

Independent Auditor's Report

March 13, 2025

Médecins Sans Frontières Japon

To: Yuko Nakajima, President

KPMG AZSA LLC, Tokyo Office

Designated Limited Liability Partner

Managing Partner

Shuuji Fukuhara, Certified Public Accountant

<Audit of Financial Statements>

Audit Opinion

We have audited the accompanying balance sheet of Médecins Sans Frontières, a non-profit organization, as of January 1, 2024 through December 31, 2024, and the related statement of financial activities, notes to the financial statements, and a summary of assets (collectively, the audited documents will be referred as "financial statements, etc.").

In our opinion, the financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations (changes in net assets) of the Company for the period, for which the financial statements were prepared, in conformity with accounting principles for public benefit corporations generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan.

Our responsibility is to express an opinion on these financial statements based on our audit. We are independent of the corporation and fulfill our other ethical responsibilities as auditors in accordance with the provisions of the Code of Professional Ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Other published materials

Other published material refers to the Moral Report. Directors are responsible for the disclosure of other published materials. The responsibility of the controller is to monitor the directors' performance of their duties in the development and operation of the Other published materials.

The auditor's duties related to the financial statements, etc. do not include any opinion related to Other published materials. The auditors' responsibilities regarding Other published materials are limited to reviewing the Other published materials for material inconsistencies with the financial statements, etc.

We do not have any matter to report related to the Other published materials.

Responsibility of Board Members and Controller for Financial Statements, etc.

The board members are responsible for the preparation and proper presentation of financial statements, etc., in conformity with accounting standards for public interest corporations generally accepted in Japan. This includes the establishment and operation of such internal control as the board members determine is necessary to enable the preparation and fair presentation of the financial statements and other financial information that are free from

material misstatement, whether due to fraud or error.

In preparing the financial statements, the board members are responsible for evaluating whether it is appropriate to prepare the financial statements based on the going concern assumption, and for disclosing matters relating to the going concern if such disclosure is required under generally accepted accounting principles in Japan for public interest corporations. The following is a summary of the terms and conditions of the agreement.

The responsibility of the controller is to monitor the board members' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

The auditor's responsibility is to obtain reasonable assurance about whether the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and to express an opinion on the financial statements from an independent perspective in the auditor's report. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to influence the decisions of users of the financial statements.

The auditor shall, in accordance with auditing standards generally accepted as fair and reasonable in Japan and throughout the course of the audit exercise professional judgement and maintain professional skepticism in doing the following.

- Design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures shall be at the auditor's discretion. In addition, obtain sufficient appropriate audit evidence to provide a basis for expressing an opinion.
- The purpose of an audit of financial statements is not to express an opinion on the effectiveness of internal control. However, in making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies and methods of application thereof adopted by the board members and the reasonableness of the accounting estimates and related notes made by the board members.
- The board members concludes whether it is appropriate to prepare the financial statements on the going concern basis and, based on the audit evidence obtained, whether there is a material uncertainty about events or conditions that would cast significant doubt on the going concern basis. If a material uncertainty regarding the going concern assumption is recognized, the auditor is required to draw attention in the auditor's report to the notes to the financial statements or, if the notes to the financial statements are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the auditor's report, but future events or circumstances may cause the corporation to cease to exist as a going concern.
- Evaluate whether the presentation and notes to the financial statements conform to generally accepted accounting principles for public benefit corporations in Japan, and whether the financial statements, including the related notes, present fairly the underlying transactions and accounting events, as well as the presentation, organization, and details of the financial statements and related notes.

The auditor shall report to the controller on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal control, identified during the course of the audit, and other matters required by the audit standards.

Stake

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Controller's Audit Report

Mar 13th, 2025

Médecins Sans Frontières, Japon

President: Yuko Nakajima

In accordance with the Act on Promotion of Specified Non-profit Activities, Article 18, I have conducted the assessment of Médecins Sans Frontières, Japon (hereinafter MSFJ) for the business year started 1st January 2024 and ended 31st December 2024.

