

Explanatory Notes to Financial Documents

1. Accounting Units

"Technical Secretariat on Cooperation for the Elimination of Nuclear Weapons Reduced in the Former Soviet Union" is a general name for the 4 Committees (Technical Secretariat of Japan-Russia Committee, Technical Secretariat of Japan-Ukraine Committee, Technical Secretariat of Japan-Kazakhstan Committee and Technical Secretariat of Japan-Belarus Committee) which is used for registrations concerning Japanese official and other relevant legal bodies.

Japan-Russia Committee was established in accordance with the "AGREEMENT BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF THE RUSSIAN FEDERATION CONCERNING THE COOPERATION TO ASSIST THE DESTRUCTION OF NUCLEAR WEAPONS REDUCED IN THE RUSSIAN FEDERATION AND THE ESTABLISHMENT OF A COMMITTEE ON THIS COOPERATION" signed on October 13, 1993. Technical Secretariat of Japan-Russia Committee manages administrative work on the Committee's funds provided by the Government of Japan.

Japan-Kazakhstan Committee was established in accordance with the "AGREEMENT BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN CONCERNING COOPERATION FOR THE DESTRUCTION OF NUCLEAR WEAPONS REDUCED IN THE REPUBLIC OF KAZAKHSTAN AND THE ESTABLISHMENT OF A COMMITTEE ON THIS COOPERATION" signed on March 11, 1994. Technical Secretariat of Japan-Kazakhstan Committee manages administrative work on the Committee's funds provided by Japanese Government.

"Operational Cost for Technical Secretariat" indicates the funds allocated by each Committee at a fixed rate (see below) for common administrative expenses. Closing of accounts on this units by each Technical Secretariat is not conducted.

Committee	Ratio
Technical Secretariat of Japan-Russia Committee	0.9927
Technical Secretariat of Japan-Kazakhstan Committee	0.0073

2. Important Accounting Policies

(1) Accounting Standards

These financial statements are elaborated in conformity with the accounting standards of Public-Service Corporations in Japan. As the Technical Secretariat is not a public-service corporation as defined in Art. 34 of the Japanese Civil, a List of Assets is not elaborated.

(2) Depreciation Method of Fixed Assets

Depreciation of fixed assets is made in conformity with the Declining Balance Method defined in the Japanese Corporation Tax Law.

(3) Standard for the Reserve Calculation

Reserve for retirement allowances corresponds to 100% of the amount required in case that the secretary-general and employees voluntarily retired at the end of the fiscal year.

(4) The Scope of the Funds

Cash, advances paid, accounts payable, and deposits received are included in the fund. See 3 below for initial and final balances.

(Translation from Japanese language)

3. Asset and Liability Balance Carried Forward are as follows

(Initial Balance)	(Unit: yen)		
Account	Technical Secretariat of Japan-Russia Committee	Technical Secretariat of Japan-Kazakhstan Committee	Operational Cost for Technical Secretariat
Current assets			
Cash	4,088,272,738	32,260,726	14,691,589
Accounts receivable	13,376,530	142,404	26,697
Advances paid	0	0	0
Current liabilities			
Account payable	0	0	14,299,678
Deposits received	0	0	418,608
Balance carried forward	4,101,649,268	32,403,130	0

(Final Balance)	(Unit: yen)		
Account	Technical Secretariat of Japan-Russia Committee	Technical Secretariat of Japan-Kazakhstan Committee	Operational Cost for Technical Secretariat
Current assets			
Cash	3,136,480,530	31,933,618	15,533,915
Accounts receivable	14,704,556	108,133	24,640
Advances paid	0	0	0
Current liabilities			
Account payable	0	0	15,254,495
Deposits received	0	0	304,060
Balance carried forward	3,151,185,086	32,041,751	0