

FY 2017

Business Report

(The Twelfth Fiscal Year)



From April 1, 2017

To March 31, 2018

The Public University Corporation

The University of Aizu

The Public University Corporation, the University of Aizu Business Report

I . Basic Information

1. Goals

(Basic Perspectives)

The mission of the Public University Corporation, the University of Aizu is to contribute to advancement of science and technology through the foundation and management of the University of Aizu and the Junior College Division (hereinafter referred to as the “Junior College” or “JCD”), and talent development and research in the fields of computer science and engineering, industrial informatics, food and nutritional science, and social welfare studies, as well as contribution to the promotion of industry and culture.

In order to fulfill this mission and to contribute to recovery from the Great East Japan Earthquake and subsequent nuclear disaster at the Fukushima Daiichi power plant, the Public University Corporation, the University of Aizu shall have the following basic goals, and aim to realize the goals through close mutual collaboration between the internal organizations such as the Board of Executives, Management Council, and Educational and Research Council, and individual faculty and administrative staff members under the leadership of the Chairperson of the Board of Executives.

(Basic Goals)

The University

The University of Aizu shall aim at realization of the founding principle, “to Advance Knowledge for Humanity” (to make inventions and discoveries for peace and prosperity for humanity). The University of Aizu shall also endeavor to contribute to the future of our nation and local communities by taking a leading role as a pioneer on an international level.

1. Nurture internationally viable individuals as researchers, technical experts, leaders and entrepreneurs who will support technological innovations, rich in creativity and a high standard of ethics.
2. Promote research and development in computer science and engineering to lead the world and to contribute to society and academia.
3. Contribute to advancement of the prefecture’s industry and culture by pursuing practicability and effectiveness in diversified areas related to education and research.

The Junior College

Taking advantage of each of its specialty fields, the Junior College shall aim at contribution to regional communities and improvement/development of culture and industry, through fostering of human resources with practical skills necessary for occupations and in everyday life.

2. Duties

During the second medium-term goal period starting from AY2012, the university corporation was faced with a strong demand to contribute to recovery from the extremely dire situation facing the Fukushima Prefecture (including but not limited to the Great East Japan Earthquake) in addition to their respective contributions to education, research and the local community by the UoA and the JCD.

Naturally, as a higher educational organization, the largest mission of the university is to admit students, to nurture them, and to send them off to society as workers or as researchers. However, the shrinking 18 and under demographic, as well as misinformation and harmful rumors caused by the nuclear power plant accident have contributed to a sharp decline in the number of applicants for both the UoA and the JCD at the start of this medium-term goal period.

Despite these circumstances, the UoA and the JCD have drastically improved the competition rates through continuous efforts to increase the public's understanding by conveying each school's appeal. For the UoA, this includes increasing the number of high schools (both in and out of Fukushima) we visit to recruit applicants and revising the admissions examination system. For the JCD, this includes proactively visiting high schools to recruit applicants, reorganizing the departments, and establishing the Admission and PR Center. Further, the fact that the UoA and JCD have both maintained an employment rate of nearly 100% is indicative of the strong reputation that has been established regarding our educational outcomes and content.

In addition, the UoA has strategically conducted cutting-edge research through its Research Center for Advanced Information Science and Technology (CAIST) as well as activities to further promote its international diversity since its selection for the Top Global University Program by MEXT.

The UoA and the JCD, as schools founded by the prefectural government, have proactively engaged in local contribution projects. Further, in terms of contribution to the revitalization from the Great East Japan Earthquake, we have worked to further deepen our connection with local communities, providing support to devastated local municipalities, and engaged in many different activities including the establishment of the Revitalization Center, implementation of the robotics development support project, and local contribution through the Center for Local Rejuvenation.

As mentioned above, the UoA and the JCD have steadily and appropriately worked to achieve the basic goals during the second medium-term goal period. These efforts have earned us a strong reputation both domestically and abroad, as indicated by the fact that the UoA was high-ranked in the THE (Times Higher Education) Japan University Rankings announced in March 2017, the THE World University Rankings in September 2017, and the THE Asia University Rankings in February 2018.

