



**IMAGINE  
THE  
FUTURE.**

**Fiscal Year 2012**

**Financial Management Report**

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## 【Points to note of reading this report】

The figures less than the unit are rounded off in each table.  
For that, the total may not match the sum.

## 【Detailed information pertaining to Earnings】

To details of Earnings in fiscal year 2012, please see the Financial  
Statements. You can download this report.

[http://www.tsukuba.ac.jp/public/misc/info\\_zaimu24.html](http://www.tsukuba.ac.jp/public/misc/info_zaimu24.html)



The University of Tsukuba makes greater efforts to create wisdom which generates innovation and to develop global human resources which lead it. It is a major responsibility of our university, as a national university corporation, to provide highly transparent earnings information to everyone who supports the operations of our university, both within and outside our institution, so that the situation with our operations is well understood.

Therefore, we have been preparing financial reports since fiscal year 2007 earnings in order to provide easy to understand explanations and to foster greater understanding of our earnings information. This financial report basically consists of the introduction of outline of the referred fiscal year, the report to every supporter of the University of Tsukuba (the explanation to our stake holders), analyses and comments of our financial statements. It analyzes the year-to-year

comparison regarding our education, research, and medical service activities, as well as the expenses and other details of the constituent items of the referred fiscal year.

Also, since the Fiscal Year 2011 report, “Financial Information pertaining to Management” has been added in order to provide information from the management perspective as well. Then the name of the report has been changed to “Financial Management Report.” This fiscal year, we further advanced the analyses from the management perspective and added the analyses of “On Fixed Assets” anew.

Going forward, we are willing to enhance this report and at the same time, reflect the earnings information on our management and operations. By doing so, we will strive to further enhance and advance our education and research activities and to realize autonomous and strategic operations.



President of the University  
of Tsukuba

**Kyosuke Nagata**



## Major Events (Topics)

### ■ Excellent Performance of Our Students and Alumni at the London Olympics and Paralympics



The London Olympics was held from July 27<sup>th</sup> to August 12<sup>th</sup> and the Paralympics was held from August 29<sup>th</sup> to September 9<sup>th</sup> in 2012 (local time). 6 students and 20 alumni participated in the Games as representatives of Japan. They achieved outstanding performance at the Games and won a total of 8 medals.

“Team “Nippon” Multi Support Project” was entrusted to our university by the Ministry of Education, Culture, Sports, Science and Technology (MEXT). We provided support for athletes from multiple aspects by using our research results, so that we contributed to medal rash of Japan.

### ■ Our Rugby Football Team Becomes the First National University to Win Second Place in the Japan National University Rugby Championship



On January 13<sup>th</sup>, our team played with Teikyo University Rugby Football Team which was aiming for its fourth consecutive national collegiate title, in the final of the 49<sup>th</sup> Japan National University Rugby Championship at the national stadium. Regrettably, our university lost the game 22-39, but many people cheered our players' attitude to continue challenging a very strong team.

It was the first time for the national university to advance to the final, so that our university achieved the brilliant feat.

### ■ Collaborative Agreement with the Tokyo Metropolitan Government and the Tokyo Olympics and Paralympics Bidding Committee for the 2020 Games



In 2013, on September 7<sup>th</sup> (local time), at IOC meeting which was held in Buenos Aires, Tokyo was selected as the host city of 2020 Olympics and Paralympics.

On February 28<sup>th</sup>, our university signed a collaborative agreement with the Tokyo metropolitan government and the Tokyo Olympics and Paralympics Bidding Committee for the 2020 Games and we tried to widely disseminate the Olympic Movement. Going forward, we will attempt to work for the success of the Olympics and Paralympics as well as for the development of physical education and sports.

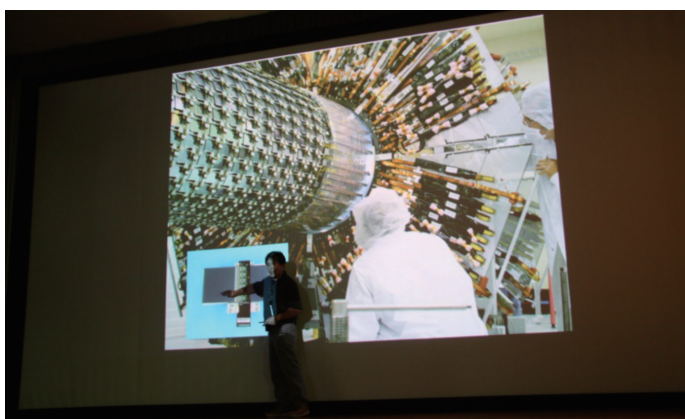
### ■ International Institute for Integrative Sleep Medicine Established



The International Institute for Integrative Sleep Medicine (IIIS) was established as of December 1<sup>st</sup>, 2012, after being accepted to the World Premier International Research Center Initiative (WPI) program by the Ministry of Education, Culture, Sports, Science and Technology (MEXT).

Consequently, Prof. Yanagisawa became an organizer and held an international symposium, “the 1<sup>st</sup> IIIS symposium ~Solving the mystery of sleep~” on March 27<sup>th</sup>.

## ■ Our Research Team Contributes Much to Finding New Boson, Seemed “Higgs Boson”



On July 4<sup>th</sup>, worldwide news was reported that new boson seemed to be “Higgs Boson” was found, at “European Organization for Nuclear Research (CERN). ATLAS experiment, which found new boson, is constituted of about 3,000 researchers all over the world. From our university, 8 researchers participated in it.

Therefore, on September 1<sup>st</sup>, researchers from our ATLAS team held “the University of Tsukuba Open Lecture: “What's ‘Higgs Boson’? - Great News of the Century””.

## ■ Lecture and Ceremony to Commemorate Establishment of Shanghai Education and Research Center of the University of Tsukuba Held



On December 15<sup>th</sup>, commemorative lecture and ceremony were held to celebrate establishment of Shanghai Education and Research Center, which was established at East China Normal University in Shanghai, China in June.

