

In March the Graduate School of Agricultural Science relocated from the aging Amamiya Campus to Aobayama New Campus for the purpose of campus transfer.

Furthermore, some facilities such as Kawauchi Athletic Ground were constructed, so the number of buildings has increased since the previous year, but the amount of Fixed Assets has decreased due to depreciation of existing facilities.

We invested an additional 14million yen in our THVP-1 Investment Limited Partnership through Tohoku University Venture Partners Corporation, which is a 100% owned venture capital corporation, and eight private financial institutions based on a capital call. Therefore, as of the end of FY2016, this corporation invested a total amount of 1,357million yen including an additional investment to five venture companies originating from us.

The Great East Japan Earthquake occurred in FY2011, and after a while we accepted grants of the large amounts.

Research was also increased in relation to that, but the amounts of grants related to disaster reconstruction has been reduced in recent years.

The amount of Ordinary Expenses and Ordinary Revenue is less compared with last year due to a decrease in grants and because of depreciation.

Aobayama New Campus Development

The Agricultural Research and Administration Facility, the Animal Research Facility, and the Field for Experimental Horticulture which were being constructed for the purpose of campus transfer have been completed. In March the school relocated from the aging Amamiya campus to Aobayama New Campus, and education and research activities have started from April.

Aobayama Commons (a building housing the lecture theatres, library facilities and a restaurant) has been completed, and it has been in use since April.

Agricultural Research and Administration Facility (Completed in October 2016)



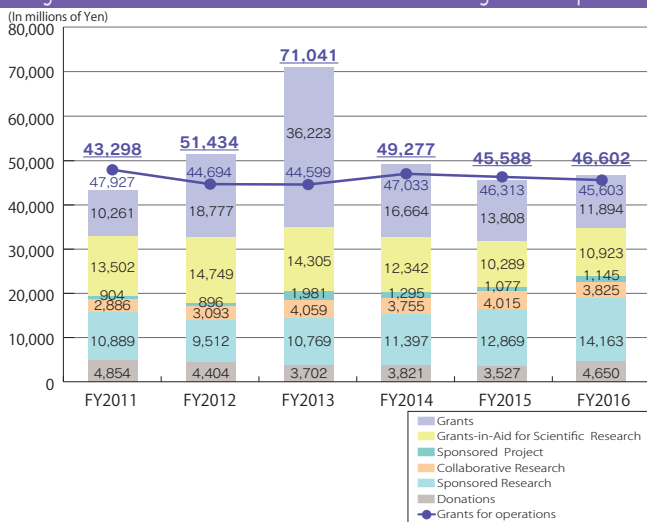
- Type of structure: a reinforced concrete building of five stories
- Building area: 6,774 sq.m.
- Total floor area: 27,160 sq.m.

Aobayama Commons (Completed in June 2016)



- Type of structure: a reinforced concrete building of two stories
- Building area: 5,608 sq.m.
- Total floor area: 9,955 sq.m.

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



TOHOKU UNIVERSITY Financial Report — Digest —

Fiscal Year 2016

2016.4.1~2017.3.31

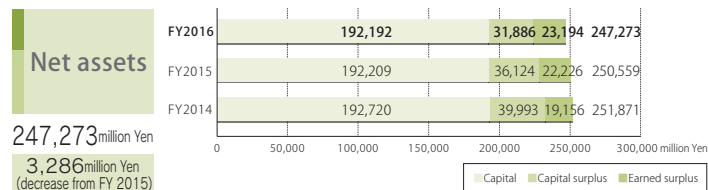
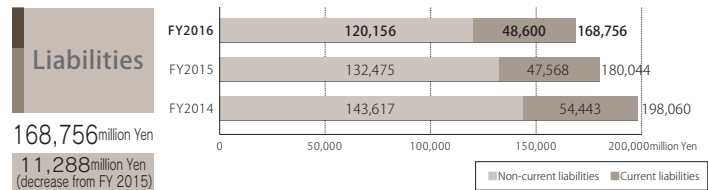
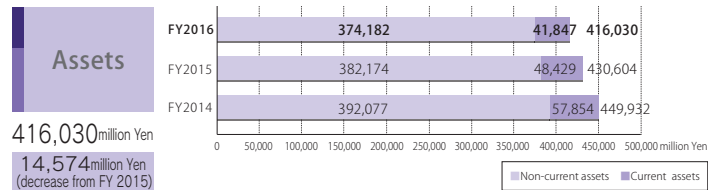
Tohoku University Financial Report 2017 (Digest)

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Balance Sheet (summary)