I. Summary of the methods used in the assessment:

(1) Financial Assessment

I attended the regular Board Meetings and got treasurer's report regarding the financial statements of MSFJ for 2024 discussed at Finance Committee as well as other important finance-related meetings. Furthermore, I obtained the explanation from the external auditors about the results of audit implemented for the Financial Statements for the above-mentioned period, in order to monitor and check the appropriateness of the method and process of the audit.

(2) Operational Assessment

I have monitored the appropriateness of the activities of the board members and operations of the MSFJ board for 2024, by obtaining explanation and opinions from the board members and office staff by attending the important meetings including regular board meetings.

II. Results of the Audit

(1) Financial Assessment

I believe that the methods and the results of audit implemented by the external auditors are appropriate. In my opinion, the financial statements referred to above are prepared without material misstatement, whether due to fraud or error, in accordance with the accounting standards generally accepted in Japan.

(2) Operational Assessment

In my opinion, the board members had engaged in proper activities in their execution of duties and there has been no serious violation of NPO Law of Japan as well as the Articles of Associations etc.

Mitsuyo MORIKAWA, Controller

Not-for-Profit Organization Médecins Sans Frontières Japon

Balance Sheet

As of Dec 31, 2024

(Unit : JPY)

	2024	2023	Changes	
			Amount	%
I Assets				
1. Current Assets				
Cash and deposit with banks	4,353,461,416	2,777,988,728	1,575,472,688	56.7%
Accounts receivable	213,949,302	247,872,265	(33,922,963)	-13.7%
Prepaid expenses	17,433,455	13,543,284	3,890,171	28.7%
Total Current Assets	4,584,844,173	3,039,404,277	1,545,439,896	50.8%
2. Non Current Assets				
Building structures	1,135,035	1,639,495	(504,460)	0.0%
Office equipment and fixtures	37,374,854	32,513,274	4,861,580	15.0%
Software	59,747,319	40,213,293	19,534,026	48.6%
Long-term deposit	39,220,940	39,885,940	(665,000)	-1.7%
Total Non Current Assets	137,478,148	114,252,002	23,226,146	20.3%
Total Assets	4,722,322,321	3,153,656,279	1,568,666,042	49.7%
II Liabilities				
1. Current Liabilities				
Accounts payable	2,988,153,360	1,658,509,776	1,329,643,584	80.2%
Deposits received etc.	12,549,484	11,477,787	1,071,697	9.3%
Total Current Liabilities	3,000,702,844	1,669,987,563	1,330,715,281	79.7%
2. Non Current Liabilities				
Provisions for retirement benefits	68,031,249	48,471,600	19,559,649	40.4%
Total Non Current Liabilities	68,031,249	48,471,600	19,559,649	40.4%
Total Liabilities	3,068,734,093	1,718,459,163	1,350,274,930	78.6%
II Net Assets				
Earmarked Net Assets	-	-		
Non-earmarked Net Assets	1,653,588,228	1,435,197,116	218,391,112	15.2%
Total Net Assets	1,653,588,228	1,435,197,116	218,391,112	15.2%
Total Liabilities and Net Assets	4,722,322,321	3,153,656,279	1,568,666,042	49.7%

Statement of Financial Activities

For the year ended December 31, 2024

(Unit : JPY)

