

## **Independent Auditor's Report**

Mr. Hiroyuki Kato, the president  
Not-for-Profit Organization Médecins Sans Frontieres Japon

We have audited the financial statements, comprising the balance sheet, the statement of financial activities, the notes to financial statements and the summary of assets of Not-for-Profit Organization Médecins Sans Frontieres Japon as of and for the year ended December 31, 2019.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of the financial statements in accordance with accounting principles of public interest Corporation generally accepted in Japan; and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit as Independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above are prepared, in all material respects, in accordance with the accounting standards of Public Interest Corporation generally accepted in Japan.

### **Other Matter**

We have no interest in the Partnership which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

March 17, 2020

Tokyo, Japan

Not-for-Profit Organization  
Médecins Sans Frontières Japon

**Balance Sheet**

As of December 31, 2019

(Unit : JPY)

	2019	2018	Changes	
			Amount	%
<b>I Assets</b>				
<b>1. Current Assets</b>				
Cash and deposit with banks	2,129,418,761	1,354,727,063	774,691,698	57.2%
Accounts receivable	219,290,460	200,324,585	18,965,875	9.5%
Prepaid expenses	11,869,282	12,553,957	△ 684,675	△5.5%
Advances	481,877	168,000	313,877	186.8%
Other current assets	23,536,338	15,003,429	8,532,909	56.9%
<b>Total Current Assets</b>	<b>2,384,596,718</b>	<b>1,582,777,034</b>	<b>801,819,684</b>	<b>50.7%</b>
<b>2. Non Current Assets</b>				
<b>1) Specific purpose funds</b>				
Reserve funds for grant to emergency program	32,773,357	17,521,000	15,252,357	87.1%
<b>2) Other Non-Current Assets</b>				
Building structures	17,949,288	27,897,075	△ 9,947,787	△35.7%
Office equipment and fixtures	38,623,068	22,651,992	15,971,076	70.5%
Software	17,491,494	26,072,191	△ 8,580,697	△32.9%
Long-term deposit	42,299,540	41,573,000	726,540	1.7%
<b>Total Non Current Assets</b>	<b>149,136,747</b>	<b>135,715,258</b>	<b>13,421,489</b>	<b>9.9%</b>
<b>Total Assets</b>	<b>2,533,733,465</b>	<b>1,718,492,292</b>	<b>815,241,173</b>	<b>47.4%</b>
<b>II Liabilities</b>				
<b>1. Current Liabilities</b>				
Accounts payable	1,457,581,967	763,312,559	694,269,408	91.0%
Deposits received etc.	2,919,666	2,074,185	845,481	40.8%
<b>Total Current Liabilities</b>	<b>1,460,501,633</b>	<b>765,386,744</b>	<b>695,114,889</b>	<b>90.8%</b>
<b>2. Non Current Liabilities</b>				
Provisions for retirement benefits	49,321,000	39,766,900	9,554,100	24.0%
<b>Total Non Current Liabilities</b>	<b>49,321,000</b>	<b>39,766,900</b>	<b>9,554,100</b>	<b>24.0%</b>
<b>Total Liabilities</b>	<b>1,509,822,633</b>	<b>805,153,644</b>	<b>704,668,989</b>	<b>87.5%</b>
<b>III Net Assets</b>				
<b>Earmarked Net Assets</b>	32,773,357	17,521,000	15,252,357	87.1%
<b>Non-earmarked Net Assets</b>	991,137,475	895,817,648	95,319,827	10.6%
<b>Total Net Assets</b>	<b>1,023,910,832</b>	<b>913,338,648</b>	<b>110,572,184</b>	<b>12.1%</b>
<b>Total Liabilities and Net Assets</b>	<b>2,533,733,465</b>	<b>1,718,492,292</b>	<b>815,241,173</b>	<b>47.4%</b>

## Statement of Financial Activities

For the year ended December 31, 2019

(Unit : JPY)

