

TOHOKU UNIVERSITY

Summary of Financial Report Fiscal Year 2020





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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

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

※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.

INCOME STATEMENT

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

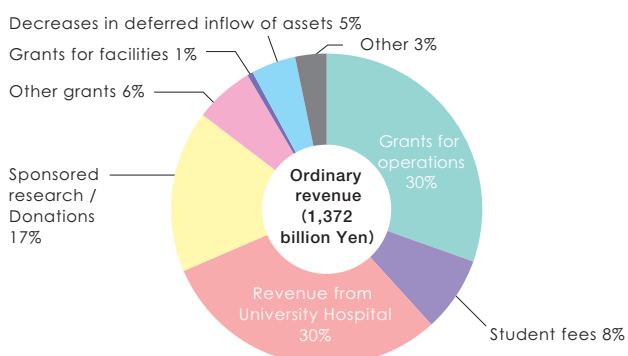
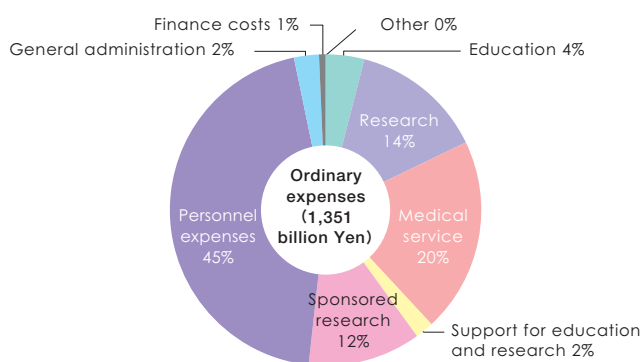
This section presents an outline of the Income Statement for FY2020.

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

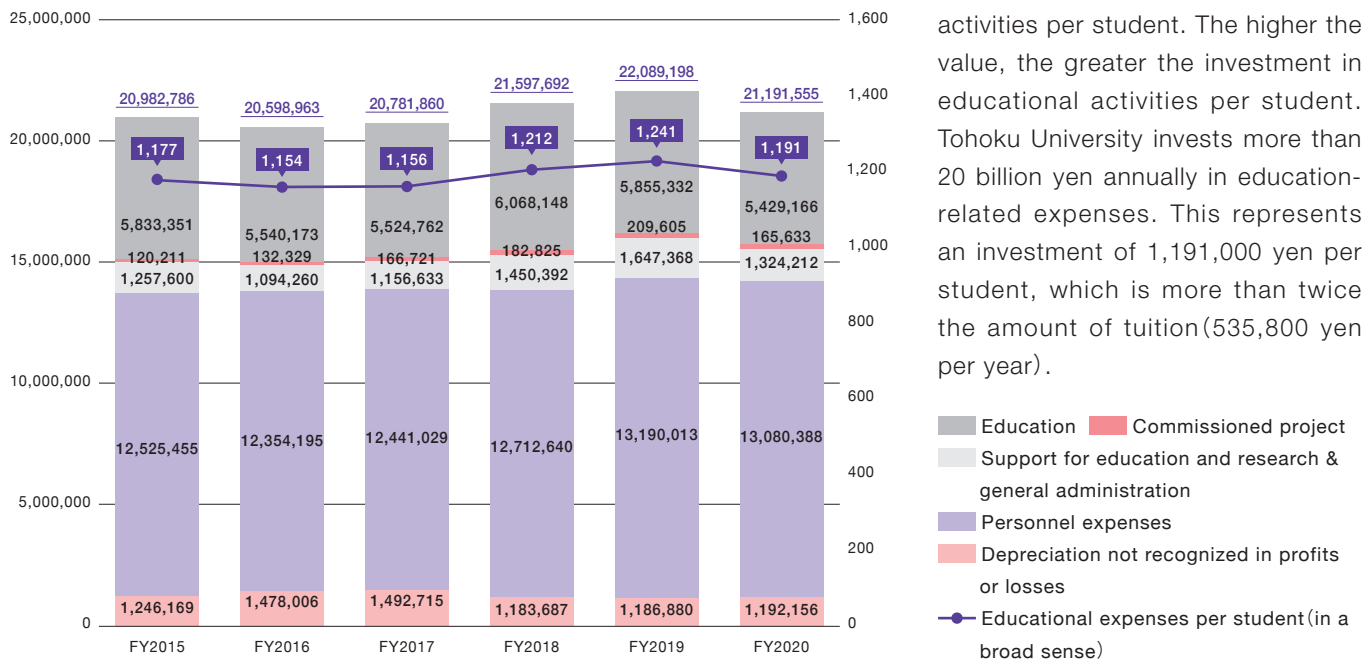
This section describes the characteristics and trends for a range of financial data for FY2020.