3. History

April, 1951	Opening of the Aizu Junior College
April, 1957	Name Change to the Fukushima Prefectural Junior College of Aizu
April, 1980	Establishment of the Department of Food and Nutrition Sciences
April, 1993	Opening of the University of Aizu (hereinafter “the UoA”) Name Change to the UoA Junior College Division Establishment of the Department of Industrial Information Sciences
April, 1997	Establishment of the Master's Program at the UoA Graduate School
April, 1999	Establishment of the Doctoral Program at the UoA Graduate School
April, 2002	Establishment of the UoA University-Business Innovation Center
April, 2006	Transition to the University Corporation
April, 2009	Establishment of the UoA Research Center for Advanced Information Science and Technology (CAIST)
March, 2013	Establishment of the UoA Revitalization Center
April, 2015	Establishment of the UoA Center for Globalization
April, 2016	Establishment of the Department of Early Childhood Education in JCD

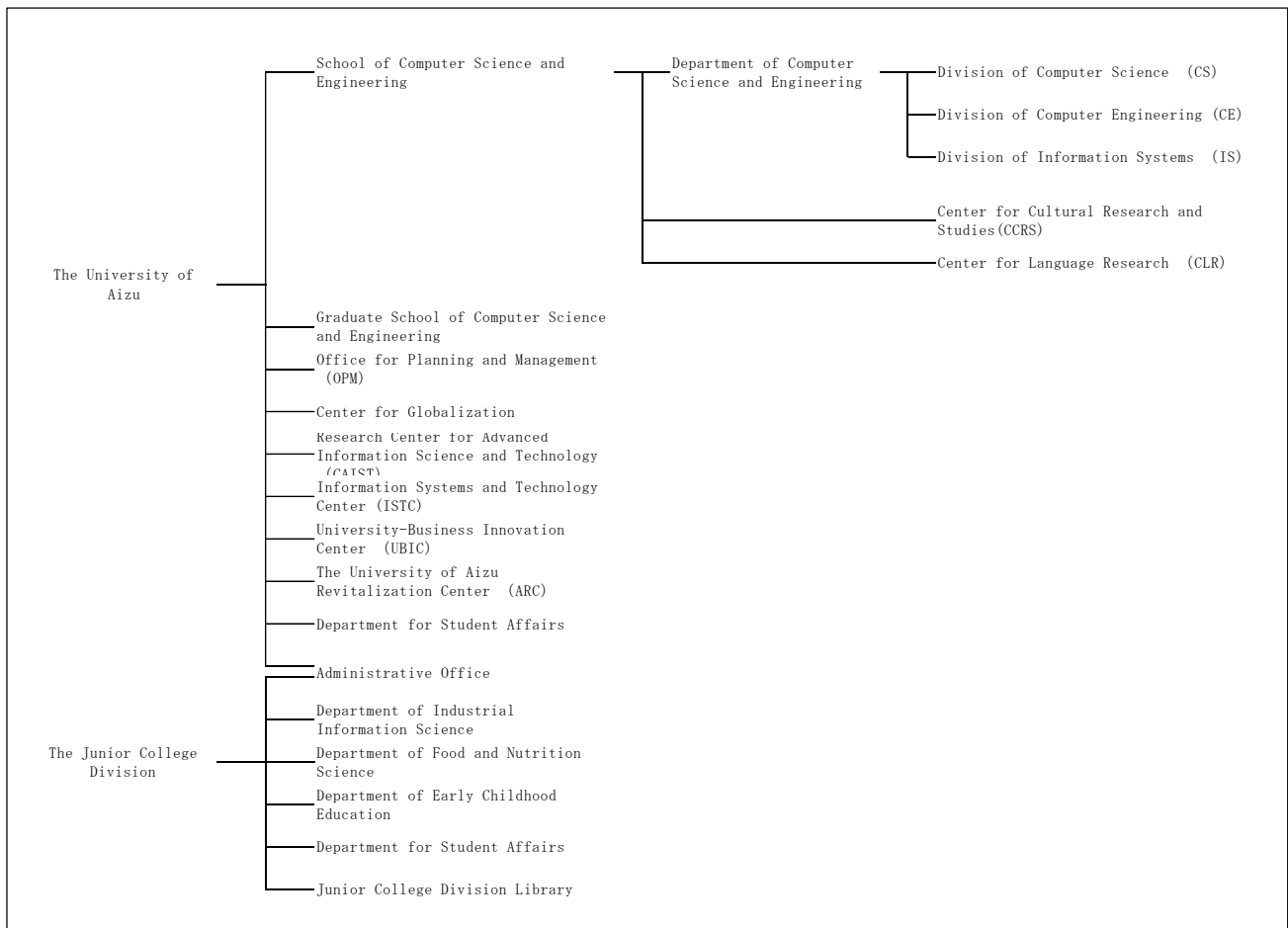
4. Base Law for the Establishment

Local Independent Administrative Agency Act (Act No. 118 of 2003)

5. Administration

Fukushima Prefecture

6. Organizational Chart (Overview)



7. Office Location (including secondary office)

Aizuwakamatsu City, Fukushima Prefecture

8. Amount of Capital Stock

19,947,593,953 yen (Fully invested by Fukushima Prefecture)