This center, as one of overseas offices of our university, is hoped to fulfill functions as the base of education and research activities which provides Chinese students an opportunity of the internship program at Japanese-affiliated companies in Shanghai, and support martial arts, Japanese language teaching program.

## ■ Construction of Minamigamou Algae Biomass Technology Development Laboratory in Sendai Completed



“Minamigamou Algae Biomass Technology Development Laboratory in Sendai” was completed at Minamigamou Purification Center in Sendai. This laboratory was founded based on a trilateral agreement which our university signed with Tohoku University and Sendai City on November 10<sup>th</sup> in 2011.

Also, on April 24<sup>th</sup> in 2013, an opening ceremony of this laboratory was held. In the future, we are going to research in order to make new circulation system which fuse sewage treatment with energy production utilizing algae.

## ■ The University of Tsukuba Hospital Celebrates the 35<sup>th</sup> Anniversary of its Opening and Holds Opening Ceremony for the Keyaki Building



On December 1<sup>st</sup>, at the entrance hall of Keyaki building, a new hospital building of our university, a commemorative ceremony for the 35<sup>th</sup> anniversary of the University of Tsukuba Hospital and an opening ceremony for the Keyaki building were held.

Now, based on the concept “Creating health care and medical science of tomorrow,” our university hospital is doing the Project for the University Hospital Redevelopment under the Private Finance Initiative (PFI) method (cf. page 11) for the first time for national university hospitals. As a part of the project, Keyaki building was completed.

# Financial Highlights for Fiscal Year 2012

## Summary of B/S

Details are reported on page 21

(In millions of yen)			
Item	FY 2011	FY 2012	Change
<b>Assets</b>	<b>370,827</b>	<b>399,893</b>	<b>29,067</b>
Land	249,449	249,374	▲ 75
Buildings	66,925	90,359	23,434
Tools, Furniture and Fixtures	13,525	17,452	3,928
Books	9,867	9,904	37
Investment in Securities	2,000	2,804	804
Cash and Deposits	16,495	7,468	▲ 9,027
Accounts Receivable	4,994	5,381	387
Marketable Securities	3,820	11,500	7,680
<b>Liabilities</b>	<b>87,867</b>	<b>116,480</b>	<b>28,613</b>
Per Contra Liabilities for Property Acquisition	23,861	27,305	3,444
Long-term Borrowings	32,138	27,667	▲ 4,471
Management Expenses Grants Liabilities	3,841	3,720	▲ 121 4)
Subsidies Deposited	808	260	▲ 548
Donation Liabilities	3,699	3,676	▲ 23
PFI Liabilities	1,309	30,705	29,396 1)
Accounts Payable	10,329	10,998	669
<b>Net Assets</b>	<b>282,959</b>	<b>283,413</b>	<b>454</b>
Government Investment	232,826	232,826	0
Capital Surplus	43,069	45,237	2,168
Reserve Funds Carried Forward from Previous Mid-Term Plan Period	4,636	4,271	▲ 364
Appropriated Surplus	1,132	663	▲ 468
Unappropriated Retained Surplus (or Undisposed Loss) at the end of the term	395	▲ 579	▲ 974 2)

\* Only main items are mentioned.

\* The numbers by the table correspond to "Points of Earnings in fiscal year 2012" below.

## Summary of P/L

Details are reported on page 23

(In millions of yen)			
Item	FY 2011	FY 2012	Change
<b>Ordinary Expenses</b>	<b>82,074</b>	<b>83,720</b>	<b>1,645</b>
Education Expenses	5,956	6,186	230
Research Expenses	8,009	7,809	▲ 200
Medical Service Expenses	13,909	16,408	2,499
Sponsored Research / Sponsored Operations Expenses	4,130	4,207	77
Personnel Expenses	44,143	43,075	▲ 1,068 5)
General Administrative Expenses	2,553	2,592	39
<b>Ordinary Income</b>	<b>82,377</b>	<b>82,921</b>	<b>544</b>
Management Expenses Grants Income	37,268	36,039	▲ 1,229
Student Fee Income	9,045	9,443	398
University Hospital Income	22,122	22,700	578
Sponsored Research / Sponsored Operations Income	4,757	4,687	▲ 69
Subsidy Income	2,395	2,829	434
Donation Income	1,364	1,633	270
<b>Ordinary Profit</b>	<b>303</b>	<b>▲ 799</b>	<b>▲ 1,102</b>
<b>Extraordinary Loss</b>	<b>1,866</b>	<b>624</b>	<b>▲ 1,242</b>
Loss on Retirement of Fixed Assets	336	65	▲ 271
Casualty Loss	1,529	559	▲ 970 3)
<b>Extraordinary Profit</b>	<b>1,669</b>	<b>600</b>	<b>▲ 1,069</b>
Management Expenses Grants Income (for casualty loss)	524	115	▲ 409
Facilities Expenses Grants Income (for casualty loss)	997	443	▲ 554
Reduction of Reserve Funds Carried Forward from Previous Mid-Term Plan	289	77	▲ 211
<b>Gross Profit (Loss)</b>	<b>395</b>	<b>▲ 579</b>	<b>▲ 974 2)</b>

## ○ Points of Earnings in fiscal year 2012

### 1) Record of PFI Liabilities in the University Hospital

By the project for the University Hospital redevelopment, new building "Keyaki building" became fully operational on December 26<sup>th</sup>. Consequently, on Facilities Maintenance Fee of buildings and introduction costs of medical equipment, 29.58 billion yen as PFI Liabilities was recorded. In the future, we will redeem it with the university hospital revenue for 20 years.

