

Increase of Buildings

Buildings increased as a result of the recovery projects which have commenced, and the preparation of research facilities by Government funding for operations carried over from previous term.

28,190  
million Yen  
(Increase from FY2013)

Increase in Shares of subsidiaries and associates

We established a 100% owned venture capital, Tohoku University Venture Partners Corporation, which supplies funds to ventures originating from the university.

48  
million Yen  
(Increase from FY2013)

Increase of Personnel expenses

Personnel expenses increased as a result of stopping salary cuts to government officials as part of aiding recovery from the earthquake disaster, and the increase of retirement benefits cost.

3,959  
million Yen  
(Increase from FY2013)

Institute for Disaster Reconstruction and Regeneration Research

As an university located at the center of the disaster-affected area, Tohoku University will continue to play a leading role in reconstructing Tohoku and in revitalizing Japan.

Missions

Mission1

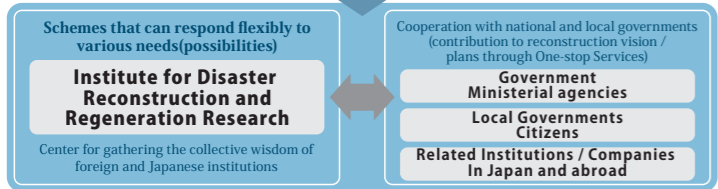
Contributing to post-disaster reconstruction and regional regeneration

Mission2

Creating a multidisciplinary center of excellence for post-disaster reconstruction

Mission3

Establishing a cross-disciplinary research organization to conduct problem-solving projects

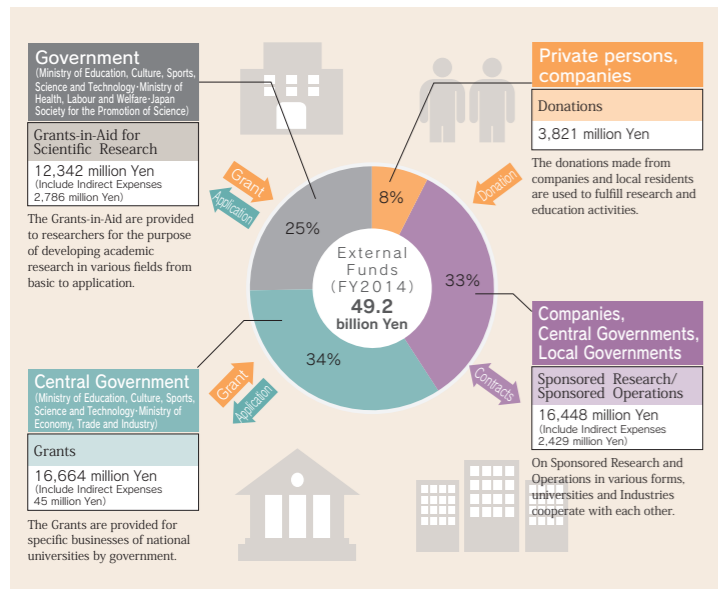


## Cash Flow Statement(summary)

(In millions of Yen)			
Items	FY 2014	FY 2013	
I Cash flows from operating activities	17,318	36,787	
Payments for raw materials, goods and service			
Payments for personnel expenses			
Proceeds from grants for operations			
Proceeds from student fees			
II Cash flows from investing activities	▲39,906	▲8,878	
Payments for time deposits			
Purchase of property, plant and equipment and intangible assets			
Proceeds from grants for facilities			
III Cash flows from financing activities	▲7,183	▲7,663	
Repayment of long-term borrowings			
Repayment of finance lease liabilities			
IV Effect of exchange rate change on cash	—	—	
V Net increase in cash	▲29,772	20,246	
VI Cash at beginning of period	70,416	50,170	
VII Cash at end of period	40,644	70,416	

The **Cash flow statements** is a cash basis report and presents each cash inflow and cash outflow of "operating, investing, and financing activities".

## ■ External Funds

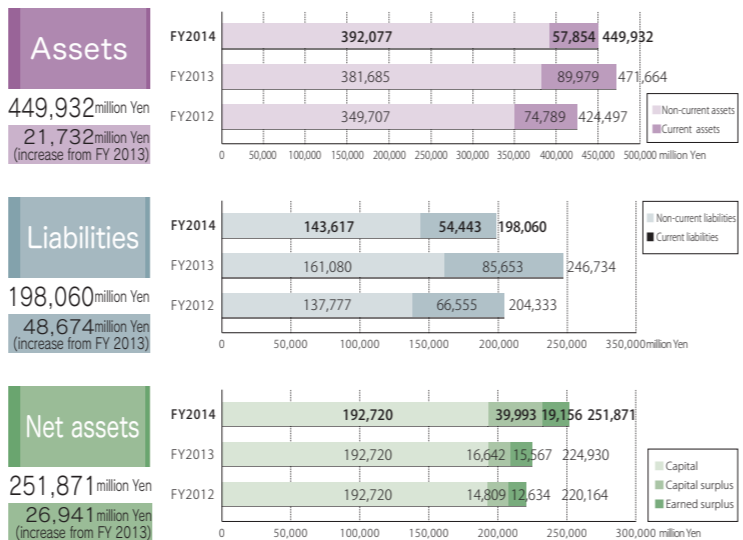


## Balance Sheet (summary)

(In millions of Yen)		
Items	FY 2014	FY 2013
<b>Assets</b>		
(Non-current assets)		
Land	133,801	133,780
Buildings	157,346	129,156
Machinery and equipment	60,921	59,133
Books/Work of art	25,404	25,285
Construction in progress	11,398	30,947
Investment securities	1,652	1,654
Shares of subsidiaries and associates	48	-
Other	1,504	1,727
(Current assets)		
Cash and deposits	40,944	70,416
Accounts receivable	14,169	15,845
(Accounts receivable - student fees)	151	160)
(Accounts receivable - university hospital)	7,328	6,773)
(Other accounts receivable)	6,688	8,911)
Securities	2,000	3,300
Other current assets	740	416
Total (Assets)	449,932	471,664