9. Number of Students (as of May 1, 2017)

A total	1,556	
The UoA	1,235	
Undergraduate School		1,040
Graduate School (Master's Program)		158
(Doctoral Program)		37
The JCD	321	
Department of Industrial Information Sciences		137
Department of Food and Nutrition Sciences		84
Department of Early Childhood Education		100

10. Executives

Position	Name	Term of Office	Background
Chairperson of the Board of Executives	Ryuichi Oka	April 1, 2014 to March 31, 2020	April, 2002 Professor at the UoA April, 2010 ~ March, 2012 Regent / Dean of the Undergraduate School April, 2012 ~ March, 2014 Special Honorary Professor at the UoA
Vice Chairperson (In charge of Research)	Shigaku Tei	April 1, 2014 to March 31, 2020	April, 1993 Instructor at the UoA April, 1999 Professor at the UoA April, 2010 ~ March, 2014 Head of the Division of Computer Engineering
Regent (General Affairs and Financial Affairs)	Yasuji Miyamura	April 1, 2016 to March 31, 2018	April, 2014 ~ March, 2016 Deputy Director General of the Revitalization Bureau for the Evacuation Areas, Planning and Coordination Department (in charge of revitalization support)
Regent (Education and Academic Affairs)	Toshiaki Miyazaki	April 1, 2014 to March 31, 2020	April, 2005 Professor at the UoA April, 2008 ~ March, 2014 Chair of the Department of Computer and Information Systems, Graduate School of Computer Science and Engineering

Regent (Management and External Affairs)	Jiro Iwase	April 1, 2007 to March 31, 2020	April, 2002 ~ March, 2007 Head of the Department of Software Engineering, IBM Japan
Regent (The Junior College Division)	Shigeru Tokinoya	April 1, 2013 ~ March 31, 2018	January, 1989 Assistant Professor at the JCD April, 2003 Professor at the JCD April, 2007~ March, 2013 Director of the Department of Industrial Information Sciences, the JCD
Auditor (Part time)	Yoshio Funaki	April 1, 2014 to August 31, 2022	Funaki Yoshio Law Office
Auditor (Part time)	Sei Sato	April 1, 2016 to August 31, 2022	Saito Sei Accounting Office

11. Status of Faculty and Administrative Staff Members (as of May1, 2017)

The University of Aizu

Faculty members: 145 (Full time: 106, Part time: 39)

Administrative staffs: 113 (Full time: 57, Part time: 56)

(Situation of full-time faculty/administrative staffs)

The ratio of full-time employees increased by 0.9% (one staff) compared to the last academic year, and the average age is 45.7 years old. 35 of the full-time employees are dispatched personnel from local government.

The Junior College Division

Faculty members: 145 (Full time: 31, Part time: 114)

Administrative staffs: 18 (Full time: 12, Part time: 6)

(Situation of full-time faculty/administrative staffs)

The ratio of full-time employees decreased by 4.4% (two staffs) compared to the last academic year, and the average age is 45.2 years old. 9 of the full-time employees are dispatched personnel from local government.

II. Summary of Financial Statements

(Please refer to the attached “Accounting Titles in Financial Statements” for explanations on each account title.)

1. Balance Sheet (<http://www.u-aizu.ac.jp/intro/outline/zaimu/>)

(Unit: million yen)

Assets	Amount	Liabilities	Amount
Fixed Assets	16,394	Fixed Liabilities	3,180
Tangible Assets	16,322	Assets Offsetting Liabilities	2,745
Land	6,620	Long-term Lease Obligations	435
Accumulated Impairment Loss	△7	Other Fixed Liabilities	-
Buildings	14,915	Current Liabilities	776
Accumulated Depreciation, etc.	△7,821	Accounts Payable	450
Facilities	1,071	Short-term Lease obligations	210
Accumulated Depreciation, etc.	△809	Other Current Liabilities	116
Tools, Furniture and Durable Goods	1,754	Total Liabilities	3,956
Accumulated Depreciation, etc.	△909		
Library Materials	1,501	Net Assets	
Other Tangible Assets	7	Capital Stock	19,947
Other Fixed Assets	72	Contributions by Local Government	19,947
Current Assets	2,057	Capital Surplus	△6,882
Cash and Deposits	1,656	Retained Earnings	1,430
Other Current Assets	401	(Net Loss Carried Forward)	-
		Other Net Assets	-
		Total Net Assets	14,495
Total Assets	18,451	Total Liabilities and Net Assets	18,451

2. Income Statement (<http://www.u-aizu.ac.jp/intro/outline/zaimu/>)

(Unit: million yen)