	2024		2023		Changes	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
I. Non-earmarked Net Assets Changes						
1. Changes in Operating Item						
(1) Operating Revenues						
① Donations	14,065,173,585	100.0%	12,963,469,950	100.0%	1,101,703,635	8.5%
Donations from private individuals	13,068,615,452	92.9%	11,828,439,989	91.2%	1,240,175,463	10.5%
Donations from private companies	903,238,783	6.4%	1,038,408,695	8.0%	-135,169,912	-13.0%
Donations from other organizations	93,319,350	0.7%	96,621,266	0.7%	-3,301,916	-3.4%
② Public institutional funds etc.	3,963,602		26,562,343		-22,598,741	-85.1%
Grants from Other MSF	3,963,602		26,562,343		-22,598,741	-85.1%
③ Other Revenues	9,373,687		5,617,015		3,756,672	66.9%
Association membership fee	504,054		474,051		30,003	6.3%
Interest income and revaluation gains etc.	8,869,633		5,142,964		3,726,669	72.5%
Total Operating Revenues	14,078,510,874		12,995,649,308		1,082,861,566	8.3%
(2) Operating Expenditures						
Social Mission Expenditures (① + ② + ③ + ④ + ⑤)	11,205,892,045	82.8%	10,099,329,709	81.3%	1,106,562,336	11.0%
① Program & Program Support	10,581,300,000	78.2%	9,512,059,532	76.6%	1,069,240,468	11.2%
Financial contribution to operational centers (Grants)	10,581,300,000		9,512,000,000		1,069,300,000	11.2%
Other Program Support etc.	-		59,532		-59,532	-100.0%
② Operational Support Project	65,698,724	0.5%	82,214,273	0.7%	-16,515,549	-20.1%
Personnel expenses	29,999,632		40,478,674		-10,479,042	-25.9%
Others (Office rent, travel & depreciation etc.)	35,699,092		41,735,599		-6,036,507	-14.5%
③ Field HR management	164,574,522	1.2%	148,864,845	1.2%	15,709,677	10.6%
Personnel expenses	108,489,980		95,208,343		13,281,637	14.0%
Others (Office rent, travel & depreciation etc.)	56,084,542		53,656,502		2,428,040	4.5%
④ Advocacy activity	43,782,415	0.3%	34,403,881	0.3%	9,378,534	27.3%
Personnel expenses etc.	43,782,415		34,403,881		9,378,534	27.3%
⑤ Awareness-raising	350,536,384	2.6%	321,787,178	2.6%	28,749,206	8.9%
Personnel expenses	139,863,315		128,643,845		11,219,470	8.7%
Humanitarian aid public relations activities	112,460,747		105,049,000		7,411,747	7.1%
Agent service fee	49,680,642		42,327,166		7,353,476	17.4%
Others (Office rent, travel & depreciation etc.)	48,531,680		45,767,167		2,764,513	6.0%
Fundraising	2,052,527,149	15.2%	2,060,383,209	16.6%	-7,856,060	-0.4%
Personnel expenses	267,152,900		247,351,645		19,801,255	8.0%
Fundraising campaign expenses	1,408,724,733		1,438,132,319		-29,407,586	-2.0%
Agency service fees and system-related costs	143,698,756		144,332,700		-633,944	-0.4%
Communication and postage	74,298,055		69,318,509		4,979,546	7.2%
Printing fee	30,849,369		27,913,517		2,935,852	10.5%
Others (Office rent, travel & depreciation etc.)	127,803,336		133,334,519		-5,531,183	-4.1%
Management & General Administration	271,334,346	2.0%	257,709,831	2.1%	13,624,515	5.3%
Personnel expenses	142,624,487		130,619,691		12,004,796	9.2%
Association related expenses (except personnel)	13,499,089		22,820,012		-9,320,923	-40.8%
Others (Office rent, travel & depreciation etc.)	115,210,770		104,270,128		10,940,642	10.5%
Other International Contributions etc.	330,366,222	-	331,455,277	-	-1,089,055	-0.3%
Contribution to DNDi	12,238,081		26,348,632		-14,110,551	-53.6%
Contribution to Campaign for Access to Essential Medicines	36,953,537		35,738,704		1,214,833	3.4%
Contributions to MSF International Office	281,174,604		269,367,941		11,806,663	4.4%
Total Operating Expenditures	13,860,119,762	100.0%	12,748,878,026	100.0%	1,111,241,736	8.7%
2. Changes in Non-Operating Item						
(1) Non-Operating Revenues						
Gain on prior periods adjustment	-		1		△ 1	-100%
Total Non-Operating Revenues	-		1		△ 1	
(2) Non-Operating Expenditures						
Total Non-Operating Expenditures	-		-		0	
Increase in Non-earmarked Net Assets	218,391,112		246,771,283		-28,380,170	-
Non-earmarked Net Assets at Beginning of Year	1,435,197,116		1,188,425,833		246,771,283	-
Non-earmarked Net Assets at End of Year	1,653,588,228		1,435,197,116		218,391,112	-
II. Earmarked Net Assets Changes						
1. Accepted Earmarked Donations	1,043,500,000		45,777,000		997,723,000	-
2. Transfer to Non-earmarked Net Assets	1,043,500,000		45,777,000		997,723,000	-
Changes in Earmarked Net Assets	-		-		0	-
Earmarked Net Assets at Beginning of Year	-		-		0	-
Earmarked Net Assets at End of Year	-		-		0	-
III. Net Assets at End of Year to be carried forward	1,653,588,228		1,435,197,116		218,391,112	15.2%