### 2) Record of Gross Loss

In fiscal year 2012, due to initial costs of the project for the university hospital redevelopment by PFI method, the loss (▲0.58 billion yen) emerged. It was the first time since the corporatization of national university in fiscal year 2004. This does not mean that, due to the expenses on accounting with no expenditures, the management of our university is going worse. (To details of a factor of the loss, please see page 14. )

### 3) Record of Casualty Loss according to the Great East Japan Earthquake Disaster

In fiscal year 2012, by the expenses of repairing walls of buildings for the Institute of Engineering Sciences, 0.56 billion yen as Casualty Loss was recorded. All facilities except for the Multi-purpose Gymnasium and the Tandem accelerator were restored to their original states.

### 4) Carried forward of Management Expenses Grants

On Management Expenses Grants, 3.84 billion yen was brought forward from fiscal year 2011 and 42.7 billion yen was granted in fiscal year 2012. Of these, 3.72 billion yen was carried forward to fiscal year 2013 for Disaster Restoration Expenses, reconstruction related projects, etc.

### 5) The Reduction in Management Expenses Grants by the Reduction in Salary Payment

Under the influence of the reduction in salary payment based on The Act Concerning the Revisions and the Temporary Special Provisions of the Remuneration of National Public Employees (hereinafter "the Special Provisions Act"), Management Expenses Grants were decreased by 2.05 billion compared to fiscal year 2011.

# Earnings of National University Corporations

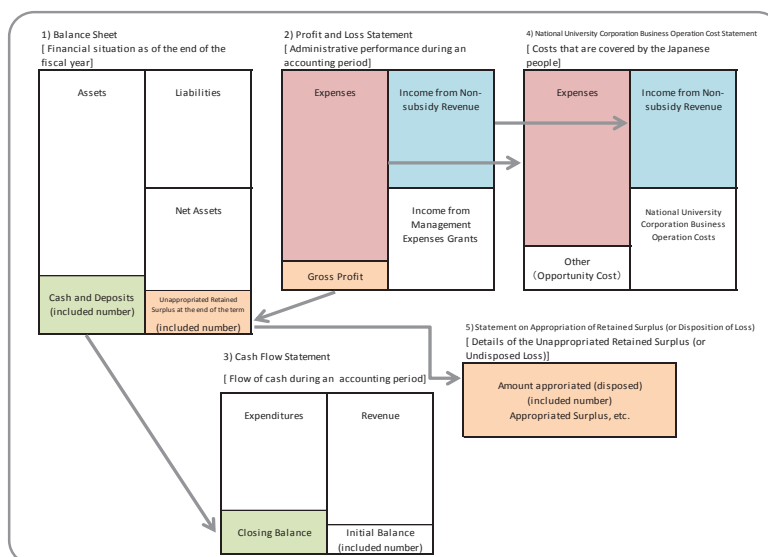
## Statements Pertaining to Earnings

National university corporations prepare Financial statements following the Accounting Standards for National University Corporations based on business accounting.

Furthermore, universities also prepare statements not required in business accounting such as the National University Corporation Business Operation Cost Statement, which shows the burden share of the Japanese people for the university corporation's operations, and Earnings Statement based on governmental accounting.

The principal operations of education and research are not profit oriented, unlike corporations, so unique accounting treatments are applied for the expenses generated.

Scheme of Financial Statements



### 1) Balance Sheet (B/S)

Statement that discloses the financial situation by describing all Assets, Liabilities, Net Assets (Capital) of the university as of the settlement date (the end of the fiscal year).

### 2) Profit and Loss Statement (P/L)

Statement that shows the situation with the operations of the university by matching the income and expenses required from the respective goals in education, research, etc. and disclosing the profit gained.

### 3) Cash Flow Statement (C/F)

A financial statement reported in the three segments of operating activities, investing activities and financing activities, to disclose the cash flow situation during an accounting period.

### 4) National University Corporation Business Operation Cost Statement (O/C)

A financial statement showing the amount burdened by the Japanese people for operating a national university corporation.

### 5) Statement on Appropriation of Retained Surplus or Disposition of Loss (draft)

Calculated by subtracting the loss carried forward from the previous term from the Gross Profit (or Gross Loss) calculated in Profit and Loss Statement. Prepared to show the details of the appropriation (or disposition) of Unappropriated Retained Surplus (or Undisposed Loss).

### ○ Earnings Statement

Statement that reports the situation with operations, following the governmental accounting standards, with cash basis as the base but partially adopting accrual basis taking the idea of transfer consolidation periods into consideration, and by making a comparison with the annual budget.

## Unique Accounting Treatment (an Example)

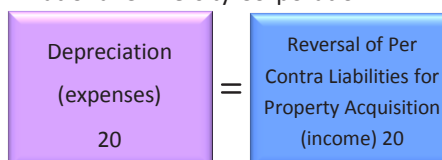
National university corporations are not profit oriented, so Management Expenses Grants from national government and Tuition Fees from the students are received as liabilities, and the obligations to operate education and research are generated. If facilities are acquired with Management Expenses Grants and tuition fees, there is no matching income for the depreciation expenses of facilities. Therefore, a matching income is recorded as "Reversal of Per Contra Liabilities for Property Acquisition" to balance the income and expenses.

#### Private Enterprise



Sales are recorded and if the sales are larger, there will be a profit ; if the sales are smaller, there will be a loss.

#### National University Corporation



In order to balance the income and expenses, an income of "Reversal of Per Contra Liabilities" is recorded in the same amount as the expenses.

# For the Supporters of the University of Tsukuba

The University of Tsukuba positions itself as “a front-runner in creating a vibrant future and meeting the challenges in realizing it” for its brand identity. The purpose of this report is to inform every supporter of our university of our

educational and research activities as well as our contributions to the regional community. In addition, our university aims to become one to lead the future society with every stake holder.