	2019		2018		Changes	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>I. Non-earmarked Net Assets Changes</b>						
<b>1. Changes in Operating Item</b>						
(1) <b>Operating Revenues</b>						
<b>① Donations</b>	<b>10,852,784,410</b>	<b>100.0%</b>	<b>8,490,258,305</b>	<b>100.0%</b>	<b>2,362,526,105</b>	<b>27.8%</b>
Donations from private individuals	10,244,785,008	94.4%	7,880,537,956	92.8%	2,364,247,052	30.0%
Donations from private companies	539,999,588	5.0%	526,938,166	6.2%	13,061,422	2.5%
Donations from other organizations	67,999,814	0.6%	82,782,183	1.0%	△ 14,782,369	△17.9%
<b>② Public institutional funds etc.</b>	<b>401,397,652</b>		<b>417,614,460</b>		<b>△ 16,216,808</b>	<b>△3.9%</b>
Contributions to multilateral institutions	49,366,008		149,564,903		△ 100,198,895	△67.0%
Grants from MSF Korea	352,031,644		268,049,557		83,982,087	31.3%
<b>③ Other Revenues</b>	<b>3,135,492</b>		<b>2,283,095</b>		<b>852,397</b>	<b>37.3%</b>
Association membership fee	550,470		605,939		△ 55,469	△9.2%
Interest income and revaluation gains etc.	2,585,022		1,677,156		907,866	54.1%
<b>Total Operating Revenues</b>	<b>11,257,317,554</b>		<b>8,910,155,860</b>		<b>2,347,161,694</b>	<b>26.3%</b>
(2) <b>Operating Expenditures</b>						
<b>Social Mission Expenditures (①+②+③+④+⑤)</b>	<b>9,120,893,412</b>	<b>84.0%</b>	<b>7,015,735,017</b>	<b>81.5%</b>	<b>2,105,158,395</b>	<b>30.0%</b>
<b>① Program &amp; Program Support</b>	<b>8,542,661,646</b>	<b>78.7%</b>	<b>6,532,168,042</b>	<b>75.9%</b>	<b>2,010,493,604</b>	<b>30.8%</b>
Financial contribution to operational centers (Grants)	8,528,685,292		6,520,831,042		2,007,854,250	30.8%
Other Program Support etc.	13,976,354		11,337,000		2,639,354	23.3%
<b>② Operational Support Project</b>	<b>97,092,593</b>	<b>0.9%</b>	<b>53,506,982</b>	<b>0.6%</b>	<b>43,585,611</b>	<b>81.5%</b>
Personnel expenses	56,954,023		38,564,367		18,389,656	47.7%
Others (Office rent, travel & depreciation etc.)	40,138,570		14,942,615		25,195,955	168.6%
<b>③ Field HR management</b>	<b>119,350,457</b>	<b>1.1%</b>	<b>111,352,989</b>	<b>1.3%</b>	<b>7,997,468</b>	<b>7.2%</b>
Personnel expenses	78,743,172		76,753,217		1,989,955	2.6%
Others (Office rent, travel & depreciation etc.)	40,607,285		34,599,772		6,007,513	17.4%
<b>④ Advocacy activity</b>	<b>18,379,734</b>	<b>0.2%</b>	<b>32,011,489</b>	<b>0.4%</b>	<b>△ 13,631,755</b>	<b>△42.6%</b>
Personnel expenses etc.	18,379,734		32,011,489		△ 13,631,755	△42.6%
<b>⑤ Awareness-raising</b>	<b>343,408,982</b>	<b>3.2%</b>	<b>286,695,515</b>	<b>3.3%</b>	<b>56,713,467</b>	<b>19.8%</b>
Personnel expenses	92,089,013		95,122,890		△ 3,033,877	△3.2%
Newsletters and event	143,940,635		131,151,055		12,789,580	9.8%
Website related expenses	24,907,594		5,474,839		19,432,755	354.9%
