
**ASEAN PROMOTION CENTRE ON
TRADE, INVESTMENT AND TOURISM**

*Financial Statements for the
Year Ended March 31, 2026*

ASEAN PROMOTION CENTRE ON TRADE, INVESTMENT AND TOURISM

Balance Sheet March 31, 2026

ASSETS	Japanese Yen	U.S. Dollars (Note 2)	LIABILITIES AND FUND BALANCE	Japanese Yen	U.S. Dollars (Note 2)
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and bank deposits	¥225,766,451	\$ 1,412,099	Accounts payable	¥ 25,540,782	\$ 159,750
Prepaid expenses	3,797,647	23,753	Short-term bank loan (Notes 6.a and 7.b)	11,957,315	74,789
Accounts receivable	151,662	949	Other current liabilities	846,983	5,298
Total current assets	229,715,760	1,436,801	Total current liabilities	38,345,080	239,837
PROPERTY:			LONG-TERM LIABILITIES:		
Property, plant and equipment:			Asset retirement obligations (Notes 3.d and 4)	39,500,000	247,060
Property, plant and equipment (Notes 3.a, 3.d and 4)	80,129,227	501,184	Accrued severance benefits (Note 3.c)	89,072,391	557,120
Accumulated depreciation	(75,492,063)	(472,180)	Total long-term liabilities	128,572,391	804,180
Net property, plant and equipment	4,637,164	29,004			
Intangible assets—software (Note 3.a)	1,489,997	9,319	COMMITMENTS (Note 6)		
Total property	6,127,161	38,323	FUND BALANCE (Note 7.a):		
INVESTMENTS AND OTHER ASSETS:			Appropriated for repayment of bank loan (Note 7.b)	43,146,685	269,869
Lease deposits (Notes 6.a and 7.b)	56,295,200	352,109	Appropriated for special fund (Note 7.a(2))	54,589,393	341,440
Deposits	211,000	1,320	Appropriated for earmarked expenses (Notes 6.b and 7.c)	63,843	399
Long-term prepaid expenses	959,118	5,999	Appropriated for property, plant and equipment and software (Notes 3.a, 3.d and 4)	6,127,161	38,323
Total investments and other assets	57,465,318	359,428	Appropriated for asset retirement obligations (Notes 3.d and 4)	(39,500,000)	(247,060)
			Unappropriated (Note 7.a(4))	61,963,686	387,564
			Total fund balance	126,390,768	790,535
TOTAL	¥ 293,308,239	\$ 1,834,552	TOTAL	¥ 293,308,239	\$ 1,834,552

See notes to financial statements.

ASEAN PROMOTION CENTRE ON TRADE, INVESTMENT AND TOURISM

Statement of Revenues, Expenses, and Changes in Fund Balance Year Ended March 31, 2026

	Japanese Yen	U.S. Dollars (Note 2)
REVENUES:		
Contributions from Member States (Note 5)	¥ 467,036,000	\$ 2,921,166
Interest and dividend income	294,863	1,844
Other income	185,224	1,159
Total revenues	467,516,087	2,924,169
EXPENSES:		
Projects:		
Trade Promotion	29,659,129	185,509
Investment Promotion	24,692,426	154,443
Sustainable and Responsible Tourism	18,301,879	114,473
Expansion of People-to-People Exchanges	12,941,599	80,946
Communication, Social Mobilization and Partnership	24,798,640	155,108
ASEAN National Activities	37,539,595	234,799
Depreciation expenses (Note 3.a)	61,338	384
Amortization expenses (Note 3.a)	2,706,779	16,930
Loss on disposal of noncurrent assets	1,152,767	7,210
Administration:		
Meetings of Council and Executive Board	3,007,834	18,813
Office maintenance	48,245,174	301,759
Office operation	12,277,241	76,790
Staff expenses	192,176,290	1,202,003
Provision for accrued severance benefits (Note 3.c)	12,813,364	80,144
Rent for Permanent Exhibition Hall (Note 6.a)	33,458,511	209,273
Depreciation expenses (Notes 3.a and 3.d)	65,722	411
Amortization expenses (Note 3.a)	26,690	167
Total expenses	453,924,978	2,839,160
EXCESS OF REVENUES OVER EXPENSES	13,591,109	85,008
FUND BALANCE, BEGINNING OF YEAR	112,799,659	705,527
FUND BALANCE, END OF YEAR	¥ 126,390,768	\$ 790,535

See notes to financial statements.

