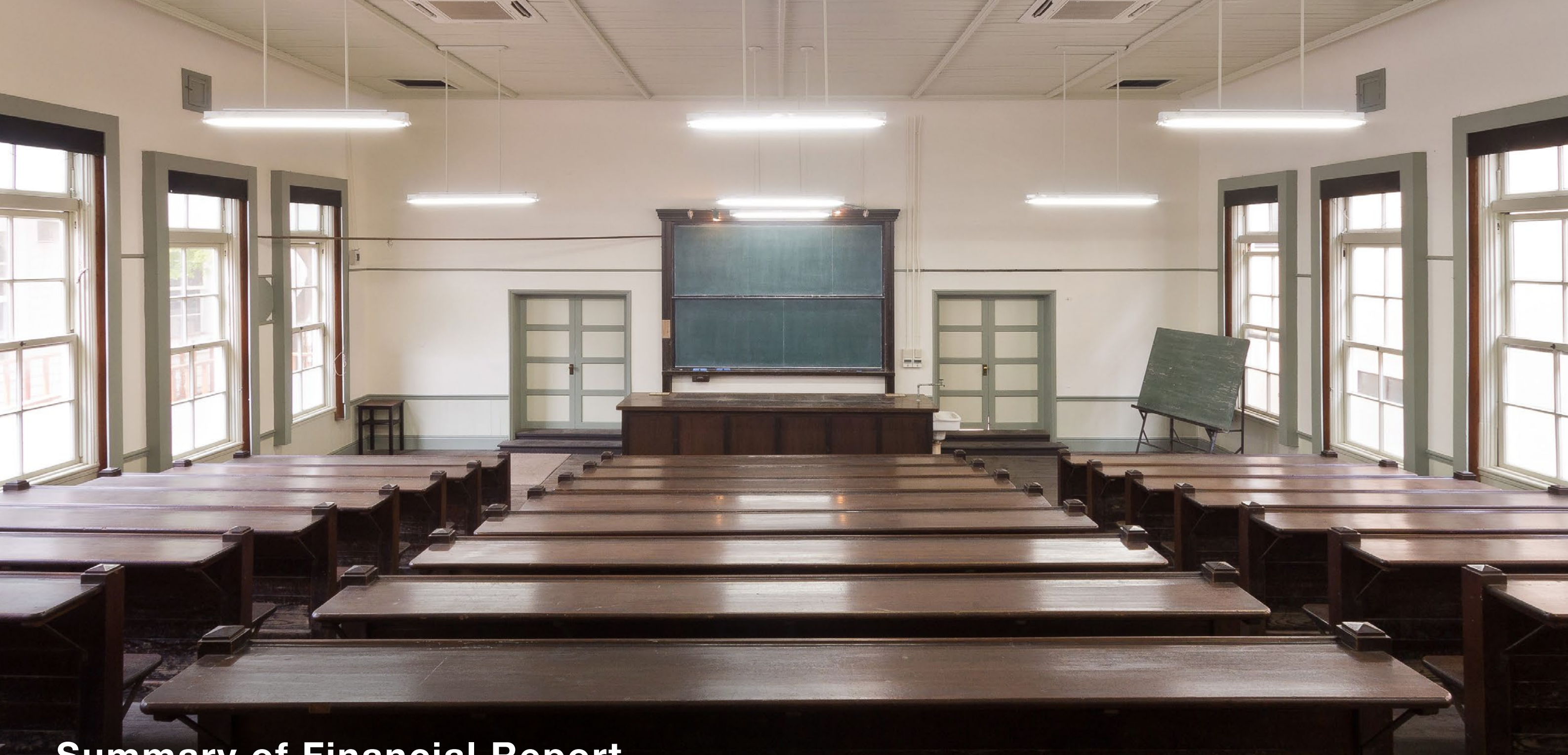


TOHOKU UNIVERSITY

Summary of Financial Report Fiscal Year 2020





Summary of Financial Report

Fiscal Year 2020

Tohoku University is promoting 'engagement-based university management', in which we collaborate with various stakeholders.