Summary of Assets

As of December 31, 2024

(Unit: JPY)

	2024	2023	Changes
I. Assets			
1. Current Assets			
Cash and cash equivalents	4,353,461,416	2,777,988,728	1,575,472,688
Petty cash	-	-	0
Ordinary account (MUFG Bank,Ltd.)	1,867,646,727	377,470,026	1,490,176,701
Ordinary account (Sumitomo Mitsui Banking Corp.)	1,861,584,675	1,767,501,122	94,083,553
Ordinary account (Mizuho Bank Ltd.)	110,106,053	166,361,089	-56,255,036
Transfer Saving Account (Japan Post Bank Co., Ltd.)	190,573,826	190,035,580	538,246
Ordinary account (Rakuten Bank Ltd.)	81,477,495	57,937,015	23,540,480
Ordinary account (SBI Sumishin Net Bank,Ltd.)	60,785,904	50,839,678	9,946,226
Ordinary account (Sumitomo Trust and Banking Co Ltd..)	56,791,694	43,461,453	13,330,241
Ordinary account (MUFG Trust and Banking Ltd.)	14,890,208	13,692,031	1,198,177
Fixed deposit (Sumitomo Mitsui Banking Corp.)	100,000,000	100,000,000	-
PayPal	9,604,834	10,690,734	-1,085,900
Accounts receivable	213,949,302	247,872,265	-33,922,963
Donation receivable from outsourced vendor	132,309,688	127,135,452	5,174,236
MSF France	12,735,259	14,411,796	-1,676,537
MSF International Office etc.	17,261,391	27,108,854	-9,847,463
Other MSF offices (Expatriates related expenses etc.)	49,181,913	77,971,525	-28,789,612
Others	2,461,051	1,244,638	1,216,413
Prepaid expenses	17,433,455	13,543,284	3,890,171
Total Current Assets	4,584,844,173	3,039,404,277	1,545,439,896
2. Non Current Assets			
Building structures	1,135,035	1,639,495	-504,460
Leasehold Improvements	1,135,035	1,639,495	-504,460
Office equipment and fixtures	37,374,854	32,513,274	4,861,580
Furniture	1,572,276	1,700,353	-128,077
Equipment and fixtures	35,103,283	30,536,281	4,567,002
Video equipment	699,295	276,640	422,655
Software	59,747,319	40,213,293	19,534,026
Long-term deposit	39,220,940	39,885,940	-665,000
Office rent and others	39,220,940	39,885,940	-665,000
Total Non Current Assets	137,478,148	114,252,002	23,226,146
Total Assets	4,722,322,321	3,153,656,279	1,568,666,042
II. Liabilities			
1. Current Liabilities			
Accounts payable (Grants etc.)	2,560,637,533	1,303,447,231	1,257,190,302
Grants for MSF France	1,507,862,170	780,000,000	727,862,170
Grants for MSF Spain	502,260,000	260,000,000	242,260,000
Grants for MSF Switzerland	170,399,000	65,000,000	105,399,000
Grants for MSF Holland	128,702,675	68,447,231	60,255,444
Grants for MSF Belgium	125,720,570	65,000,000	60,720,570
Grants for WaCA	125,693,118	65,000,000	60,693,118
Accounts payable (Other national expenses)	427,515,827	355,062,545	72,453,282
Deposits received etc.	12,549,484	11,477,787	1,071,697
Others	12,549,484	11,477,787	1,071,697
Total Current Liabilities	3,000,702,844	1,669,987,563	1,330,715,281
2. Non Current Liabilities			
Provisions for retirement benefits	68,031,249	48,471,600	19,559,649
Total Non Current Liabilities	68,031,249	48,471,600	19,559,649
Total Liabilities	3,068,734,093	1,718,459,163	1,350,274,930
III. Net Assets			
Earmarked Net Assets	-	-	-
Non-Earmarked Net Assets	1,653,588,228	1,435,197,116	218,391,112
Total Net Assets	1,653,588,228	1,435,197,116	218,391,112
Total Liabilities and Net Assets	4,722,322,321	3,153,656,279	1,568,666,042