Educational expenses per student (in a broad sense)

Educational expenses in a broad sense
(Thousands of yen)

Educational expenses per student (in a broad sense)
(Thousands of yen/person)

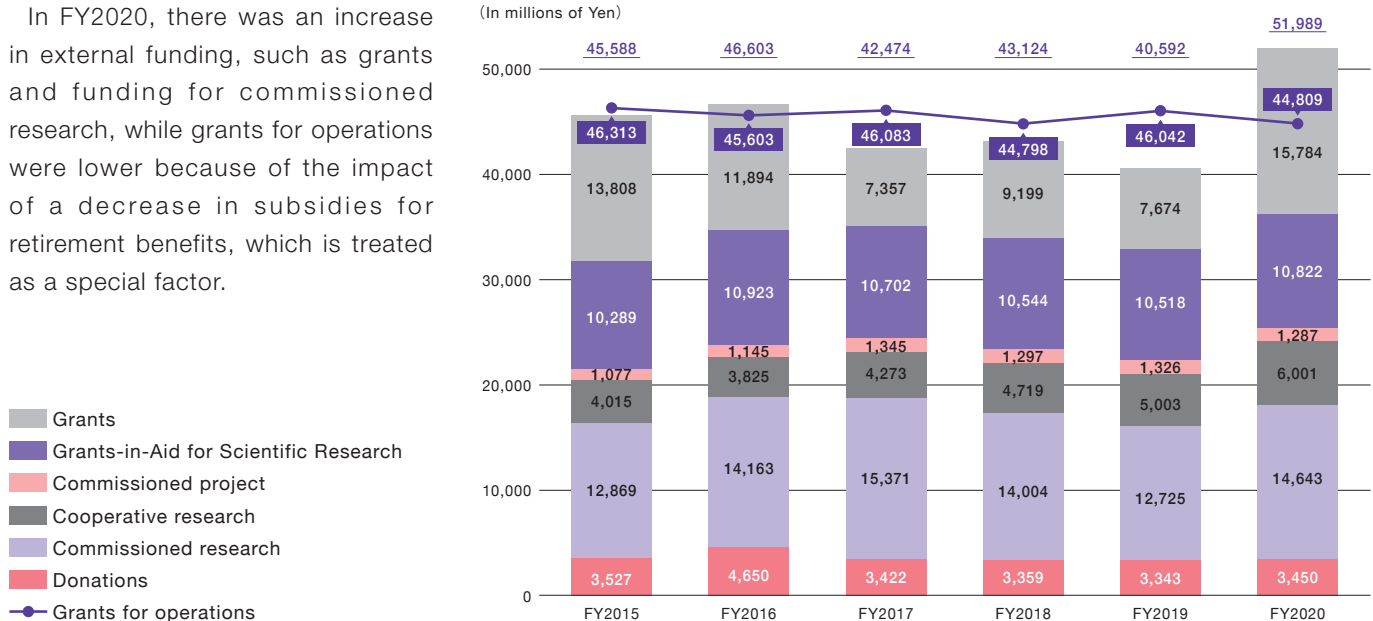
This is an indicator that shows the amount of investment in educational activities per student. The higher the value, the greater the investment in educational activities per student. Tohoku University invests more than 20 billion yen annually in education-related expenses. This represents an investment of 1,191,000 yen per student, which is more than twice the amount of tuition (535,800 yen per year).