As part of our efforts, we have prepared a Summary of Financial Report and made it widely available to our stakeholders in order to inform them of our financial situation in an easy-to-understand manner.

We hope that this Summary of Financial Report will provide an opportunity to deepen our 'co-creation' efforts based on a shared dialogue.

Scope of reporting: Tohoku University

Period covered by the report: April 1, 2020 to March 31, 2021

Please note that some of the information included is from outside the above period.

BALANCE SHEET

Decrease in the value of buildings and increase in the value of machinery and equipment

In this section is presented an outline of the balance sheet for FY2020.

Balance Sheet

(In millions of Yen)

| Items | FY 2020 | FY 2019 | Change from previous year |
|---|----------------|----------------|---------------------------|
| Assets | | | |
| (Non-current assets) | | | |
| Land | 122,125 | 122,125 | 0 |
| Buildings | 151,169 | 153,628 | ▲ 2,459 |
| Machinery and equipment | 27,057 | 26,169 | 888 |
| Books/Work of art | 26,376 | 26,381 | ▲ 5 |
| Construction in progress | 344 | 2,501 | ▲ 2,157 |
| Investment securities | 12,092 | 12,158 | ▲ 66 |
| Shares of subsidiaries and associates | 138 | 129 | 9 |
| Other securities of subsidiaries and associates | 5,499 | 4,517 | 982 |
| Other | 1,059 | 1,361 | ▲ 302 |
| (Current assets) | | | |
| Cash and deposits | 39,987 | 33,777 | 6,210 |
| Accounts receivable | 12,581 | 10,917 | 1,664 |
| Securities (Redemption within one year) | 171 | 124 | 47 |
| Other current assets | 885 | 769 | 116 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total (Assets) | 399,490 | 394,563 | 4,927 |

※Amounts are rounded down to the nearest million, so the total amounts may not necessarily match. (The same applies hereinafter.)

The balance sheet presents information about Tohoku University's financial position on the reporting date by presenting all of its assets, liabilities, and net assets.

The balance sheet for FY2020 shows a decrease in the value of buildings due to depreciation, as there were no large-scale facility improvement projects.

On the other hand, the value of machinery and equipment increased following the upgrading of the supercomputers at the Cyber Science Center and new acquisitions funded by large grants; together these values exceeded depreciation.

| Items | FY 2020 | FY 2019 | Change from previous year |
|--|----------------|----------------|---------------------------|
| Liabilities | | | |
| (Non-current liabilities) | | | |
| Deferred inflow of assets | 67,917 | 67,346 | 571 |
| Long-term borrowings | 26,840 | 29,733 | ▲ 2,893 |
| Other | 12,414 | 12,436 | ▲ 22 |
| (Current liabilities) | | | |
| Deferred inflow of grants for operations | 2,950 | 1,866 | 1,084 |
| Deferred inflow of donations/Deferred inflow of Sponsored Research | 20,687 | 18,990 | 1,697 |
| Current portion of long-term borrowings | 3,610 | 3,549 | 61 |
| Accounts payable | 19,518 | 15,203 | 4,315 |
| Other | 5,567 | 4,527 | 1,040 |
| Total (Liabilities) | 159,508 | 153,653 | 5,855 |
| Net assets | | | |
| Capital | 192,192 | 192,192 | 0 |
| Capital surplus | 19,890 | 22,168 | ▲ 2,278 |
| (Capital surplus | 126,382 | 121,862 | 4,520) |
| (Accumulated depreciation not included in income statement | ▲ 106,491 | ▲ 99,693 | ▲ 6,798) |
| Earned surplus | 27,899 | 26,548 | 1,351 |
| (Gross profit | 2,306 | 1,232 | 1,074) |
| Total (Net assets) | 239,982 | 240,910 | ▲ 928 |
| Total (Liabilities ,Net assets) | 399,490 | 394,563 | 4,927 |