Agent service fee	33,385,338		25,329,725		8,055,613	31.8%
Printing fee	111,933		1,953,215		△ 1,841,282	△94.3%
Others (Office rent, travel & depreciation etc.)	48,974,469		27,663,791		21,310,678	77.0%
<b>Fundraising</b>	<b>1,514,433,411</b>	<b>13.9%</b>	<b>1,400,485,784</b>	<b>16.3%</b>	<b>113,947,627</b>	<b>8.1%</b>
Personnel expenses	143,691,984		150,974,289		△ 7,282,305	△4.8%
Fundraising campaign expenses	932,143,157		869,442,281		62,700,876	7.2%
Agency service fees and system-related costs	273,502,506		181,989,048		91,513,458	50.3%
Agent service fee	51,814,881		54,680,443		△ 2,865,562	△5.2%
Printing fee	18,036,756		17,920,740		116,016	0.6%
Others (Office rent, travel & depreciation etc.)	95,244,127		125,478,983		△ 30,234,856	△24.1%
<b>Management &amp; General Administration</b>	<b>224,970,353</b>	<b>2.1%</b>	<b>191,108,334</b>	<b>2.2%</b>	<b>33,862,019</b>	<b>17.7%</b>
Personnel expenses	150,882,194		130,621,485		20,260,709	15.5%
Association related expenses (except personnel)	21,609,806		14,568,965		7,040,841	48.3%
Others (Office rent, travel & depreciation etc.)	52,478,353		45,917,884		6,560,469	14.3%
<b>Other International Contributions etc.</b>	<b>301,700,551</b>		<b>297,048,315</b>		<b>4,652,236</b>	<b>1.6%</b>
Contribution to DNDi	21,310,160		21,759,408		△ 449,248	△2.1%
Contribution to Campaign for Access to Essential Medicines	30,920,363		29,436,831		1,483,532	5.0%
Contributions to MSF International Office	108,704,497		118,638,605		△ 9,934,108	△8.4%
Financial support to MSF Korea	140,765,531		127,213,471		13,552,060	10.7%
<b>Total Operating Expenditures</b>	<b>11,161,997,727</b>	<b>100.0%</b>	<b>8,904,377,450</b>	<b>100.0%</b>	<b>2,257,620,277</b>	<b>25.4%</b>
<b>Increase in Non-earmarked Net Assets</b>	<b>95,319,827</b>		<b>5,778,410</b>		<b>89,541,417</b>	<b>-</b>
<b>Non-earmarked Net Assets at Beginning of Year</b>	<b>895,817,648</b>		<b>890,039,238</b>		<b>5,778,410</b>	<b>-</b>
<b>Non-earmarked Net Assets at End of Year</b>	<b>991,137,475</b>		<b>895,817,648</b>		<b>95,319,827</b>	<b>-</b>
<b>II. Earmarked Net Assets Changes</b>						
1. Accepted Earmarked Donations	738,743,447		316,182,510		422,560,937	-
2. Transfer to Non-earmarked Net Assets	723,491,090		298,661,510		424,829,580	-
<b>Changes in Earmarked Net Assets</b>	<b>15,252,357</b>		<b>17,521,000</b>		<b>△ 2,268,643</b>	<b>-</b>
<b>Earmarked Net Assets at Beginning of Year</b>	<b>17,521,000</b>		<b>-</b>		<b>17,521,000</b>	<b>-</b>
<b>Earmarked Net Assets at End of Year</b>	<b>32,773,357</b>		<b>17,521,000</b>		<b>15,252,357</b>	<b>-</b>
<b>III. Net Assets at End of Year to be carried forward</b>	<b>1,023,910,832</b>		<b>913,338,648</b>		<b>110,572,184</b>	<b>12.1%</b>

