

## Campus Preparation

We prepared many facilities such as our new campus close to the nearest new station of the new Sendai Subway Tozai Line. Even though we have been continuously preparing many facilities as stated above, the amount of Fixed Assets has decreased due to depreciation expense of existing facilities.

## Investment

We established THVP-1 Investment Limited Partnership with eight private financial institutions and Tohoku University Venture Partners Corporation, which is a 100% owned venture capital. Moreover, in November 2015, we invested in Tohoku Magnet Institute Corporation, a venture originating from us, and the first investment.

## Carried Forward To Next Mid-term Plan Period

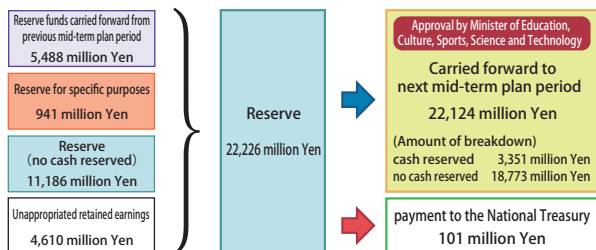
FY 2015 was the last year of 2nd Mid-term Plan Period, so we appropriated reserve in accordance with laws and regulations. Consequently, it has been approved by the government that we can reserve 22,100 million yen for next mid-term plan period. Apart from that, we paid 100 million yen as an unneeded reserve to the National Treasury. 18,700 million yen of 22,100 million yen, the amount approved to carry forward, cannot be appropriated as business resources, as it is reserved in accounts due to its correspondence to Fixed Assets. It only compensates for future losses such as depreciation expenses.

### Statement of Appropriation of Earned Surplus (In millions of Yen)

	FY 2015	FY 2014
<b>I Unappropriated retained earnings</b>		
Income for the period	4,610	3,611
<b>II Amount of transferred reserves</b>		
Reserve for specific purposes	941	
Reserve funds carried forward from previous mid-term plan period	5,488	—
<b>III Appropriated amount</b>		
Reserve	11,039	3,222
Reserve for specific purposes	—	388

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

### Processing of reserves at the end of mid-term plan period



※In the last year of mid-term plan period, it is prescribed that the amount of reserve(=earned surplus) approved by Minister of Education, Culture, Sports, Science and Technology only can be carried forward to next mid-term plan period and the remainder of that should be paid to the National Treasury.

This section presents the burden on citizens in income statement by deducting non-subsidy revenue.

### Operation Cost Statement (summary)

(In millions of Yen)

Items	FY 2015	FY 2014
<b>I Operating expenses</b>	69,170	73,934
Expenses in income statement (Deduction) Non-subsidy revenue, etc.		
<b>II Depreciation expense not included in income statement</b>	8,094	7,009
<b>III Increase of estimated bonuses not included in income statement</b>	1,187	▲ 1,178
<b>IV Opportunity cost</b>	1,098	1,958
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		
<b>V (Deduction) Amount paid to the national treasury</b>	—	—
<b>VI Operation cost</b>	79,550	81,723

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



# TOHOKU UNIVERSITY Financial Report — Digest —

Fiscal Year 2016

2015.4.1~2016.3.31

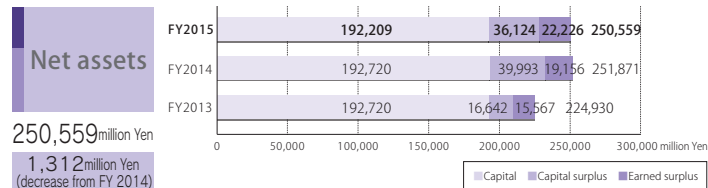
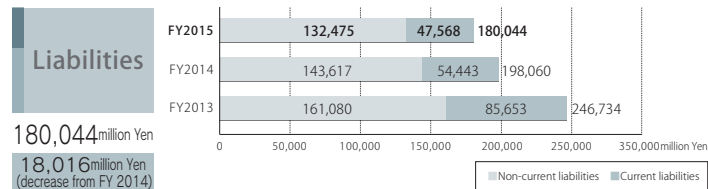
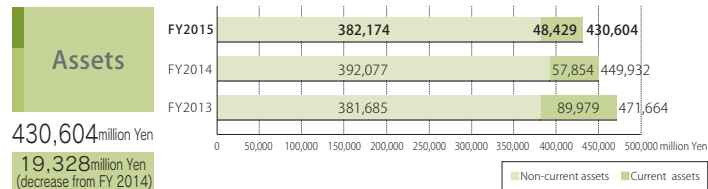
## Tohoku University Financial Report 2016 (Digest)

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 1-1 Katahira 2-chome, Aobaku, Sendai 980-8577 JAPAN  
 URL <http://www.bureau.tohoku.ac.jp/kessan/zaimu/zaimu.html>

Balance Sheet (summary)