The Japanese People

Our Students and Prospective Students

Our Clients at the University Hospital

Corporations

Our Regional Community

Our Alumni

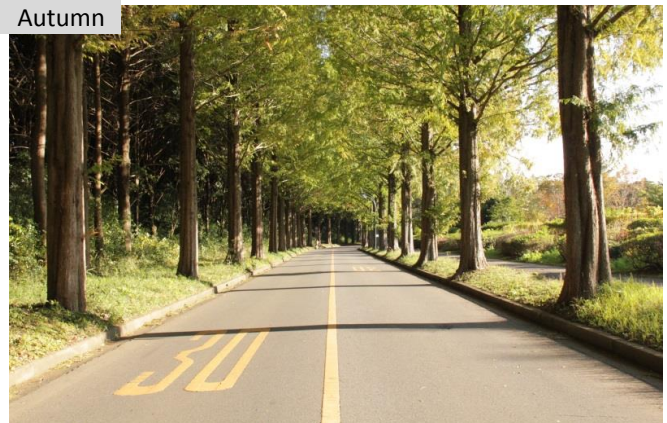
Our Faculty Members



Spring  
Winter



Summer  
Autumn





## ■ Operating Expenses

Management Expenses Grants are provided by the national government for expenses related to the operation of national university corporations. In fiscal year 2012, we received approximately 42.7 billion yen in Management Expenses Grants. This accounted for about 47% of the entire revenue.

## ■ Facility Expenses

Facilities Maintenance Grants from the national government and Grants for Facility from the Center for National University Finance and Management are provided for expenses related to the maintenance of facilities in national universities. These funds are provided with restrictions on its use such as for the construction of facilities. In fiscal year 2012, we received approximately 3.3 billion yen in Facilities Maintenance Fee Subsidies. This accounted for about 4% of the entire revenue.

## ■ Disaster Restoration Expenses from the Great East Japan Earthquake Disaster

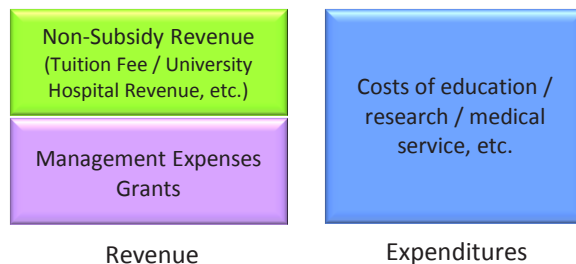
As a part of the Operating Expenses and Facility Expenses mentioned above, a supplementary budget was arranged for us as a sufferer of damages from the Great East Japan Earthquake disaster. With these financial supports, we repaired walls of buildings for the Institute of Engineering Sciences in fiscal year 2012. As a result, all facilities except for the rebuild of the Multi-purpose Gymnasium and the delivery of the Tandem accelerator to the Research Facility Center for Science and Technology were restored to their original states.

The Multi-purpose Gymnasium was completed in August 2013, changing its name into "Central Gymnasium". The Tandem accelerator is going to be delivered in fiscal year 2014.

## ■ Costs borne by the Japanese people

"National University Corporations Business Operation Cost Statement" is prepared under the Accounting Standards for National University Corporations in order to disclose how much the Japanese people bear for activities of universities. This statement is based on the costs in Profit and Loss Statement, adding costs which are not recorded in Profit and Loss Statement but are ultimately borne by the Japanese people in the broad sense and excluding Non-Subsidy Revenue such as tuition which is not directly borne by the Japanese people.

For the breakdown of Business Operation Costs, please refer to the National University Corporations Business Operation Cost Statement on page 26.



The University Hospital Keyaki Building



New Multi-purpose Gymnasium (Central Gymnasium)



Damages to Multi-purpose Gymnasium (at the time of the earthquake)

**Per Capita Cost**  
**approx. 387 yen**

= Business Operation Costs / Population

Costs : approximately 49.4 billion yen

Population : approximately 127.515 million

\* Population is estimated population as of October 1<sup>st</sup>, 2012, Bureau of Statistics, Ministry of Internal Affairs and Communications

[cf.] Figure reported in fiscal year 2011: approx. 398 yen

# For Our Students and Prospective Students

## Education Related Expenses

Total expenses related to education (Education Related Expenses) are approximately 22.0 billion yen.

In addition to Education Related Expenses, there are other expenses such as Research Related Expenses in providing education. Furthermore, funds are also invested in the maintenance of our campus and so on in order to enhance educational environment.

### [Education Expenses]

Expenses required for the education for students such as classes and extracurricular activities

### [Education and Research Support Expenses]

Expenses related to supporting organizations such as the university libraries and the Academic Computing & Communications Center

### [Amount Equivalent to Depreciation not recorded in P/L]

Expenses not recorded in P/L applied for the depreciation of educational assets which were acquired using assets invested from the national government, Facility Expenses or Appropriated Surplus

### [Personnel Expenses]

A half of which is calculated as expenses required for education

Breakdown of education related expenses (In thousands of yen)

Expenses Classification	FY 2012
Education expenses	5,035,472
Education and research support expenses	2,389,881
Amount equivalent to depreciation not recorded in P/L	1,312,533
Personnel expenses	13,307,269
<b>Total</b>	<b>22,045,155</b>

\* The above figures are for the segment "University"