(In millions of Yen)		
Items	FY 2014	FY 2013
<b>Liabilities</b>		
(Non-current liabilities)		
Deferred inflow of assets	98,902	119,226
Long-term borrowings	33,574	36,634
Other	11,140	5,219
(Current liabilities)		
Deferred inflow of grants for operations	4,361	12,353
Deferred inflow of donations/Deferred inflow of Sponsored Research	18,735	18,425
Current portion of long-term borrowings	3,712	3,773
Accounts payable	23,792	47,121
Other	3,842	3,980
Total (Liabilities )	198,060	246,734
<b>Net assets</b>		
Capital	192,720	192,720
Capital surplus	39,993	16,642
Earned surplus	19,156	15,567
(Reserve funds carried forward from previous mid-term plan period	5,488	5,488)
(Reserve for specific purposes	2,093	2,086)
(Reserve	7,963	5,036)
(Unappropriated retained earnings	3,611	2,955)
Total (Net assets)	251,871	224,930
Total (Liabilities ,Net assets)	449,932	471,664

**Balance sheet** presents information about the financial position on the reporting date by presenting all assets, liabilities and net assets.

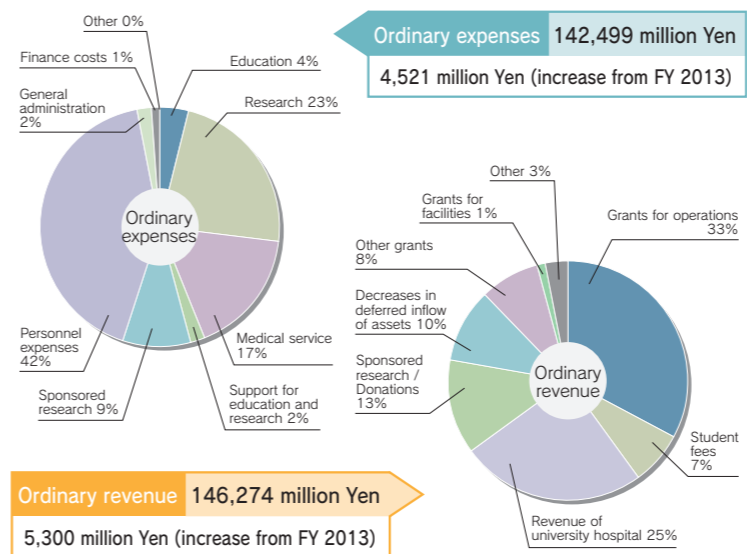


## Income Statement (summary)

(In millions of Yen)		
Items	FY 2014	FY 2013
<b>Ordinary expenses</b>		
Education	5,737	5,479
Research	33,052	32,627
Medical service	23,828	23,325
Support for education and research	3,063	3,081
Sponsored research	12,951	12,927
Personnel expenses	59,868	55,909
General administration	3,331	3,799
Finance costs	663	818
Other	2	9
Ordinary expenses Total	142,499	137,978
Extraordinary loss	3,258	1,718
Income for the period	3,611	2,955

(In millions of Yen)		
Items	FY 2014	FY 2013
<b>Ordinary revenue</b>		
Grants for operations	47,752	41,970
Student fees	10,838	10,834
Revenue of university hospital	36,598	35,335
Sponsored research / Donations	19,485	19,009
Decreases in deferred inflow of assets	14,633	12,435
Other grants	12,137	16,606
Grants for facilities	1,040	532
Other	3,788	4,250
Ordinary revenue Total	146,274	140,974
Extraordinary profit	3,072	1,660
Reversal of reserve for specific purposes	21	17

**Income statement** presents information about the financial performance during a reporting period by presenting all revenue and expenses.



## Operation Cost Statement (summary)

(In millions of Yen)		
Items	FY 2014	FY 2013
I Operating expenses	73,934	69,985
Expenses in income statement		
Operating expenses		
General and administrative expenses		
(Deduction) Non-subsidy revenue, etc		
Student fees		
Revenue of university hospital		
Sponsored research		
II Depreciation expense not included in income statement	6,768	6,189
III Impairment loss amount not included in income statement	7	38
IV Profit or loss on sale of securities not included in income statement	-	-
V Profit or loss on valuation of securities not included in income statement	11	-
VI Interest expense amount not included in income statement	10	14
VII Sales or disposal amount not included in income statement	210	▲370
VIII Increase of estimated bonuses not included in income statement	148	▲344
IX Increase of estimated retirement benefit not included in income statement	▲1,326	540
X Opportunity cost	1,958	2,241
Opportunity cost of transactions of decreased or free-of-charge usage fees of the central or local governments		
Opportunity cost of contributions from the government of Japan		
XI (Deduction) Amount paid to the national treasury	—	—
XII Operation cost	81,723	78,294

**Operation cost statement** presents the burden on citizens to operate national universities. Item VII indicates the burden on citizens by our university.

## Statement of Appropriation of Earned Surplus (draft)

(In millions of Yen)		
	FY 2014	FY 2013
I Unappropriated retained earnings		
Income for the period	3,611	2,955
II Appropriated amount		
Reserve	3,222	2,927
Reserve for specific purposes	388	28

This statement presents information about the appropriation of unappropriated retained earnings.

## Reversal of reserve for specific purposes in FY 2014

In FY 2014, Tohoku University spent 21 million yen from reserves for the specific purpose of preparing the welfare guidance institution which includes improvement of the quality of education research.