	Amount
Ordinary Expenses (A)	5,117
Operating Expenses	4,266
Education Expenses	352
Research Expenses	596
Education and Research Support Expenses	864
Personnel Expenses	2,375
Other	79
General and Administrative Expenses	838
Financial Expenses	12
Miscellaneous Loss	1
Ordinary Revenue (B)	5,222
Revenues from Management Expenses Grants	3,435
Revenues from Student Fees	953
Other Revenues	834
Nonrecurring Gain and Loss (C)	203
Reversal Amounts of Reserve for Specific Purposes (D)	160
Current Gross Profit (Current Gross Loss) (B-A+C+D)	469

3. Cash Flow Statement (<http://www.u-aizu.ac.jp/intro/outline/zaimu/>)

(Unit: million yen)

	Amount
I . Cash Flows from Operating Activities(A)	458
Expenses for purchase of materials, goods, or services	△1,213
Personnel Expenses	△2,381
Other Operating Expenses	△768
Revenues from Management Expenses Grants	3,245
Revenues from Student Fees	896
Other Operating Revenues	679
II . Cash Flows from Investing Activities(B)	△62
III . Cash Flows from Financing Activities(C)	△485
IV . Translation gains and losses in funds (D)	-
V . Increase (or decrease) in funds (E=A+B+C+D)	△89
VI Opening Balance of Capital (F)	1,245
VII Final Balance of Capital (G=F+E)	1,156

4. Cost Statement for Implementation of Administrative Services

(<http://www.u-aizu.ac.jp/intro/outline/zaimu/>)

(Unit: million yen)

	Amount
I Operating Costs	3,962
Expenses shown on Income Statement ▼ (Deduction) Self-income, etc.	5,116 △1,154
(Other Costs for Implementation of Administrative Services)	
II. Amount Equivalent to Depreciations Not Associated with Profit and Loss	327
III. Amount Equivalent to Impairment Loss Not Associated with Profit and Loss	-
IV. Amount Equivalent to Interest Expenses Not Associated with Profit and Loss	-
V. Equivalent to Balance of Sale or Disposal Not Associated with Profit and Loss	1
VI. Increases in Estimated Amount Not Associate with Accrued Bonus	8
VII. Increases in Estimated Amount Not Associated with Accrued Benefit	55
VIII. Opportunity Costs	6
IX. (Deduction) Payments from the founder of the university	-
X Costs for Implementation of Administrative Services	4,359

5. Financial Information

(1) Summary of the items stated in the Financial Statement

① Analysis of major financial data (Breakdown and reasons for increase/decrease)

a. Balance Sheet Related Information

(Total Assets)

Total amount of assets was 18,451M (a year-on-year decrease of 2.2 % or 415M yen). This includes fixed assets of 16,394M yen mainly consisting of land, buildings, and educational and research-purpose machines, etc. which account for 88.9% of the total amount of assets. The amount of current assets was 2,057M yen including 1,656M yen of cash and deposits. This includes account payable due in April of 450M yen. The main factor of the decrease in assets was due to an increase in accumulated depreciation related to buildings, etc.

(Total Liabilities)

The total amount of liabilities was 3,956M yen (a year-on-year decrease of 9.0% or 391M yen), and the amount of fixed liabilities was 3,180M yen. This amount was consisted of 2,745M yen of assets offsetting liabilities to mainly cover the unamortized balance of fixed assets. The total amount of current liabilities was 776M yen including accounts payable of 450M yen and short-term lease obligations for computer systems, etc. of 210M yen. The main factor of the decrease in liabilities was due to the fact that all the obligations of management expense grants were recorded as profits since it was the final year of the medium-term goal period.

(Total Net Assets)

The total net asset was 14,495M yen (a year-on-year decrease of 0.2 % or 24M yen). The amount of capital in the net assets includes the values of investments in kind such as land, buildings from the prefecture where the foundation of the university operations are formed, and the total amount of the capital was 19,947M yen.

The amount of capital surplus fell to 6,882M yen. This includes facilities, etc. transferred from the prefecture and the Somei House of 1,356M yen, the accumulated depreciations on the assets invested by the prefecture of 8,231M yen (excluded from the amount of depreciation association on profit and loss in accordance with the Accounting Standards), and accumulated impairment losses of 7M yen (excluded from the amount of depreciation association on profit and loss in accordance with the Accounting Standards).

The amount of retained earnings was 1,430M yen, and this includes reserve for specific purpose, etc. and unappropriated retained earnings at the end of the fiscal year of 469M yen. The main factor of the decrease in net assets was due to the fact that the amount of accumulated depreciation of all properties contributed in kind such as university buildings was recorded.

b. Income Statement Related Information

(Ordinary Expenses)

The total amount of ordinary expenses was 5,117M yen (a year-on-year increase of 5.6% or 273M yen), including education and research expenses of 1,812M yen, personnel expenses of 2,375M yen, and general and administration expenses of 838M yen.