			(In millions of Yen)		
Items	FY 2016	FY 2015	Items	FY 2016	FY 2015
Assets			Liabilities		
(Non-current assets)			(Non-current liabilities)		
Land	132,956	132,795	Deferred inflow of assets	82,265	91,506
Buildings	160,896	154,863	Long-term borrowings	32,407	32,714
Machinery and equipment	36,536	48,613	Other	5,483	8,255
Books/Work of art	25,634	25,514	(Current liabilities)		
Construction in progress	12,020	16,225	Deferred inflow of grants for operations	1,193	-
Investment securities	1,648	1,650	Deferred inflow of donations/Deferred inflow of Sponsored Research	18,735	18,479
Shares of subsidiaries and associates	60	60	Current portion of long-term borrowings	3,345	3,522
Other securities of subsidiaries and associates	2,109	908	Accounts payable	19,635	22,496
Other	2,318	1,542	Other	5,690	3,069
(Current assets)			Total (Liabilities)		
Cash and deposits	30,149	36,093	168,756	180,044	
Accounts receivable	10,856	11,719	Net assets		
(Accounts receivable - student fees)	151	142	Capital	192,192	192,209
(Accounts receivable - university hospital)	7,301	7,875	Capital surplus	31,886	36,124
(Other accounts receivable)	3,403	3,702	Earned surplus	23,194	22,226
Securities	-	-	(Reserve funds carried forward from previous mid-term plan period)	20,616	5,488
Other current assets	842	616	(Reserve for specific purposes)	-	941
			(Reserve)	-	11,186
			(Unappropriated retained earnings)	2,578	4,610
Total (Assets)	416,030	430,604	Total (Net assets)	247,273	250,559
			Total (Liabilities ,Net assets)	416,030	430,604

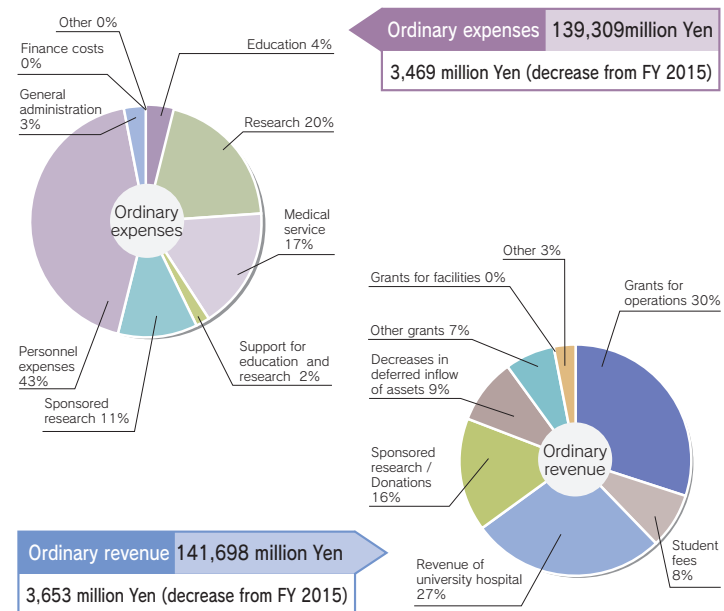
▶Balance sheet presents information about the financial position on the reporting date by presenting all assets, liabilities and net assets.



Income Statement (summary)

			(In millions of Yen)		
Items	FY 2016	FY 2015	Items	FY 2016	FY 2015
Ordinary expenses			Ordinary revenue		
Education	5,540	5,833	Grants for operations	42,775	45,140
Research	27,642	30,297	Student fees	10,872	10,881
Medical service	23,574	23,842	Revenue of university hospital	38,006	37,634
Support for education and research	3,226	3,475	Sponsored research /Donations	22,472	21,472
Sponsored research	15,662	14,460	Decreases in deferred inflow of assets	13,633	14,356
Personnel expenses	59,798	59,971	Other grants	9,801	11,958
General administration	3,403	4,295	Grants for facilities	163	179
Finance costs	455	598	Other	3,972	3,728
Other	6	2			
Ordinary expenses Total	139,309	142,778	Ordinary revenue Total	141,698	145,351
Extraordinary loss	603	867	Extraordinary profit	208	2,836
Income for the period	2,578	4,610	Reversal of reserve for specific purposes	585	68

▶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 2016	FY 2015		
I Cash flows from operating activities				
Payments for property expenses and personnel expenses			18,044	17,765
Proceeds from grants for operations and proceeds from student fees				
II Cash flows from investing activities				
Payments for time deposits and proceeds from refunds	▲ 18,843	▲ 16,874		
Payments for the purchase of assets				
III Cash flows from financing activities				
Proceeds from long-term borrowings, and repayments	▲ 4,845	▲ 5,741		
Repayment of finance lease liabilities				
IV Effect of exchange rate change on cash				
	-	-		
V Net increase in cash				
	▲ 5,644	▲ 4,850		
VI Cash at beginning of period				
	35,793	40,644		
VII Cash at end of period				
	30,149	35,793		

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

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

			(In millions of Yen)	
Items	FY 2016	FY 2015		
I Unappropriated retained earnings				
Income for the period	2,578	4,610		
II Reversal of reserve				
Reserve of specific purposes	-	941		
Reserve funds carried forward from previous mid-term plan period	-	5,488		
III Appropriated amount				
Reserve	1,551	11,039		
Reserve for specific purposes	1,027	-		

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

Operation Cost Statement (summary) (In millions of Yen)

Items	FY 2016	FY 2015
I Operating expenses		
Expenses in income statement (Deduction) Non-subsidy revenue, etc	63,735	69,170
II Depreciation expense not included in income statement		
	9,965	8,094
III Increase of estimated bonuses not included in income statement		
	540	1,187
IV Opportunity cost		
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	1,177	1,098
V (Deduction) Amount paid to the national treasury		
	-	-
VI Operation cost		
	75,418	79,550

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