## Education Related Expenses

Per student approx. 1.33 million yen

= Education Related Expenses / Number of student

Actual number of students in FY 2012 : 16,540

[cf.] Figure reported in FY 2011 : approx. 1.35 million yen

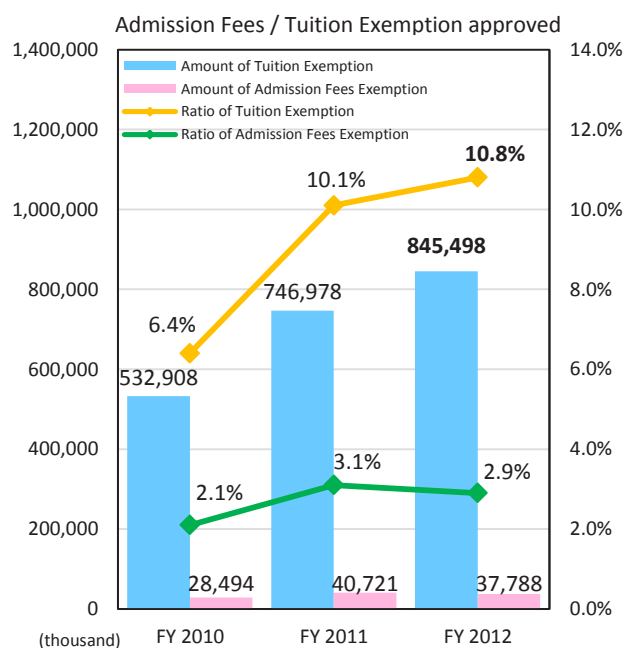
## Admission Fees / Tuition Exemption

We offer the program to waive all or a part of the admission fees or tuition to students who have difficulty paying due to financial problems or other inevitable reasons and who excel at studies. In fiscal year 2012, we succeeded to support more students than in fiscal year 2011 by expanding the quota for the exemption and providing special exemption for student fees for students who suffered from the Great East Japan Earthquake disaster.

Unit price of payment by students in fiscal year 2012 (In yen)

Classification	Tuition	Admission Fee	Examination Fee
Faculty (Excludes School of Medicine and Medical Sciences)	535,800	282,000	17,000
Graduate School / School of Medicine and Medical Sciences	535,800	282,000	30,000
Law School	804,000	282,000	30,000

\* Examination Fee of transfer admission is 30,000 yen



Ratio of Tuition Exemption (%) = Amount of Tuition Exemption / Tuition Income

## Support for Students Who Suffered from the Great East Japan Earthquake Disaster

We provided special exemption for tuition, admission fees and boarding fees for 124 students who suffered from the Great East Japan Earthquake disaster. We also provided financial support (for 32 students; 5 million yen) using contributions from Tsukuba City.

Special exemption for tuition for earthquake disaster

Tuition	Admission Fee	Boarding Fee
55,991	9,588	914

(In thousands of yen)

## ■ The University Library

Our university libraries consist of the Central Library and four specialized libraries - Art and Physical Education Library, Medical Library, Library on Library and Information Science, and Otsuka Library. They are managed under a unified administrative system. The library website provides electronic journals and database, as well as it offers services such as updates of borrowing periods, books reservations, and requests for copies of literatures in other universities. At the end of fiscal year 2012, our university libraries owned approximately 2.63 million books, which were worth approximately 9.9 billion yen.

\* The number of books and the amount include audio visual materials (such as CDs).

## ■ Remodeling Student Residence Halls

Our student residence facility consists of 60 residence halls with a total capacity of approximately 4,000 over the four districts of Hirasuna, Oikoshi, Ichinoya, and Kasuga. It is a large-scale facility which accounts for about 10% of the student dormitories of all national universities. Usually, about 60% of students from abroad and about 60% of freshmen live in student residence halls.

We secure resident students a safe, sound and sufficient study environment. Furthermore, we are enhancing facilities in the residence halls to be adapted to internationalization of our university under the plan for remodeling student residence halls (five-year plan). The first period of this plan is going to be finished at the end of fiscal year 2013.

In fiscal year 2012, we repaired various facilities such as walls, chambers and common space of Hirasuna and Kasuga residence halls.

## ■ Promotion of International Exchange

We aim to improve the level of academic research and to bring up human resources with an international outlook by international academic exchanges. In order to achieve these goals, we have concluded exchange agreements with foreign universities and are promoting to send and receive students and teachers to and from abroad. As of March 31st, 2013, we had a total of 223 agreements, consisting of 78 university exchange agreements and 145 department exchange agreements, in 55 countries (areas).

Furthermore, we have been continuously running projects such as “International Collaboration Project” (project budget: 30,750 thousand yen) using strategic international exchange promotion expenses. We are promoting international academic exchanges by inviting researchers from abroad and sending our teachers and graduate students to abroad. We are also actively receiving students from abroad. We received 2,120 students from 93 countries (areas) such as China in fiscal year 2012. In addition, we sent 504 students to abroad in fiscal year 2012. The number of them has been increasing year by year.

## ■ The University of Tsukuba Student Scholarship “The Tsukuba Scholarship”

The Tsukuba Scholarship is a program to provide financial support for students from abroad, support for students going study abroad, and emergency student loans by efforts toward internationalization such as the Project for Establishing University Network for Internationalization (the Global 30). Aiming to secure an environment which enables students to concentrate on their studies, we support them with this our own scholarship program funded by our Non-Subsidy Revenue. In fiscal year 2012, we expanded support of the Tsukuba Scholarship for students from abroad and we provided a total of 68,821 thousand yen for 212 students.

Number of books per student  
**approx. 159 books**

= Number of books / Number of students

Actual number of students in FY 2012 : 16,540

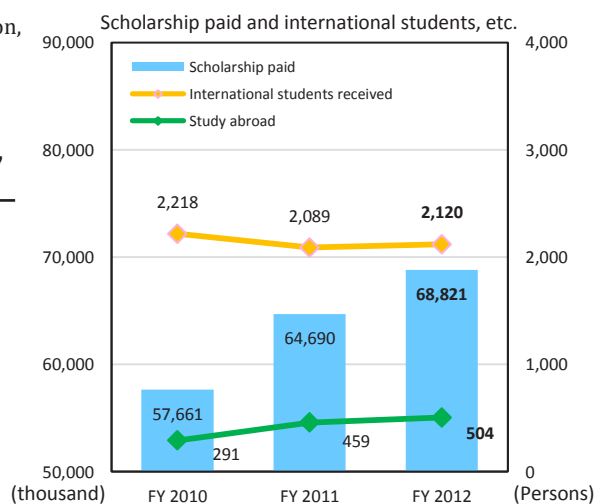
[cf.] Figure reported in FY 2011 : approx. 156 books