The percentage of personnel expenses in relation to ordinary expenses was 46.4%, and the percentage of educational and research expenses was 35.4%. These consist mostly of ordinary expenses. The amount of expenses for lease and maintenance of computer systems which form an infrastructure of education and research at our corporation, represent a large percentage of ordinary expenses.

The main factor of the increase in ordinary expenses was due to an increase of facility repair costs, etc.

(Ordinary Revenue)

The total amount of ordinary income was 5,222M yen (a year-on-year increase of 6.7% or 330M yen.) This includes revenues from management expenses grants by the prefecture of 3,435M yen, which was 65.8% of ordinary revenues, and revenues from student fees such as tuition and admission fees of 953M yen, which was 18.3% of ordinary revenues.

The main factor of the increase in ordinary revenues was due to an increase

in the revenues from management expenses grants by adding management expenses grants for facility repair costs.

(Ordinary Income)

As mentioned above, the amount of ordinary income for FY 2017 was 105M yen (a year-on-year increase of 123.4%, or 58M yen.) The main factor of the increase in the ordinary income was due to cutbacks in the lease expenses of the computer systems and an increase in the revenue from tuition.

(Current Net Income)

Adding the amount of nonrecurring gain and loss from the ordinary income, the amount of current net income was 309M (a year-on-year increase 543.8% or 261M yen.) Since FY2017 was the last year of the second medium-term goal period, the remainder of the management expenses grants for personnel expenses was recorded as the nonrecurring profit. This caused a significant increase in net income.

(Reversal Amounts of Reserve for Specific Purposes)

In order to raise financial resources for the facility repair costs including replacement work of uninterruptible power system (UPS) and protection relay, 160M yen was reversed from the reserve amounts for specific purposes.

(Current Gross Profit)

As a result of adding the reversal of the reserve amounts for specific purposes into the current net income, gross profit for FY 2017 was 469M yen (a year-on-year increase of 162.0% or 290M yen).

c. Cash Flow Statement Related Information

(Cash Flows from Operating Activities)

The total amount of cash flows from operating activities in FY2017 was 458M yen (a year on year decrease of 22.5% or 133M yen.)

The main factor of the increase in cash flows from operating activities was due to an increase in revenues by 64M yen (a year on year increase of 14.8%) to 500M yen by the deposits of subsidies, etc. for FY2016 into the revenues of FY2017.

The main factor of the decrease in cash flows from operating activities was due to an increase in other operating expenses by 224M yen (a year on year increase of 41.2%) to 768M yen due to an increase in facilities repair costs, etc.

(Cash Flows from Investing Activities)

The total amount of cash flows from investing activities in FY2017 was 62M yen (a year on year increase of 36.4% or 35M yen.)

The main factor of the increase in cash flows from investing activities due to a decrease in expenses for the acquisition of tangible assets by 40M yen (a year

on year decrease of 42.6%) to 54M yen.

(Cash Flows from Financing Activities)

The total amount of cash flows from financing activities in FY2017 was 485M yen (a year on year decrease of 13.3% or 57M yen.)

The main factor of the decrease in cash flows from financing activities was due to a decrease in expenses of lease obligations by 57M yen (a year on year decrease of 13.8%) to 473M yen due to cutbacks in the lease expenses of the computer systems.

d. Cost Statement for Implementation of Administrative Services Related Information

(Cost for Implementation of Administrative Services)

The total amount of costs for implementation of administrative services in FY2017 was 4,359M yen (a year on year increase of 5.6% or 232M yen.)

The main factor of increase in costs for implementation of administrative services was due to an increase in operating costs by 243M yen (a year on year increase of 6.5%) to 3,963M yen due to an increase in facilities repair costs, etc.

(Table: Timeline of Main Financial Data)

(Unit: million yen)