INCOME STATEMENT

Decrease in revenue from University Hospital and increase in the amounts for sponsored research and other grants

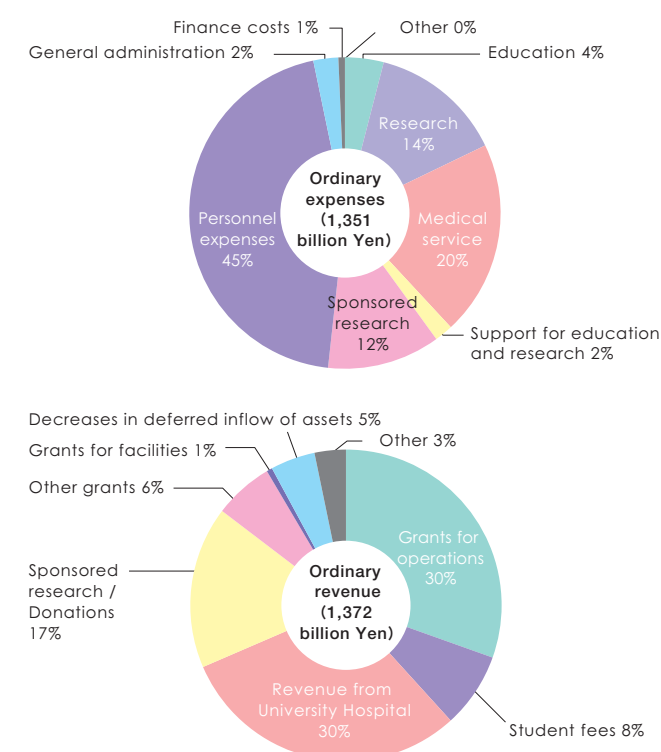
This section presents an outline of the Income Statement for FY2020.

Income Statement

(In millions of Yen)

| Items | FY 2020 | FY 2019 | Change from previous year |
|------------------------------------|----------------|----------------|---------------------------|
| Ordinary expenses | | | |
| Education | 5,429 | 5,855 | ▲ 426 |
| Research | 18,708 | 19,498 | ▲ 790 |
| Medical service | 27,364 | 28,177 | ▲ 813 |
| Support for education and research | 2,592 | 3,221 | ▲ 629 |
| Sponsored research | 15,851 | 15,077 | 774 |
| Personnel expenses | 60,832 | 60,494 | 338 |
| General administration | 3,504 | 4,009 | ▲ 505 |
| Finance costs | 910 | 518 | 392 |
| Other | 1 | 1 | 0 |
| | | | |
| Ordinary expenses Total | 135,195 | 136,854 | ▲ 1,659 |
| Extraordinary loss | 470 | 289 | 181 |
| Gross profit | 2,306 | 1,232 | 1,074 |

| Items | FY 2020 | FY 2019 | Change from previous year |
|---|----------------|----------------|---------------------------|
| Ordinary revenue | | | |
| Grants for operations | 41,779 | 43,848 | ▲ 2,069 |
| Student fees | 10,714 | 10,807 | ▲ 93 |
| Revenue from University Hospital | 41,519 | 42,365 | ▲ 846 |
| Sponsored research | 20,631 | 19,102 | 1,529 |
| Other grants | 8,460 | 7,080 | 1,380 |
| Donations | 2,477 | 2,726 | ▲ 249 |
| Grants for facilities | 807 | 448 | 359 |
| Decreases in deferred inflow of assets | 6,367 | 6,835 | ▲ 468 |
| Other | 4,456 | 4,601 | ▲ 145 |
| Ordinary revenue Total | 137,213 | 137,818 | ▲ 605 |
| Extraordinary profit | 147 | 253 | ▲ 106 |
| Reversal of reserve for specific purposes | 610 | 305 | 305 |



The Income Statement presents information about the university's financial performance during the reporting period by stating all of its revenues and expenses. Ordinary expenses are recorded by purpose, such as education and research, and ordinary revenue is recorded by financial source, such as grants for operations and revenue from University Hospital.