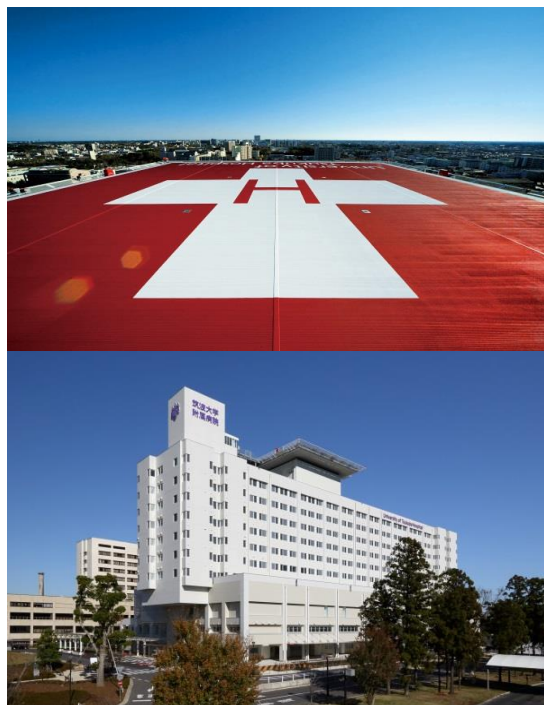
Hirasuna residence hall (after repaired)



Scene from social gathering for students from abroad



# For Our Clients at the University Hospital



New hospital building “Keyaki building”  
(upper: heliport, lower: appearance)

## Principle of the University of Tsukuba Hospital

We are committed to providing high-quality medical care and cultivating medical professionals who can contribute to developing the medical field.

## Policy of the University of Tsukuba Hospital

- We are committed to providing the safest and highest quality medical care to patients.
- Fully mindful of our mission and responsibility, we cultivate medical professionals who are rich in humanity.
- We promote a team approach to medical care services and thereby build links with the local community.
- We work to spread knowledge about health and medicine.
- We contribute to international society through our medical research and promotion of advanced medical technology.

## ■ The University Hospital Redevelopment

The University of Tsukuba Hospital has been doing its social duty by functioning as the only university hospital and special function hospital in Ibaraki Prefecture as well as a central hospital in the regional community since its opening. In order to display further functions permanently from now on, we built a new building named “Keyaki building” under the concept “Creating health care and medical science of tomorrow” and with the purposes of specializing in highly advanced and acute stage medical care, forming an ideal medical environment in the regional community as a whole, and establishing an educational and research hospital as a base of creating its sustainable development system. It opened for services on December 26<sup>th</sup>.

The redevelopment including Keyaki building is being carried out by “PFI” development method for the first time for national university hospitals. The maintenance of facilities and operation support for the hospital are going to be provided by PFI method for 20 years after the completion of Keyaki building.

The name “Keyaki building” originated from keyaki (zelkova), the city tree of Tsukuba. The image of keyaki, which grows big, corresponds with our wish that the hospital would become the center of medical care development of Tsukuba City, Ibaraki Prefecture, and then Japan.

\*PFI is the abbreviation for Private Finance Initiatives. It is a new method that utilizes funds, management ability and technical ability of the private sector for the construction, maintenance, and management of public facilities.



The Intraoperative MRI

This is the first system in Japan that moves MRI apparatus to take a tomogram without moving a patient.



Patients' room (4 beds room)

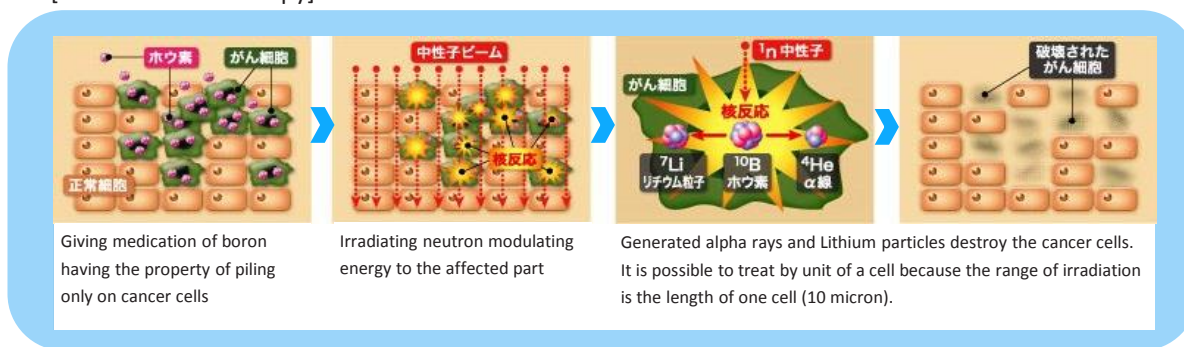
## Development and Practical Use of BNCT (Boron Neutron Capture Therapy) Device: the Next Generation Cancer Therapy

The Boron Neutron Capture Therapy is a next generation radiation therapy that selectively destroys only cancer cells and scarcely harms normal cells. It is expected as a next generation therapy for intractable cancers for which we have not found effective therapies until today.

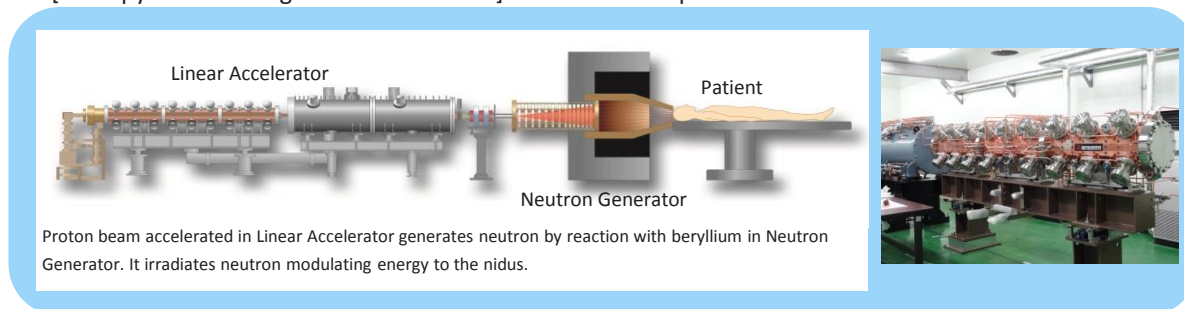
We are developing a medical device which does not have a nuclear

reactor but has an accelerator instead of the former device with a nuclear reactor. It is safe and small-sized so that it can be set inside the hospital. This project was selected for the Special Zone of International Strategy in 2011. We are working toward its completion in 2014 and the start on clinical research in 2015 in cooperation with other research organizations and Ibaraki Prefecture.