Notes to Financial Statements

1. Significant Accounting Policies

(1) Basis of Preparation of Financial Statements

The "Accounting Standards for Public Interest Corporations" (April 11, 2008, amended on October 16, 2009 by the Public Interest Corporation Commission, Cabinet Office) is adopted.

(2) Depreciation and Amortization Methods for Fixed Assets

① Property, plant and equipment are depreciated using the straight-line method.

Buildings and fixtures	5 years
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Furniture, fixtures and video equipment	3-20 years
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② Software: Straight-line method. 3-10 years

(3) Revenue Recognition

In principle, donation income is recognized on a cash basis.

In addition to monetary donations, MSF Japan also receives in-kind donation such as pharmaceuticals and software. The value of these in-kind donation is reasonably estimated at the time of acquisition, recognized as "donation income," and expensed when the business is placed in service.

(4) Basis of Allowance

Allowance for retirement benefits

To provide for the payment of retirement allowances to employees, the amount required at the end of the fiscal year is recorded based on the retirement allowance regulations.

(5) Consumption taxes are accounted for by the tax-included method.

(6) Operating Expenses

Expenses are presented separately by major activity.

① Social mission

Costs to support activities, including humanitarian assistance, staff recruitment for field activities, medical care and research and development, public relations and advocacy costs, etc.

② Fundraising expenses

③ Administrative expenses

④ Other expenses for MSF overseas offices and support for essential drug campaigns and new drug development initiatives

2. Increase/decrease in basic assets and specific assets - Not applicable.
3. Breakdown of basic assets, etc. of basic assets and specific assets - Not applicable.
4. Assets pledged as collateral - Not applicable.
5. Acquisition cost, accumulated depreciation and balance at the end of the current fiscal year for fixed assets

Acquisition cost, accumulated depreciation and balance at the end of the current period for fixed assets are as follows

(Unit: Yen)

	Acquisition cost	Accumulated depreciation	Balance at end of current fiscal year
Building accessories	54,016,634	52,881,599	1,135,035
Office furniture and fixtures	126,987,286	89,612,432	37,374,854
furniture	19,484,465	17,912,189	1,572,276
Furniture and fixtures	100,542,423	65,439,140	35,103,283
video equipment	6,960,398	6,261,103	699,295
software	138,752,462	79,005,143	59,747,319
Total	319,756,382	221,499,174	98,257,208

6. Contingent liabilities such as guarantee obligations - Not applicable.
 7. Breakdown of transfers from restricted fund to general fund
- The breakdown of the amount transferred from restricted fund to general fund is as follows

(Unit: Yen)

	Amount
Transfer to ordinary revenues	1,043,500,000
Purpose restrictions accomplished	
Total	1,043,500,000

8. Allowance for retirement benefits
 - (1) Outline of the retirement benefit plan adopted – lump-sum retirement benefit plan in accordance with internal rules.
 - (2) Retirement benefit obligation and its breakdown

68,031,249 yen Retirement benefit obligation,

68,031,249 yen Allowance for retirement benefits
 - (3) Retirement benefit expenses 20,560,849 yen

9. Breakdown of the allocation of humanitarian aid program support for the current fiscal year.

(Unit: Yen)

	Donations from domestic supporters	Total Program Support Funds
MSF France	6,348,780,000	6,348,780,000
MSF Spain	2,116,260,000	2,116,260,000
MSF Switzerland	529,065,000	529,065,000
MSF Netherlands	529,065,000	529,065,000
MSF Belgium	529,065,000	529,065,000
MSF WaCA	529,065,000	529,065,000
Total	10,581,300,000	10,581,300,000

10. Significant subsequent events – Not applicable.