

FINANCE COMMITTEE REPORT TO MARCH BOARD MEETING

The Finance Committee met on March 4th, 2025. Present were Anthony Rowley, Treasurer; Robert Whiting, Finance Committee member; Wayne Hunter, General Manager; Yoshiyuki Hirado, Chief Accountant. Committee member Rick Dyck was unable to attend but later submitted inputs.

The Finance Committee also met on March 6th, 2025, all Committee members were present and the FY2025 budget was approved for presentation to the Board of Directors.

The Committee noted another “steady” month of financial results for the month of January so far as club operational revenues and monthly dues payments are concerned while initiation fees in respect of new members were significantly higher than in preceding months.

Outsourcing commission declined however in January as a result of a (temporary) rent reduction being granted to the club’s sushi bar operator while room rental income also showed a seasonal drop compared with preceding months. Total revenues for January held steady in January compared to December 2024 but a rise in total expenditures resulted the club’s net deficit rising in January to some 3.7 million

Total operational revenues for the financial year to end of March 2025 are now predicted to come in at 338 million yen (which includes actual results up to the end of January plus estimates for the months of February and March). This will be lower than the 343 million that was budgeted for the year. In addition, total revenues for the year to March 31, 2025 are now estimated at slightly under 364 million yen which is below what was budgeted and the club’s net deficit in fiscal 2024 is now projected at a higher than budgeted 39 million yen.

The proposed budget for the year to March 31, 2026 - which has been approved by the Finance Committee - suggests that the net deficit should decline to approximately 32 million for that period.

The year to date cash flow line on the General Manager’s “Dashboard” shows a cash flow deficit of 656,143 in the year to date as at January 31 2025. This is the cumulative flow from April 2024 to January 31, 2025, and the fact that cash flow has turned minus is a matter of concern. However, the cumulative cash flow at this time last year was -23,030,851. So, year-on-year, cash flow has improved.

Nevertheless a negative cash flow means that we are draining, rather than replenishing, our slim reserves of cash. The Finance Committee is continuing to monitor this situation closely and, in cooperation with our accounting firm Aoyama Accounting, seeking to clarify and rationalise the way in which cash flow has been reported up to now. The result of this review could reveal that the cash flow position is in fact somewhat less bad than has appeared to be the case although this does not alter that fact that the club’s financial position remains uncomfortable if not precarious

These results and projections while not alarming give little cause for satisfaction about the club’s financial prospects in the short to medium term and emphasise the need to focus all attention on increasing revenues from all available sources. The recently established Task Force on medium to long term financial prospects of the FCCJ should offer some guidance in its final report on how improvement might be achieved but it is clear that significant challenges lie ahead.

Respectfully submitted.

Anthony Rowley
Treasurer