Category	FY2013	FY2014	FY2015	FY2016	FY2017
Total Assets	19,190	19,065	19,555	18,867	18,451
Total Liabilities	4,241	4,057	4,756	4,347	3,956
Total Net Assets	14,949	15,008	14,799	14,519	14,495
Ordinary Expenses	4,766	4,670	4,726	4,845	5,117
Ordinary Revenue	4,798	4,691	4,841	4,892	5,222
Net Loss and Gain	238	113	191	179	469
Cash Flows from Operating Activities	742	941	1,278	592	458
Cash Flows from Investing Activities	△186	△917	△833	△97	△62
Cash Flows from Financing Activities	△441	△495	△457	△428	△485
Final Balance of Capital	1,662	1,192	1,179	1,245	1,156
Cost for Implementation of Administrative Services	3,825	3,865	4,045	4,127	4,359
(Breakdown)					
Operating Costs	3,624	3,552	3,627	3,719	3,962
Operating costs in Income Statement	4,769	4,670	4,726	4,846	5,117
Self-generated Income	△1,145	△1,118	△1,099	△1,127	△1,154
Amount Equivalent to Depreciation not Associated with Profit and Loss	301	313	324	328	327
Amount Equivalent to Impairment Loss not Associated with Profit and Loss	2	0	0	0	0
Amount Equivalent to Interest Expenses not Associated with Profit and Loss					
Amount Equivalent to Balance of Sales or Disposals not Associated with Profit and Loss					1
Increases in Estimated Amount Not Associate with Accrued Bonus	3	△1	12	4	8
Increases in Estimated Amount Not Associated with Accrued Benefit	△193	△54	81	67	55
Opportunity Costs	88	55	1	9	6
(Deduction) Payments from the founder of the university					

② Status of Application for Reserve for Specific Purpose, Usage Breakdowns, etc.

In the last year of mid-term goal period, all amount of current gross profit, reserve funds for specific purpose and remains of reserve funds will be compiled into the reserve funds.

Among the “reserve funds”, we may carry over the amount approved by the Governor of Prefecture to the next medium-term goal period as “reserve funds for specific purposes”. The remainder shall be paid back to the prefecture. In this corporation, in accordance with the description in the “document regarding appropriation of profits (draft)” of our financial statements, a total of 1,429M yen including the sum of the gross profits of FY2017 and the remainder of “reserve funds for specific purposes (960M yen)” shall be recorded as “reserve funds”. As such, the term-end balance of “reserve funds” will be 1,431M yen.

Further, we will file a request to the prefecture to carry over the sum of the following (1) and (2) to the next medium-term plan period, and the remainder will be paid back to the prefecture.

(1) The remainder of the amount of “reserve funds for specific purposes” approved as the management efforts by the Governor of Prefecture

(2) The amount equivalent to the “reserve funds for specific purposes” of the gross profits of FY2017

In FY2017, we appropriated 160M yen of the reserve funds for the purpose of improvement of education/research and organizational operation”.

(2) Status of Development of Main Facilities, etc.

① Main facilities, etc., which completed its construction works within the current fiscal year

N/A

② Main Facilities, etc., of which establishment or expansion are in progress in the current fiscal year

N/A

③ Main facilities, etc., which were disposed within the current fiscal year

N/A

④ Main facilities, etc., which were collateralized in the current fiscal year

N/A

(3) Summary of Budget and Settled Amount

The following table indicates the financial status of our corporation based on the notion of budget and settlement of accounts practiced by the prefectural government.

(Unit: million yen)

Category	FY2013		FY2014		FY2015		FY2016		FY2017		Remarks
	Budget	Settlement	Budget	Settlement	Budget	Settlement	Budget	Settlement	Budget	Settlement	
Revenue	4,803	4,497	4,746	4,867	4,832	5,619	4,931	4,938	4,983	4,988	
Revenues from Management	3,070	3,070	3,294	3,294	3,200	3,200	3,291	3,291	3,248	3,248	
Expenses Grants											
Revenues from Subsidies, etc.	29	77	4	371	17	46	112	132	426	419	
Revenues from Student Fees	929	872	919	863	897	877	894	883	908	901	
Other Revenues	775	928	529	339	718	1,496	634	632	401	420	
Expenses	4,803	4,581	4,746	4,709	4,832	5,187	4,931	4,545	4,983	4,720	
Education and Research Expenses	2,998	2,836	3,182	2,858	3,056	2,702	3,102	2,783	3,006	2,679	*1)
General and Administrative Expenses	1,067	1,078	1,062	1,069	1,110	1,088	1,106	1,095	1,201	1,217	
Other Expenses	738	667	502	782	666	1,397	723	667	776	824	
Revenue—Expenses	0	366	0	158	0	432	0	393	0	268	

Note*1) The total settled amount decreased by 3.11M yen compared to the budget amount due to a decrease in actual personnel expenses, cutbacks in the lease expenses of the computer systems and a decrease in expenses for the replacement of equipment, etc., in other administrative expenses, etc.

III. Explanation on the Business Operation

(1) Breakdown of Financial Resources (Summary of Financial Structure, etc.)

Ordinary Revenues of our corporation was 5,222M yen, and this includes revenues from management expenses grants of 3,435M yen (in a ratio of 65.8% to ordinary revenue, the same shall apply hereinafter), revenues from student fees such as tuition, admission fees of 953M yen (18.3%), and other revenues of 834M yen (15.9%).