### [Mechanism of Therapy]



### [Therapy Device Using Linear Accelerator] \* under development



## Efforts toward Revival of Community Medicine

Ibaraki is the second worst prefecture in Japan in terms of the number of doctors per population of 100,000 by prefecture. The shortage of doctors in Ibaraki Prefecture is a serious problem. In order to cope with the urgent problem of the collapse of community medicine caused by the shortage of doctors, we are working on a community medicine revival plan with the aim of contributing to the enhancement and qualitative improvement of the community medicine system in areas where there are not enough doctors by using various methods in cooperation with the government and private enterprises.

### [Major Efforts toward Revival of Community Medicine]

- 1) Development and management of new programs for bringing up human resources leading community medicine
- 2) Development of the environment for pre-/post-graduation and lifelong education and training in areas where there are not enough doctors and bringing up doctors rooted in the regional community
- 3) Contribution to community medicine by constructing an educational and instructional system and supporting medical care at central hospitals in areas where there are not enough doctors
- 4) Promotion of joint research and development and clinical trials for pharmaceuticals and hospital equipment which are produced in the regional community by utilizing clinical data and teachers' abilities of research in our university hospital

### Concrete approach

Cooperation destination	Development hospital	Number of teacher / doctor	Facilities established by our university hospital
Ibaraki Prefecture	Ibaraki Prefectural Central Hospital, and 4 others	16	Ibaraki Clinical Education and Training Center
Ibaraki Prefecture	Kamisu Saiseikai Hospital	2	-
Ibaraki Prefecture	Ibaraki Children's Hospital	3	Ibaraki Pediatric Education and Training Station
JA (Ibaraki Prefecture Welfare Federation of Agricultural Cooperative)	Mito Kyodo General Hospital	22	Mito Medical Center
Hitachi, Ltd.	Hitachinaka General Hospital	5	Hitachinaka Medical Education and Research Center
Hitachi, Ltd.	Hitachi General Hospital, Taga General Hospital	3	Hitachi Medical Education and Research Center
Tsuchiura City	National Hospital Organization Kasumigaura Medical Center	3	Tsuchiura Clinical Education and Training Station
Total		54	

# For Our Clients at the University Hospital

## Financial Situation of the University Hospital

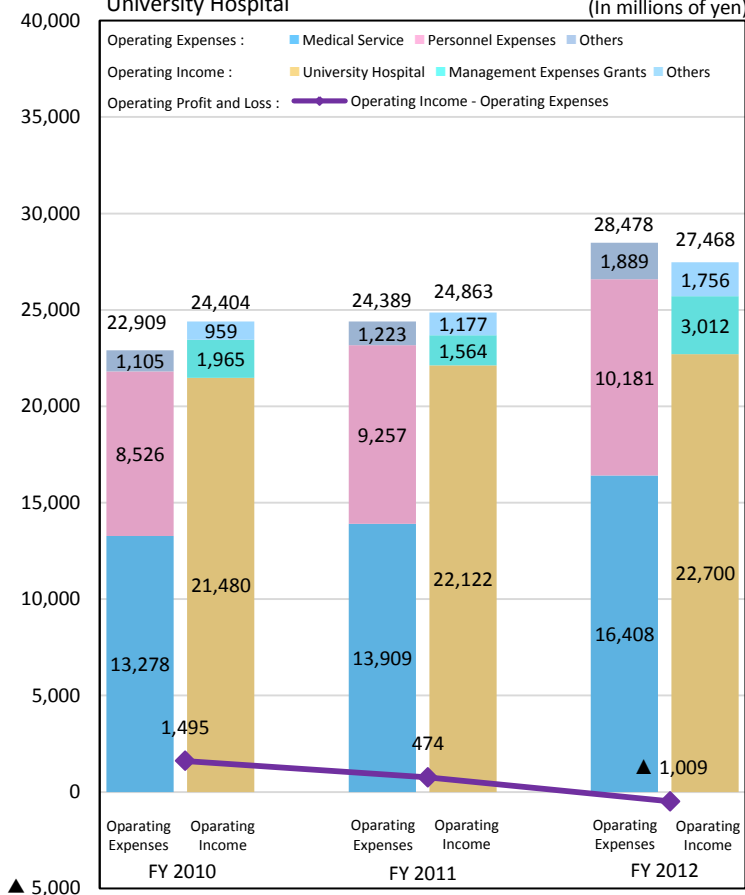
In fiscal year 2012, "Keyaki building" was completed and opened at the end of December as a result of the redevelopment project by PFI method for the first time for national university hospitals. This caused PFI Liabilities (29,581 million yen), and we are going to pay the debts by university hospital revenue for 20 years from now on.

Under this situation, Operating Income was 27,468 million yen with an increase of 2,605 million yen from fiscal year 2011 as a result of hard efforts at management such as the increase in the number of outpatients, surgical operations and chemotherapy outpatients and shortening of hospitalization. On the other hand, Operating Expenses were 28,478 million yen with an increase of 4,089 million yen from fiscal year 2011 due to the payment for hospital management support and the replacement of hospital equipment under the redevelopment project, and the increase in paramedical staff for the reinforcement of functions of the hospital with opening Keyaki building. As a result, the Operating Profit and Loss (Operating Income - Operating Expenses) of our university hospital was ▲1,009 million yen in fiscal year 2012.