**Summary of Assets**

As of December 31, 2019

(Unit: JPY)

	2019	2018	Changes
<b>I. Assets</b>			
<b>1. Current Assets</b>			
<b>Cash and cash equivalents</b>	<b>2,129,418,761</b>	<b>1,354,727,063</b>	<b>774,691,698</b>
Petty cash	2,398,461	1,821,583	576,878
Ordinary account (MUFG Bank,Ltd.)	882,331,930	642,479,613	239,852,317
Ordinary account (Sumitomo Mitsui Banking Corp.)	456,164,669	125,631,375	330,533,294
Ordinary account (Mizuho Bank Ltd.)	31,317,554	16,795,623	14,521,931
Transfer Saving Account (Japan Post Bank Co., Ltd.)	633,869,648	463,709,078	170,160,570
Ordinary account (Rakuten Bank Ltd.)	5,813,426	3,287,927	2,525,499
Ordinary account (SBI Sumishin Net Bank,Ltd.)	5,360,255	1,001,864	4,358,391
Ordinary account (Sumitomo Trust and Banking Co Ltd.)	8,821,764	-	8,821,764
Ordinary account (MUFG Trust and Banking Ltd.)	3,341,054	-	3,341,054
Fixed deposit (Sumitomo Mitsui Banking Corp.)	100,000,000	100,000,000	-
<b>Accounts receivable</b>	<b>219,290,460</b>	<b>200,324,585</b>	<b>18,965,875</b>
Donation receivable from outsourced vendor	101,941,173	101,556,354	384,819
Receivable from MSF Korea	35,077,017	7,678,650	27,398,367
MSF France	47,950,270	35,262,017	12,688,253
MSF International Office etc.	5,413,925	13,754,211	△ 8,340,286
Other MSF offices (Expatriates related expenses etc.)	20,414,763	41,115,220	△ 20,700,457
Others	8,493,312	958,133	7,535,179
<b>Prepaid expenses</b>	<b>11,869,282</b>	<b>12,553,957</b>	<b>△ 684,675</b>
<b>Advances</b>	<b>481,877</b>	<b>168,000</b>	<b>313,877</b>
<b>Other current assets</b>	<b>23,536,338</b>	<b>15,003,429</b>	<b>8,532,909</b>
Gold ingot	23,526,279	14,814,343	8,711,936
Supplies	-	37,802	△ 37,802
Suspense payment	10,059	151,284	△ 141,225
<b>Total Current Assets</b>	<b>2,384,596,718</b>	<b>1,582,777,034</b>	<b>801,819,684</b>
<b>2. Non Current Assets</b>			
<b>1) Specific purpose funds</b>			
Reserve funds for grant to emergency program	<b>32,773,357</b>	<b>17,521,000</b>	<b>15,252,357</b>
<b>2) Other Non Current Assets</b>			
<b>Building structures</b>	<b>17,949,288</b>	<b>27,897,075</b>	<b>△ 9,947,787</b>
Interior finishing (Air condition, Electricity and LAN)	17,949,288	27,897,075	△ 9,947,787
<b>Office equipment and fixtures</b>	<b>38,623,068</b>	<b>22,651,992</b>	<b>15,971,076</b>
Furniture	4,088,139	7,251,443	△ 3,163,304
Equipment and fixtures	34,480,637	14,178,147	20,302,490
Video equipment	54,292	1,222,402	△ 1,168,110
<b>Software</b>	<b>17,491,494</b>	<b>26,072,191</b>	<b>△ 8,580,697</b>
<b>Long-term deposit</b>	<b>42,299,540</b>	<b>41,573,000</b>	<b>726,540</b>
For office rent etc.	42,299,540	41,573,000	726,540
<b>Total Non Current Assets</b>	<b>149,136,747</b>	<b>135,715,258</b>	<b>13,421,489</b>
<b>Total Assets</b>	<b>2,533,733,465</b>	<b>1,718,492,292</b>	<b>815,241,173</b>
<b>II. Liabilities</b>			
<b>1. Current Liabilities</b>			
<b>Accounts payable (Grants etc.)</b>	<b>1,210,605,439</b>	<b>492,259,091</b>	<b>718,346,348</b>
Grants for MSF France	847,605,439	348,259,091	499,346,348
Grants for MSF Spain	242,000,000	96,000,000	146,000,000
Grants for MSF Switzerland	121,000,000	48,000,000	73,000,000
<b>Accounts payable (Other national expenses)</b>	<b>246,976,528</b>	<b>271,053,468</b>	<b>△ 24,076,940</b>
<b>Deposits received etc.</b>	<b>2,919,666</b>	<b>2,074,185</b>	<b>845,481</b>
Others	2,919,666	2,074,185	845,481
<b>Total Current Liabilities</b>	<b>1,460,501,633</b>	<b>765,386,744</b>	<b>695,114,889</b>
<b>2. Non Current Liabilities</b>			
<b>Provisions for retirement benefits</b>	<b>49,321,000</b>	<b>39,766,900</b>	<b>9,554,100</b>
<b>Total Non Current Liabilities</b>	<b>49,321,000</b>	<b>39,766,900</b>	<b>9,554,100</b>
<b>Total Liabilities</b>	<b>1,509,822,633</b>	<b>805,153,644</b>	<b>704,668,989</b>
<b>III. Net Assets</b>			
<b>Earmarked Net Assets</b>	<b>32,773,357</b>	<b>17,521,000</b>	<b>15,252,357</b>
<b>Non-Earmarked Net Assets</b>	<b>991,137,475</b>	<b>895,817,648</b>	<b>95,319,827</b>
<b>Total Net Assets</b>	<b>1,023,910,832</b>	<b>913,338,648</b>	<b>110,572,184</b>
<b>Total Liabilities and Net Assets</b>	<b>2,533,733,465</b>	<b>1,718,492,292</b>	<b>815,241,173</b>