

# STATEMENT OF CHANGES IN FUND BALANCE

(For the Year Ended December 31, 2022)

(Unit: Yen)

Items	2022	2021	Increase (Decrease)
<b>I</b> Changes in General Funds — net			
<b>1. Ordinary Income and Expenses</b>			
(1) Ordinary Income			
(i) Admission and annual membership fees			
Admission fees	10,800,000	9,800,000	1,000,000
Annual membership fees	6,379,000	6,451,000	(72,000)
Total admission and annual membership fees	17,179,000	16,251,000	928,000
(ii) Operating income			
Bar and dining sales			
Dining sales	32,964,698	11,614,255	21,350,443
Bar sales	11,306,199	3,638,563	7,667,636
Club event sales	4,334,656	-	4,334,656
Service and room charges	2,787,545	541,752	2,245,793
Total bar and dining sales	51,393,098	15,794,570	35,598,528
Real estate rental income			
Ground rent	887,687,912	870,767,063	16,920,849
Building rent	652,749,396	661,078,901	(8,329,505)
Other real estate income	16,196,358	12,010,738	4,185,620
Total real estate rental income	1,556,633,666	1,543,856,702	12,776,964
Total operating income	1,608,026,764	1,559,651,272	48,375,492
(iii) Other income			
Interest income	3,206,152	2,382,028	824,124
Miscellaneous income	124,031	60,364	63,667
Total other income	3,330,183	2,442,392	887,791
Total Ordinary Income	1,628,535,947	1,578,344,664	50,191,283
(2) Ordinary Expenses			
(i) Operating expenses			
Personnel expenses			
Salaries	151,707,861	155,278,687	(3,570,826)
Commuting	5,619,467	5,697,322	(77,855)
Legal welfare	25,100,250	25,821,919	(721,669)
Welfare	4,936,294	3,954,397	981,897
Retirement benefits	6,727,609	7,137,909	(410,300)
Total personnel expenses	194,091,481	197,890,234	(3,798,753)
Facility expenses			
Depreciation and amortization	135,228,167	163,208,309	(27,980,142)
Building management fees	115,458,800	110,927,775	4,531,025
Office cleaning	33,857,903	43,756,458	(9,898,555)
Insurance	1,714,664	1,880,182	(165,518)
Utilities	73,270,573	53,743,807	19,526,766
Total facility expenses	359,530,107	373,516,531	(13,986,424)
Club activity expenses			
Contributions	83,213,750	62,092,625	21,121,125
Dining costs and expenses	77,385,248	34,797,501	42,587,747
Kitchen management fees	13,200,000	13,200,000	-
Bar costs and expenses	14,091,226	3,894,586	10,196,640
Professional fees	9,380,969	2,743,012	6,637,957
Library expenses	1,880,041	1,283,150	596,891
Lecturers' honoraria	603,290	-	603,290
Coaching fees	4,202,097	3,110,426	1,091,671
Communication expenses	3,192,509	2,188,475	1,004,034
Publicity expenses	3,826,340	5,247,522	(1,421,182)
Office supply expenses	8,446,956	7,157,437	1,289,519
Equipment and supply expenses	2,698,034	3,218,640	(520,606)
Laundry and decoration expenses	5,552,671	2,144,832	3,407,839
Miscellaneous expenses	12,314,041	9,004,990	3,309,051
Total club activity expenses	239,987,172	150,083,196	89,903,976
Taxes and dues	561,338,303	536,864,899	24,473,404
Total operating expenses	1,354,947,063	1,258,354,860	96,592,203

(continued)

**STATEMENT OF CHANGES IN FUND BALANCE**

(For the Year Ended December 31, 2022)

(Unit: Yen)

Items	2022	2021	Increase (Decrease)
(ii) Administrative expenses			
Personnel expenses			
Salaries	14,985,091	16,495,273	(1,510,182)
Commuting	299,209	360,740	(61,531)
Legal welfare	2,604,010	2,927,065	(323,055)
Welfare	288,599	233,720	54,879
Retirement benefits	205,850	196,270	9,580
Total personnel expenses	18,382,759	20,213,068	(1,830,309)
Facility expenses			
Depreciation and amortization	7,901,531	8,202,862	(301,331)
Building management fees	2,355,696	2,381,154	(25,458)
Office cleaning	1,964,934	1,912,532	52,402
Insurance	142,770	132,674	10,096
Utility expenses	3,332,969	1,902,763	1,430,206
Total facility expenses	15,697,900	14,531,985	1,165,915
Club activity expenses			
Library expenses	696	2,761	(2,065)
Communication expenses	262,059	389,485	(127,426)
Publicity expenses	-	440,708	(440,708)
Office supply expenses	393,110	859,419	(466,309)
Equipment and supply expenses	187,776	206,421	(18,645)
Laundry and decoration expenses	6,000	-	6,000
Consultant fees	6,320,000	6,417,500	(97,500)
Miscellaneous expenses	506,067	631,994	(125,927)
Total club activity expenses	7,675,708	8,948,288	(1,272,580)
Taxes and dues	9,387,085	8,955,165	431,920
Total administrative expenses	51,143,452	52,648,506	(1,505,054)
Total Ordinary Expenses	1,406,090,515	1,311,003,366	95,087,149
Changes in ordinary earnings for the year before valuation adjustment	222,445,432	267,341,298	(44,895,866)
Gain (Loss) on valuation of securities	(33,632,082)	1,108,693	(34,740,775)
<b>Changes in ordinary earnings for the year</b>	<b>188,813,350</b>	<b>268,449,991</b>	<b>(79,636,641)</b>
<b>2. Nonordinary Income and Expenses</b>			
(1) Nonordinary Income			
Miscellaneous income	9,371,442	61,359,835	(51,988,393)
Total Nonordinary Income	9,371,442	61,359,835	(51,988,393)
(2) Nonordinary Expenses			
Loss on disposals of noncurrent assets	389,660	1	389,659
Miscellaneous loss	1,890,000	380,953	1,509,047
Total Nonordinary Expenses	2,279,660	380,954	1,898,706
<b>Changes in Nonordinary Earnings for the Year</b>	<b>7,091,782</b>	<b>60,978,881</b>	<b>(53,887,099)</b>
<b>Surplus of General Funds before Income Taxes for the Year</b>	<b>195,905,132</b>	<b>329,428,872</b>	<b>(133,523,740)</b>
Income taxes—current	98,870,651	120,447,834	(21,577,183)
Income taxes—deferred	(11,187,701)	3,952,487	(15,140,188)
<b>Changes in General Funds—net for the Year</b>	<b>108,222,182</b>	<b>205,028,551</b>	<b>(96,806,369)</b>
General funds—net at the beginning of the year	7,208,762,230	7,003,733,679	205,028,551
General funds—net at the end of the year	7,316,984,412	7,208,762,230	108,222,182
<b>II Changes in Restricted Funds—net</b>			
Changes in restricted funds—net for the year	-	-	-
Restricted funds—net at the beginning of the year	-	-	-
Restricted funds—net at the end of the year	-	-	-
<b>III Year-end Balance of Funds—net</b>	<b>7,316,984,412</b>	<b>7,208,762,230</b>	<b>108,222,182</b>