ASEAN PROMOTION CENTRE ON TRADE, INVESTMENT AND TOURISM

Statement of Cash Flows Year Ended March 31, 2026

	<u>Japanese Yen</u>	<u>U.S. Dollars (Note 2)</u>
OPERATING ACTIVITIES:		
Cash received from Member States	¥ 467,036,000	\$ 2,921,166
Cash received from other operating activities	56,293	352
Cash paid to suppliers and staff	(454,273,659)	(2,841,341)
Interest received	294,863	1,844
Interest paid	<u>(420,049)</u>	<u>(2,627)</u>
Net cash provided by operating activities	<u>12,693,448</u>	<u>79,394</u>
INVESTING ACTIVITIES:		
Acquisition of property, plant equipment and software	(230,000)	(1,439)
Cash paid for lease deposit	(353,200)	(2,209)
Payments into time deposits	(150,000,000)	(938,204)
Proceeds from withdrawal of time deposits	<u>150,000,000</u>	<u>938,204</u>
Net cash used in investing activities	<u>(583,200)</u>	<u>(3,648)</u>
FINANCING ACTIVITIES:		
Cash paid to bank for settlement of short-term bank loan	<u>(5,638,000)</u>	<u>(35,264)</u>
Net cash used in financing activities	<u>(5,638,000)</u>	<u>(35,264)</u>
NET INCREASE IN CASH AND BANK DEPOSITS	6,472,248	40,482
CASH AND BANK DEPOSITS, BEGINNING OF YEAR	<u>219,294,203</u>	<u>1,371,617</u>
CASH AND BANK DEPOSITS, END OF YEAR	<u>¥ 225,766,451</u>	<u>\$ 1,412,099</u>

See notes to financial statements.

ASEAN PROMOTION CENTRE ON TRADE, INVESTMENT AND TOURISM

Notes to Financial Statements Year Ended March 31, 2026

1. ORGANIZATION

ASEAN PROMOTION CENTRE ON TRADE, INVESTMENT AND TOURISM (the Centre) was established on May 25, 1981, as an unincorporated, nonprofit organization under the Agreement between the Governments of Japan and five ASEAN Member States. This Agreement was extended to May 24, 2027, at the 41st Annual Meeting of the Council held in Tokyo in March 2022. The Centre's main purpose is to promote exports from the ASEAN Member States to Japan; to accelerate the flow of investment between Japan and the ASEAN Member States including the transfer of skill and technology; to vitalize tourist traffic between Japan and the ASEAN Member States; and to expand exchanges of persons through close cooperation between Japan and the ASEAN Member States. There are 11 Member States as of March 31, 2026.

2. BASIS OF PRESENTING FINANCIAL STATEMENTS AND FINANCIAL REGULATIONS

The accompanying financial statements have been prepared in accordance with Financial Regulations and Basis of Preparation of Financial Statements as described by the Centre.

Financial Regulations and Basis of Preparation of Financial Statements are based on generally accepted accounting principles in Japan except for fund balance within the balance sheet and statement of cash flows.

Fund balance is prepared based on III. Financial Regulations in the Rules and Regulations and III. Financial Rules and Procedures in the Staff Rules, Internal Rules and Guidelines, and Internship Rules and Regulations established by the Centre.

Statement of cash flows is prepared in accordance with Regulation on Terminology, Forms, and Preparation Methods of Financial Statement (Zaimushohyotou Kisoku).

The financial statements are stated in Japanese yen, the currency of the country in which the Centre operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers and have been made at the rate of ¥159.88 to \$1, the rate of exchange at March 31, 2026. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Property, Plant and Equipment and Software**—Property, plant and equipment and software, limited to those with individual amounts of ¥200,000 (\$1,251) or more, are stated at cost. Depreciation of property, plant and equipment is computed generally by the declining-balance method at rates based on the estimated useful lives of the assets. The range of useful lives is principally from 2 to 20 years. Amortization of software is computed by the straight-line method at rates based on estimated useful lives from 4 to 5 years.
- b. Long-Lived Assets**—The Centre reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. The impairment loss is measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the net selling price at disposition.