			(In millions of Yen)		
Items	FY 2015	FY 2014	Items	FY 2015	FY 2014
<b>Assets</b>			<b>Liabilities</b>		
<b>(Non-current assets)</b>			<b>(Non-current liabilities)</b>		
Land	132,795	133,801	Deferred inflow of assets	91,506	98,902
Buildings	154,863	157,346	Long-term borrowings	32,714	33,574
Machinery and equipment	48,613	60,921	Other	8,255	11,140
Books/Work of art	25,514	25,404	<b>(Current liabilities)</b>		
Construction in progress	16,225	11,398	Deferred inflow of grants for operations	–	4,361
Investment securities	1,650	1,652	Deferred inflow of donations/Deferred inflow of Sponsored Research	18,479	18,735
Shares of subsidiaries and associates	60	48	Current portion of long-term borrowings	3,522	3,712
Other securities of subsidiaries and associates	908	–	Accounts payable	22,496	23,792
Other	1,542	1,504	Other	3,069	3,842
<b>(Current assets)</b>			<b>Total (Liabilities )</b>		
Cash and deposits	36,093	40,944	180,044	198,060	
Accounts receivable	11,719	14,169	<b>Net assets</b>		
(Accounts receivable - student fees)	142	151	Capital	192,209	192,720
(Accounts receivable - university hospital)	7,875	7,328	Capital surplus	36,124	39,993
(Other accounts receivable)	3,702	6,688	Earned surplus	22,226	19,156
Securities	–	2,000	(Reserve funds carried forward from previous mid-term plan period)	5,488	5,488
Other current assets	616	740	(Reserve for specific purposes)	941	2,093
			(Reserve)	11,186	7,963
			(Unappropriated retained earnings)	4,610	3,611
<b>Total (Assets)</b>	<b>430,604</b>	<b>449,932</b>	<b>Total (Net assets)</b>	<b>250,559</b>	<b>251,871</b>
			<b>Total (Liabilities ,Net assets)</b>	<b>430,604</b>	<b>449,932</b>

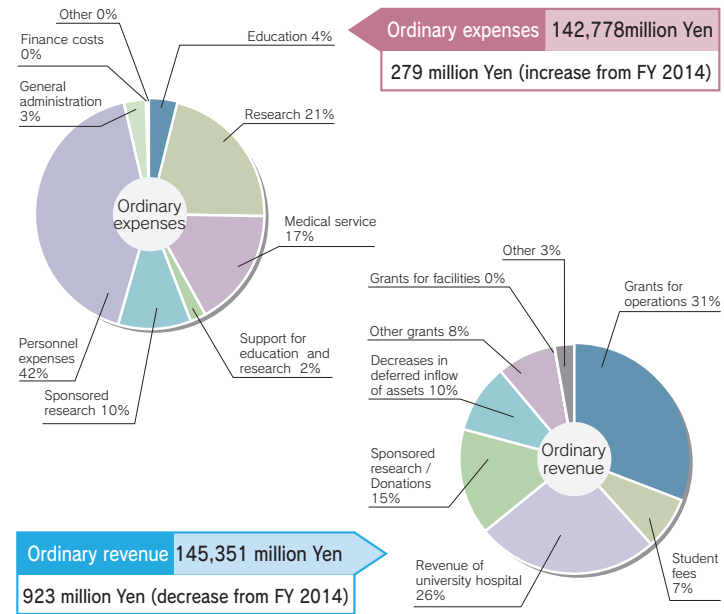
▶Balance sheet presents information about the financial position on the reporting date by presenting all assets, liabilities and net assets.



Income Statement (summary)

			(In millions of Yen)		
Items	FY 2015	FY 2014	Items	FY 2015	FY 2014
<b>Ordinary expenses</b>			<b>Ordinary revenue</b>		
Education	5,833	5,737	Grants for operations	45,140	47,752
Research	30,297	33,052	Student fees	10,881	10,838
Medical service	23,842	23,828	Revenue of university hospital	37,634	36,598
Support for education and research	3,475	3,063	Sponsored research /Donations	21,472	19,485
Sponsored research	14,460	12,951	Decreases in deferred inflow of assets	14,356	14,633
Personnel expenses	59,971	59,868	Other grants	11,958	12,137
General administration	4,295	3,331	Grants for facilities	179	1,040
Finance costs	598	663	Other	3,728	3,788
Other	2	2			
<b>Ordinary expenses Total</b>	<b>142,778</b>	<b>142,499</b>	<b>Ordinary revenue Total</b>	<b>145,351</b>	<b>146,274</b>
Extraordinary loss	867	3,258	Extraordinary profit	2,836	3,072
<b>Income for the period</b>	<b>4,610</b>	<b>3,611</b>	Reversal of reserve for specific purposes	68	21

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



Cash Flow Statement(summary)

			(In millions of Yen)	
Items	FY 2015	FY 2014		
<b>I Cash flows from operating activities</b>	<b>17,765</b>	<b>17,318</b>		
Payments for raw materials, goods and service				
Payments for personnel expenses				
Proceeds from grants for operations				
Proceeds from student fees				
<b>II Cash flows from investing activities</b>	<b>▲ 16,874</b>	<b>▲ 39,906</b>		
Payments for time deposits				
Purchase of property, plant and equipment and intangible assets				
Proceeds from grants for facilities				
<b>III Cash flows from financing activities</b>	<b>▲ 5,741</b>	<b>▲ 7,183</b>		
Repayment of long-term borrowings				
Repayment of finance lease liabilities				
<b>IV Effect of exchange rate change on cash</b>	<b>–</b>	<b>–</b>		
<b>V Net increase in cash</b>	<b>▲ 4,850</b>	<b>▲ 29,772</b>		
<b>VI Cash at beginning of period</b>	<b>40,644</b>	<b>70,416</b>		
<b>VII Cash at end of period</b>	<b>35,793</b>	<b>40,644</b>		

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

Change in Amount of External Funds and Proceeds from grants for operations

