other fixed assets	1,392,250	1,367,631	1,216,560	1,263,208	1,272,884
Liabilities					
Current liabilities	85,056	84,450	93,858	117,384	101,325
Fixed liabilities	161,395	129,371	128,247	141,252	146,878
Retirement allowance	161,395	129,371	128,247	141,252	146,878
Net worth					
Net assets	73,035,794	75,656,796	78,029,744	79,474,152	81,419,945
(Endowment)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)
(Special Funds)	(21,000,000)	(23,500,000)	(26,000,000)	(27,500,000)	(29,500,000)
Total	73,282,245	75,870,617	78,251,849	79,732,788	81,668,148

Changes in Assets (As of March 31, 2004) (units: ¥1,000)

Fiscal Year	Endowment	Special Funds	Other Assets	Total
FY 1999	50,000,000	21,000,000	2,282,245	73,282,245
FY 2000	50,000,000	23,500,000	2,370,617	75,870,617
FY 2001	50,000,000	26,000,000	2,251,849	78,251,849
FY 2002	50,000,000	27,500,000	2,232,788	79,732,788
FY 2003	50,000,000	29,500,000	2,168,148	81,668,148

Board Members (As of July 1, 2004)

Chairman:	Setsuya Tabuchi	
President:	Akira Iriyama	
Executive Directors:	Koji Imazu	(General Affairs)
	Akinori Seki	(Program)
Trustees:	Makoto Iida	Director and Supreme Advisor, Founder, Secom Co., Ltd.
	Isao Kajita	Chairman, Japan Motorboat Racing Association
	Kenzo Kiikuni	Visiting Professor, Tokyo Women's Medical College
	Yotaro Kobayashi	Chairman of the Board, Fuji Xerox Co., Ltd
	Koichi Minaguchi	President, Japan Finance Corporation for Small and Medium Enterprise
	Yuzaburo Mogi	Chairman and CEO, Kikkoman Corporation
	Ken Moroi	Counselor, Taiheiyo Cement Co.
	Yukitsugu Nakagawa	Deputy Chairman, Institute for International Policy Studies
	Yoshio Okawara	President and Executive Director, Institute for International Policy Studies
	Takashi Shudo	Special Advisor, Institute of Local Finance
	Shoji Sumita	Advisor, The East Japan Railway Co.
	Kiichi Watanabe	Former Vice Minister of Finance for International Affairs
	Masakazu Yamazaki	President, University of East Asia
Auditors:	Masumi Miyaji	President, Federation of Prefectural Association of Motorboat Racing
	Sadahiko Yoshimura	Executive Officer-Board Member, Shin Nihon & Co.
Counselors:	Richard Dyck	President, TCS Japan Co., Ltd.
	Hiroshi Hamada	Senior Advisor, Ricoh Company, Ltd.
	Noboru Hatakeyama	Chairman and CEO, Japan Economic Foundation
	Gaishi Hiraiwa	Advisor, Tokyo Electric Power Co., Ltd.
	Wakako Hironaka	Member of the House of Councillors
	Rokuro Ishikawa	Chairman, Kajima Corporation
	Yukio Kageyama	Chairman, Federation of Prefectural Associations of Motorboat Racing
	Eiko Kono	Chairperson of the Board, Recruit Co., Ltd.
	Kiyoshi Nakachi	President, Japan Motorboat Racing Association
	Michio Okamoto	Professor Emeritus, Kyoto University
	Gen Takahashi	Advisor, Capital Market Promotion Foundation
	Susumu Yamaji	Honorary Advisor, Japan Airlines Corporation
	Tadashi Yamamoto	President, Japan Center for International Exchange
	Sakuji Yoshimura	Professor, Waseda University

SPF Staff Members (As of July 1, 2004)

Administrative Division

Etsuo Koseki	Director
Naomi Ikeda	Assistant Manager (Secretary to Executives)

Administration and Personnel

Shizuka Saito	Assistant Manager
Keita Mera	Assistant Manager
Toshiko Suzuki	

Accounting and Financial Division

Keiichiro Yamada	Director
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Accounting and Finance

Hiroko Ikeda	Assistant Manager
Yukiko Kakimoto	

Audit

Iori Ishizaka	
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Project Division

Yoshihiko Kono	Executive Advisor
Akinori Seki	Director (concurrent post)
Shinichi Kubota	Deputy Director (concurrent post)
Takeaki Hori	Advisor

Project Administration

Mika Sakata	
Nobuko Mitsunaga	

Project Department

Shinichi Kubota	Chief Program Officer
Sim Yee Lau	Program Advisor
Tomoatsu Shibata	Program Advisor
Junko Chano	Program Officer
Akira Matsunaga	Program Officer
Chan Woo Lee	Program Officer
Takahiro Nanri	Program Officer
Yuko Nomura	Program Officer (concurrent post)
Kaori Kobayashi	Associate Program Officer
Masato Seko	Associate Program Officer
Tetsuya Ishizuka	Associate Program Officer
Eriko Tada	Associate Program Officer
Eiko Fukushima	Research Associate (concurrent post)
Yuriko Hasegawa	Assistant Manager
Yoko Aoki	

Communications Department

Yuko Nomura	Director
Aya Sugiyama	

The Sasakawa Pacific Island Nations Fund

Shinichi Kubota	Director (concurrent post)
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The Sasakawa Japan-China Friendship Fund

Akinori Seki	Director (concurrent post)
Yu Zhan	Program Officer
Mieko Someya	Program Officer
Hu Yiping	Associate Program Officer

The Sasakawa Central Europe Fund

Junko Chano	Acting Director (concurrent post)
Takeaki Hori	Advisor (concurrent post)
Yuriko Hasegawa	Assistant Manager (concurrent post)

The Sasakawa Pan Asia Fund

Akinori Seki	Director (concurrent post)
Shinichi Kubota	Program Advisor (concurrent post)
Sim Yee Lau	Program Advisor (concurrent post)
Akira Matsunaga	Program Officer (concurrent post)
Chan Woo Lee	Program Officer (concurrent post)
Takahiro Nanri	Program Officer (concurrent post)
Kaori Kobayashi	Associate Program Officer (concurrent post)
Masato Seko	Associate Program Officer (concurrent post)
Tetsuya Ishizuka	Associate Program Officer (concurrent post)
Eriko Tada	Associate Program Officer (concurrent post)
Nguyen Thi Hanh	Research Associate
Eiko Fukushima	Research Associate
Yoko Aoki	(concurrent post)

Staff on Temporary Assignment

Masaaki Miyamoto	(to the Sasakawa Africa Association)
Toshiro Mado	(to the Sasakawa Africa Association)
Michio Ito	(to the Sasakawa Africa Association)
Tomoko Ito	(to Fondation Franco-Japonaise Sasakawa, Bureau de Tokyo)
Miyoko Mochizuki	(to The Nippon Foundation)