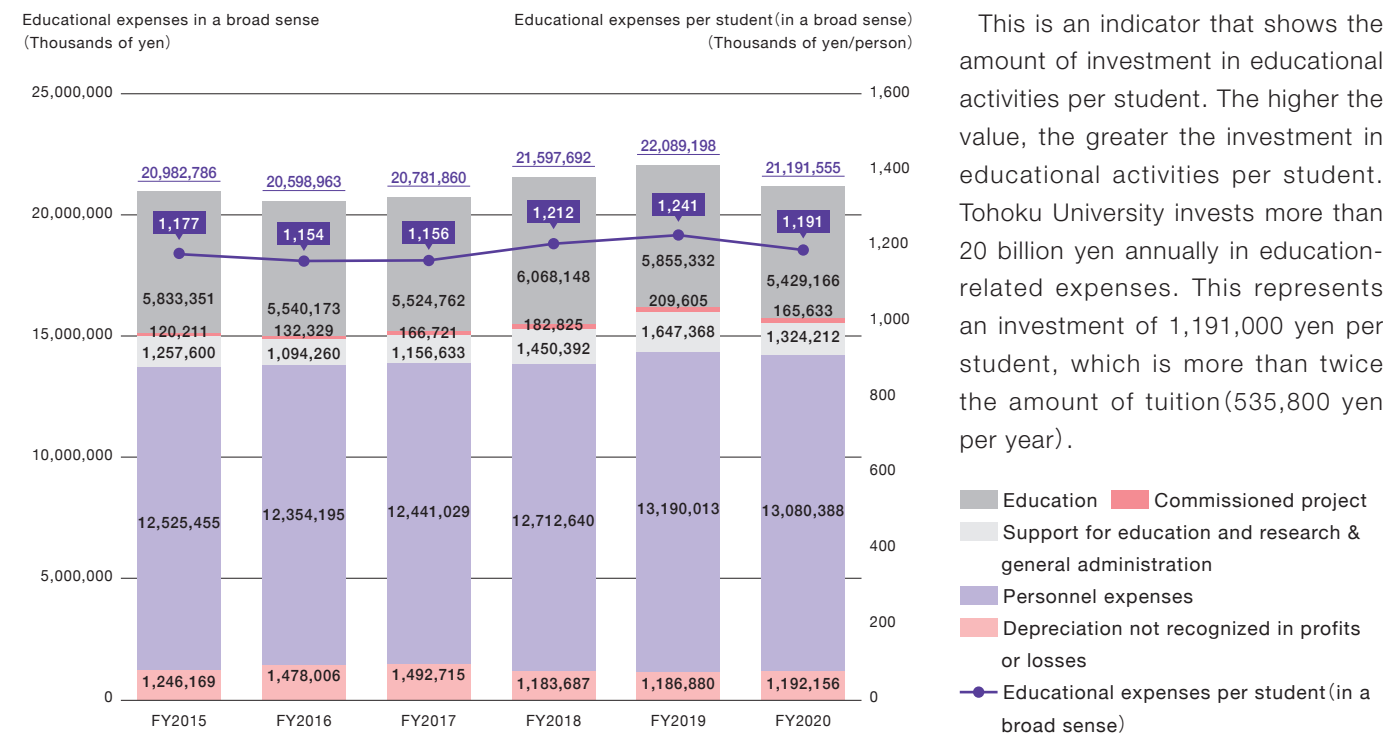
The income statement for FY2020 shows a decrease in revenue from University Hospital and an increase in external funding. Revenue from University Hospital were lower due to a decrease in the number of inpatients and outpatients. This was caused by a general reluctance among people to see a doctor because of the COVID-19 pandemic. The amounts for sponsored research and other grants were higher because of an increase in large-scale contract research with AMED (Japan Agency for Medical Research and Development) and joint research with private companies, as well as grants for COVID-19 research from the national government and Miyagi Prefecture.