(2) Explanations based on the Financial Information and Achievements on Works

The Public University Corporation, the University of Aizu is the legal entity that founded and manages the University of Aizu and the Junior College Division. We have contributed to advancement of science and technology through talent development and research in the fields of computer science and engineering, industrial informatics, food and nutritional science, social welfare studies, and young childhood education, as well as contribution to the promotion of industry and culture. In addition to above, we conducted projects contributing to the recovery from the Great East Japan Earthquake and the creation of the region.

(3) Issues and Policy Measures

The revenues from management expenses grants amount to 65.8% of the total revenues of our corporation, as a financial basis of the corporation. With the management expenses grants shrinking year by year, we will set the improvement and streamlining of the operational management as one of the 3rd-medium-term goals, and will work to achieve the goal by streamlining of our office work, etc. as well as by improving our financial status.

In particular, we will cut back the number of meetings and shorten the time of each meeting, revise conference materials, and strive to streamline paper work and to make it more systematic.

Further, we will strive to increase revenues by obtaining more external research funds, leasing our facilities, licensing our intellectual property, and calling for donations. We will also work to control costs by taking every opportunity, such as planning the budget and placing orders, to check and scrutinize the content of expenses, as well as by analyzing the financial status.

In addition, in order to be able to provide facilities and equipment necessary for education and research on a continuous basis, we will conduct repair work on aging facilities in a systematic manner, and renew machines and equipment in the order of priority. We will appropriately develop communication infrastructure to support the university operation and cutting-edge education and research, as well as taking adequate measures to ensure information security.

IV. Details of Other Matters Related to Operation

1. Budget, income and expenditure plan, and financial plan

(1) Budget

See financial statement (<http://www.u-aizu.ac.jp/intro/outline/zaimu/>)

(2) Income and Expenditure Plan

See Annual Financial Plan and Financial Statement (Income Statement)

(Annual Financial Plan <http://www.u-aizu.ac.jp/intro/outline/corporate/>)

(Financial Statements <http://www.u-aizu.ac.jp/intro/outline/zaimu/>)

(3) Financial Plan

See Annual Financial Plan and Financial Statement (Cash Flow Statement)

(Annual Financial Plan <http://www.u-aizu.ac.jp/intro/outline/corporate/>)

(Financial Statement <http://www.u-aizu.ac.jp/intro/outline/zaimu/>)

2. Outline of Short-term Loan

N/A

3. Obligations of Management Expenses Grants and Details of Transferred Amount in the Term

(1) Details of Changes in Obligation of Management Expenses Grants

(Unit: million yen)

FY	Opening Balance	Subsidies Received in the Current Term	Transferred Amount				Final Balance
			Revenues from Management Expenses Grants	Reversal of Encumbrance for Assets-subsidy for Operation	Reversal of Encumbrance for Allowance for Patent	Sub Total	
FY2016	368	0	368	0	0	368	0
FY2017	0	3,245	3,234	7	4	3,245	0

(2) Breakdown of the Debt Outstanding of the Management Expenses Grants

As this is the final fiscal year of the medium-term plan period, there is no debt outstanding.

■ Account Titles in Financial Statements

1. Balance Sheet

Tangible Assets: Tangible fixed assets such as land, buildings, facilities which the Public University, etc. will use for a long-term.

Accumulated Impairment Loss: The cumulative amount that decreased the value of assets by impairment treatment (an accounting to reduce the value of Fixed Assets to recoverable service value in the cases where the actual use of Fixed Assets decreases markedly compared to the planned use assumed at the time of acquisition and it is deemed that there is no prospect of recovery, etc.).

Accumulated Depreciation, etc.: Accumulated depreciations and accumulated impairment loss.

Other Tangible Assets: Library materials, tools, furniture and durable goods, Vehicles, etc.

Other Fixed Assets: Intangible Fixed Assets (Patents, etc.), investments and other assets (investment securities, etc.)

Cash and Deposits: A total amount of cash (including cash, substitute security of currency, check, etc.) and deposits (including ordinary deposit, Current deposit and time deposit with maturity or redemption date within one year, etc.).

Other Current Assets: Income from accrued student payment, inventory assets, etc.

Assets Offsetting Liabilities: In the cases where depreciable assets were acquired through management expenses grants, etc., the amount of obligation of management expenses grants, etc. equivalent to the amount of this depreciable assets in the balance sheet will be transferred as assets offsetting liabilities. Every time when depreciable assets are amortized, the same amount of assets offsetting liabilities equivalent to the amount of calculated assets offsetting liabilities will be transferred to the amount of refunded assets (account of profit.)