- c. Severance Benefits**—Staff members of the Centre are entitled to receive a lump-sum payment upon termination of their employment either by resignation or retirement. The amount of benefits for a permanent appointee is determined based on the rate of one-month base salary at the time of resignation or retirement for every completed year of service. For a fixed-term appointee, it is determined at the rate of monthly base salary for a year of service computed on a pro-rata, monthly basis effective at the time of termination of his/her employment in accordance with the 'RULES AND REGULATIONS.' The Centre has recorded a 100 percent liability for the amount that the Centre would have to pay for all the staff members if they resign at the balance sheet date. This is permitted under generally accepted accounting principles in Japan for certain companies that have less than 300 staff members.
- d. Asset Retirement Obligation**—An asset retirement obligation is recorded for a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the related asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

4. ASSET RETIREMENT OBLIGATIONS

This obligation is for the restoration cost of the Permanent Exhibition Hall/Secretariat Office including the Information Corner in Onarimon. There were no changes in asset retirement obligations for the year ended March 31, 2026. The amount of estimated obligations as of the year-end was ¥39,500,000 (\$247,060).

5. CONTRIBUTIONS FROM MEMBER STATES

The contributions from Member States are recognized as revenues in the year when such contributions become due and payable.

The members of the Centre made the following contributions for the year ended March 31, 2026:

	<u>Japanese Yen</u>	<u>U.S. Dollars</u>
Obligatory contributions:		
Japan	¥ 345,885,000	\$ 2,163,404
ASEAN Member States	49,412,000	309,057
Rent for Permanent Exhibition Hall	34,372,000	214,986
Voluntary contributions:		
Japan	<u>37,367,000</u>	<u>233,719</u>
Total	<u>¥ 467,036,000</u>	<u>\$ 2,921,166</u>

Article X 2 of the Amendments to the Agreement Establishing the Centre which was amended by the Council Decision on November 20, 2007, states that, "Except for the rent of the permanent ASEAN Trade, Investment and Tourism Exhibition Hall, which shall be borne by Japan, the annual budget of the Centre shall be met in the following proportion: Japan: 87.5 percent, the ASEAN Member States: 12.5 percent." This annual budget is now referred to as obligatory contributions.

In addition, the Centre also receives voluntary contributions from Japan, which started in 1988 to meet its increasing financial requirements for the implementation of the Centre's new programs and projects.

6. COMMITMENTS

a. *Lease Commitments and Loan from Bank*

The aggregate lease deposits at March 31, 2026 of ¥55,104,000 (\$344,658) for the Permanent Exhibition Hall/Secretariat Office including the Information Corner in Onarimon, and ¥1,191,200 (\$7,451) for housing for four members of ASEAN staff.

Total monthly rents from February 1, 2025 through January 31, 2027 for the Permanent Exhibition Hall/Secretariat Office, Information Corner and the signboard fee in Onarimon of ¥5,488,000 (\$34,326), and ¥60,000 (\$375), respectively, are ¥5,548,000 (\$34,701).

The amount of ¥11,957,315 (\$74,789) for the lease deposit was financed by a floating rate bank loan based on bank base rate plus 1.775 percent per annum on March 19, 2026. The interest rate is subject to review monthly. The principal amount is payable on March 19, 2027. The interest expenses were included under "Rent for Permanent Exhibition Hall."

b. *Contractual Purchase Obligations*

The Centre has contractual purchase obligations related to the annual budget for the fiscal year ended March 31, 2026. The amount of the obligations is ¥63,843 (\$399) which consists of ¥13,843 (\$87) for trade promotion activities, ¥15,000 (\$94) for investment promotion activities, ¥5,000 (\$31) for expansion of people-to-people exchanges related activities and ¥30,000 (\$188) for ASEAN national activities at March 31, 2026.

7. FUND BALANCE

a. *Classification of Fund Balance*

Fund balance consists of the following:

- (1) Appropriated for repayment of bank loan
- (2) Appropriated for special fund: Remaining balance on the previous year's budgetary accounting
- (3) The amounts of adjustment items from cash basis accounting to accrual accounting:
 - Appropriated for earmarked expenses
 - Appropriated for property, plant and equipment and software
 - Appropriated for asset retirement obligations
- (4) Unappropriated: Remaining balance on the current year's budgetary accounting

b. *Appropriated for Repayment of Bank Loan*

The amount of ¥43,146,685 (\$269,869) is the partial repayment on the bank loan for the lease deposits of the Permanent Exhibition Hall/Secretariat Office including the Information Corner in Onarimon.

c. *Appropriated for Earmarked Expenses*

The amount of earmarked expenses, which consists of outstanding purchase orders and other commitments for materials and services not received as of March 31, 2026, was not recorded as "Accounts payable" in the balance sheet and "Expenses" in the statement of revenues, expenses, and changes in fund balance in accordance with generally accepted accounting principles in Japan.

The amount of ¥63,843 (\$399) was appropriated for contractual purchase obligations.

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