VARIOUS FINANCIAL DATA TOPICS

More than twice the amount of tuition fees received was invested back into educational activities for students

This section describes the characteristics and trends for a range of financial data for FY2020.

Educational expenses per student (in a broad sense)

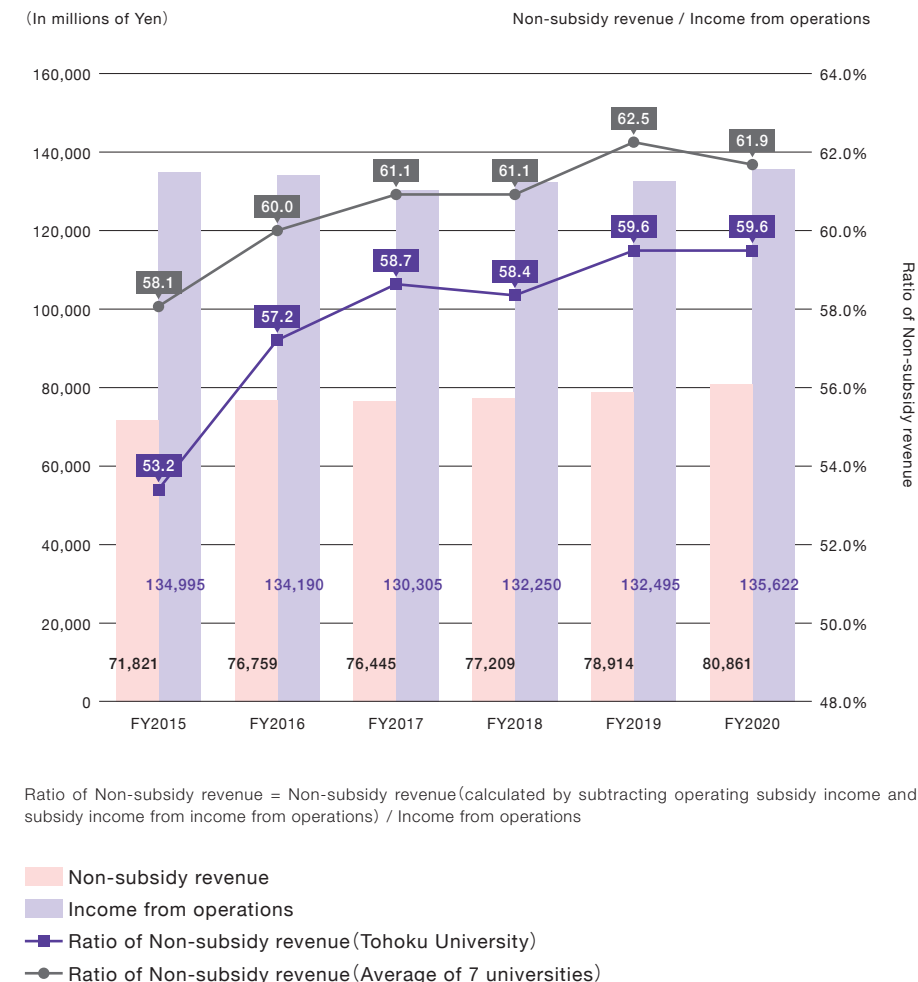


Amount of external funds and grants for operations received

In FY2020, there was an increase in external funding, such as grants and funding for commissioned research, while grants for operations were lower because of the impact of a decrease in subsidies for retirement benefits, which is treated as a special factor.