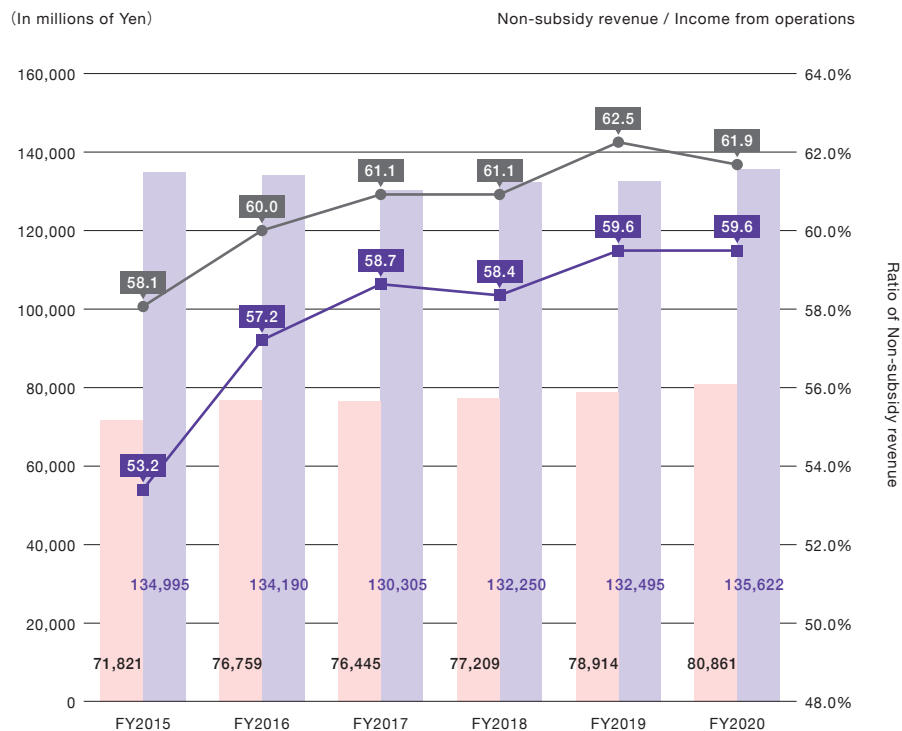
Amount of external funds and grants for operations received

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.

(In millions of Yen)



Ratio of Non-subsidy revenue



Ratio of Non-subsidy revenue = Non-subsidy revenue(calculated by subtracting operating subsidy income and subsidy income from income from operations) / Income from operations

- Non-subsidy revenue
- Income from operations
- Ratio of Non-subsidy revenue(Tohoku University)
- Ratio of Non-subsidy revenue(Average of 7 universities)

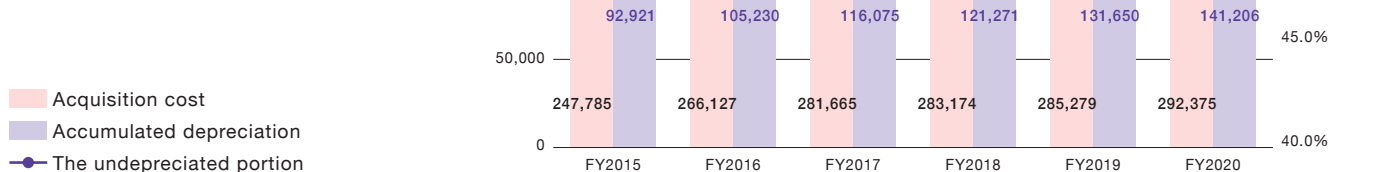
This is an indicator of the ratio of non-subsidy revenue, which is calculated by subtracting operating subsidy income and subsidy income from income from operations. The result of this operation is then divided by the income from operations. The higher this ratio, the higher the earning power of non-subsidized 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.

- ※ Buildings = Buildings, Structures
- ※ The undepreciated portion = (acquisition cost - accumulated depreciation) / acquisition cost



- Acquisition cost
- Accumulated depreciation
- The undepreciated portion



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Tohoku University 115th Anniversary
Collaborate, Innovate, Activate

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