Long-term Debt, etc.: Long-term debt, etc. which the Public University borrowed for the procurement of business funds such as accounts payable for PFI (Private Finance Initiative) and long-term lease obligations.

Allowances: Expenses or losses which are calculated based on the expected expenses or losses as the expenses or losses including allowance for retirement benefit, etc.

Obligation of Management Expenses Grants: Amount equivalent to amount of unused management expenses grants granted from local government.

Contributions by Local Government: Amount equivalent to amount of contributions from local government.

Capital Surplus: Amount equivalent to the amount of assets (buildings, etc.) which were acquired by using facilities expenses, etc. granted by local

government.

Retained Earnings: Accumulated amount of retained earnings generated by the operation of the Public University, etc.

Loss Carried Forward: Accumulated amount of losses occurred by the operation of the Public University, etc.

2. Income Statement

Operating Expenses: Expenses required for the operation of the Public University, etc.

Education Expenses: Expenses required for the operation of the Public University, etc. to provide education for the students, etc.

Research Expenses: Expenses required for the research activities operated by the Public University, etc.

Education and Research Support Expenses: Expenses required for operating facilities or organizations for use by both faculty members and students, which are not belong to department, etc. in particular and were established to support education and research for the overall corporation.

Personnel Expenses: Expenses used for salaries, bonuses, employee benefits, etc. of executives, faculty and administrative staff members at the Public University, etc.

General and Administrative Expenses: Expenses required for the management and other operation of the Public University, etc.

Financial Expenses: Interest paid, etc.

Revenues from Management Expenses Grants: Amount equivalent to the current incomes by management expenses grants.

Revenues from Student Fees: Total amount of incomes from tuitions, admission fees, entrance examination fees.

Other Revenues: Incomes from consignment studies, contributions, subsidies, etc.

Nonrecurring Gain and Loss: Gain and loss by sale (disposal) of fixed assets, etc.

Reversal Amounts of Reserve for Specific Purposes: Used amount of reserve for specific purpose (amount of current gross profit which were approved to use for the improvement of the quality of education and research in particular.)

3. Cash Flow Statement

Cash Flows from Operating Activities: This represents the balance between expenses for purchasing of materials, goods, or services, personnel expenses and revenues from management expenses grants, etc. required for the regular operation of the Public University, etc.

Cash Flows from Investing Activities: This represents the balance of funds for investing activities conducted to ensure the management bases for the future revenues and expenses, etc. by acquisition or sale, etc. of fixed assets and securities.

Cash Flows from Financing Activities: This Represents the balance of funds for fund procurement and repayment including Revenue and Expenses due to increase/decrease of funds, Revenue • Expenses due to issuance and redemption of bonds, borrowing and repayment.

Effect of Exchange Rate Changes on Capital: Amount equivalent to differences when transactions in foreign currencies translated into Japanese yen.

4. Cost Statement for Implementation of Administrative Services

Cost for Implementation of Administrative Services: Costs of business operations of the Public University, etc. to be borne by present or future tax revenue sources

Operating Costs: Among the amount of business implementation costs of public university corporations etc., the equivalent amount after deducting self-income such as student payment etc. from expenses on the income statement

Amount Equivalent to depreciation not Associated with Profit and Loss: Amount equivalent to depreciation of assets which are not expected to earn revenue generally, such as Lecture Hall, Research Quadrangles, etc. and their facilities.

Amount Equivalent to Impairment Loss Not Associated with Profit and Loss: Amount equivalent to impairment loss generated despite implementing duties stated in the mid-term plans, etc. conducted by the Public University, etc.

Amount Equivalent to Interest Expenses Not Associated with Profit and Loss: Annual adjustment on amount of asset retirement obligation which are not expected to gain general incomes by using facilities such as auditorium and research quadrangles.

Amount Equivalent to Differences of Sale or Disposal Not Associated with Profit and Loss: Amount equivalent to differences from the book value in case that assets which are not expected to gain general incomes by using facilities such as auditorium and research quadrangles are sold or disposed.

Increases in Estimated Amount Not Associate with Accrued Bonus: Estimated equivalent increase in bonus allowance equivalent when it is deemed clear that the payment source is Management Expenses Grants. Recorded as a difference from the previous business year (the total amount of estimated reserves for non-provisional bonuses for this fiscal year is noted in the balance sheet.)

Increases in Estimated Amount Not Associated with Accrued Benefit: Estimated increase in retirement benefit when financial source measures are deemed to be made by management expenses grants. Recorded as a difference from the previous fiscal year (the total estimated amount of allowance for unfunded retirement benefits for this fiscal year is noted in the balance sheet.)

Opportunity Costs: Amount to be originally borne in case of leasing the property of the national government or local government without charge or reduced fee, etc.