Ratio of Non-subsidy revenue

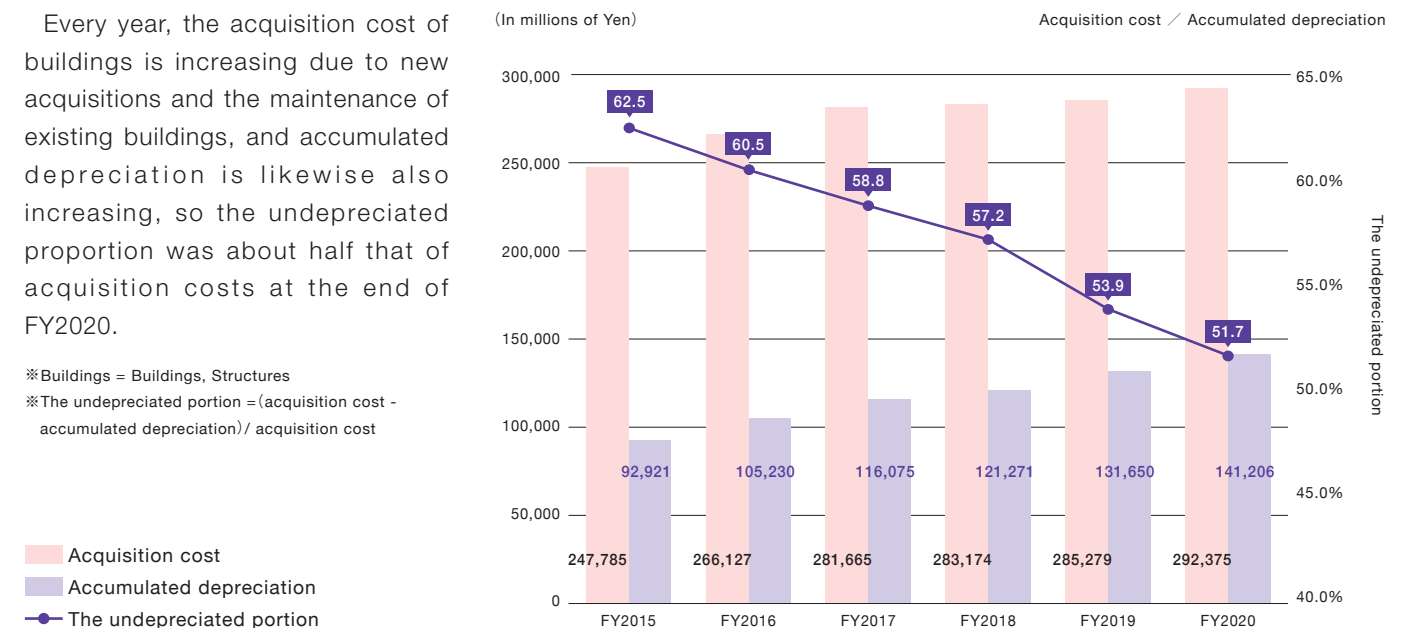


This is an indicator of the ratio of non-subsidy revenue, which is calculated by subtracting operating subsidy income and subsidy income from income from operations. The result of this operation is then divided by the income from operations. The higher this ratio, the higher the earning power of non-subsidized revenue. Non-subsidy revenue includes external funding, revenue from University Hospital, admission fees, tuition fees, and indirect expense income from Grants-in-Aid for Scientific Research. In FY2020, the ratio of non-subsidy revenue was the same as the previous year because non-subsidy revenue was higher following an increase in external funding, and subsidy revenue included in income from operations was also higher.

※ 7 universities: Hokkaido University, Tohoku University, The University of Tokyo, Nagoya University, Kyoto University, Osaka University, Kyushu University

Acquisition costs and accumulated depreciation of buildings

Every year, the acquisition cost of buildings is increasing due to new acquisitions and the maintenance of existing buildings, and accumulated depreciation is likewise also increasing, so the undepreciated proportion was about half that of acquisition costs at the end of FY2020.





TOHOKU
UNIVERSITY



Tohoku University 115th Anniversary
Collaborate, Innovate, Activate

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