This Operating Profit and Loss is based on Ordinary Income/ Expenses. Adding Extraordinary Profit, Gross Loss of our university hospital was ▲841 million yen. Further adding 262 million yen in Gross Profit of our university, Gross Loss of the entire university was ▲579 million yen.

Changes in annual financial situation of the University Hospital

(In millions of yen)



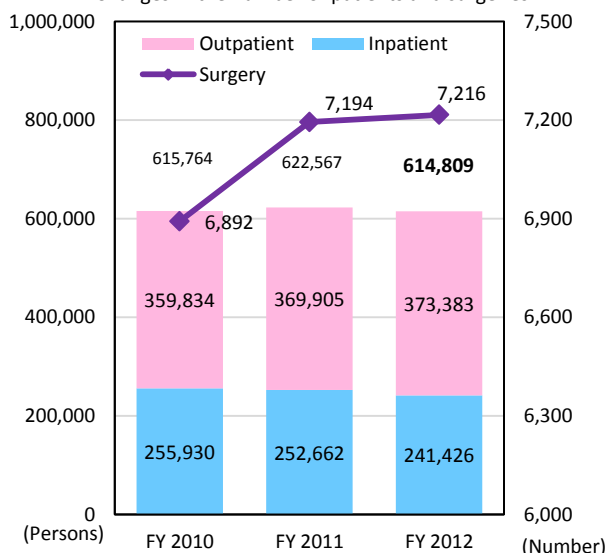
## Medical Care at the University Hospital

Our university hospital is actively working on the enhancement of medical care system and the improvement of services for patients, which has been contributing to the increase in the number of outpatients and surgical operations. Although it was expected that costs would increase due to these increases, we succeeded to reduce costs by converting to generic drugs and reconsidering the way of procurement. (We reduced costs for pharmaceuticals and hospital

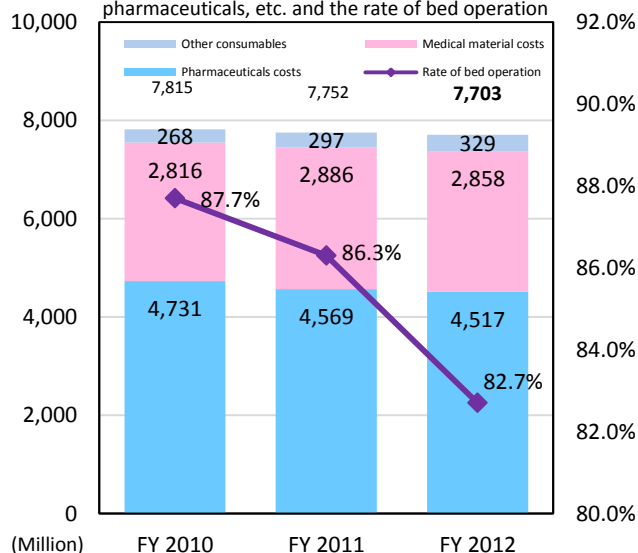
equipment by 80 million yen from fiscal year 2011. We also succeeded to control the increase in costs for consumables to the minimum.)

The number of inpatients decreased and the rate of bed operation declined because the number of inpatients was controlled temporarily during the moving period with opening of Keyaki building in December.

Changes in the number of patients and surgeries



Changes in the number of expenses for pharmaceuticals, etc. and the rate of bed operation



## ■ Main Causes of Gross Loss

In fiscal year 2012 Earnings, we had Gross Loss of ▲579 million yen. This is because of the loss of our university hospital (▲841 million yen), which was caused by following matters.

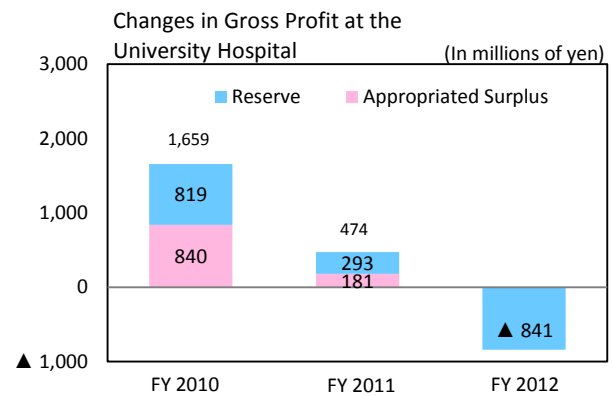
- 1) In fiscal year 2012, we had a lot of expenses because it was the first fiscal year for the replacement of facilities in the hospital under the redevelopment project by PFI method. In particular, we recorded 392 million yen of expenses for the project by PFI method as initial costs (e.g. Dismantlement Expenses) in fiscal year 2012. However, we are going to pay for the expenses from fiscal year 2013 onward, and therefore there is not income which corresponds to them. This is one of reasons for the loss.
- 2) The difference between the Depreciation Expenses for Fixed Assets which were acquired using University Hospital Revenue and the amount of Fixed Assets which were acquired using University Hospital Revenue in referred fiscal year causes the profit (or the loss) not based on cash but just a fact on accounting. The difference like that rose because of matters mentioned above. This is also one of reasons for the loss.

The acquisition value of Fixed Assets for University Hospital Revenue: 2,328 million yen  
 Total Depreciation Expenses: 2,824 million yen  
 Difference: ▲496 million yen

\*The acquisition value of Fixed Assets for University Hospital Revenue includes debt redemption such as borrowings for acquisition of asset, PFI Liabilities, etc.

Thus, we had the loss in fiscal year 2012. However, it was caused by the time lag between record of expenses and expenditures. In other words, it is just a fact on accounting. It does not mean that our university hospital is in financial difficulties.

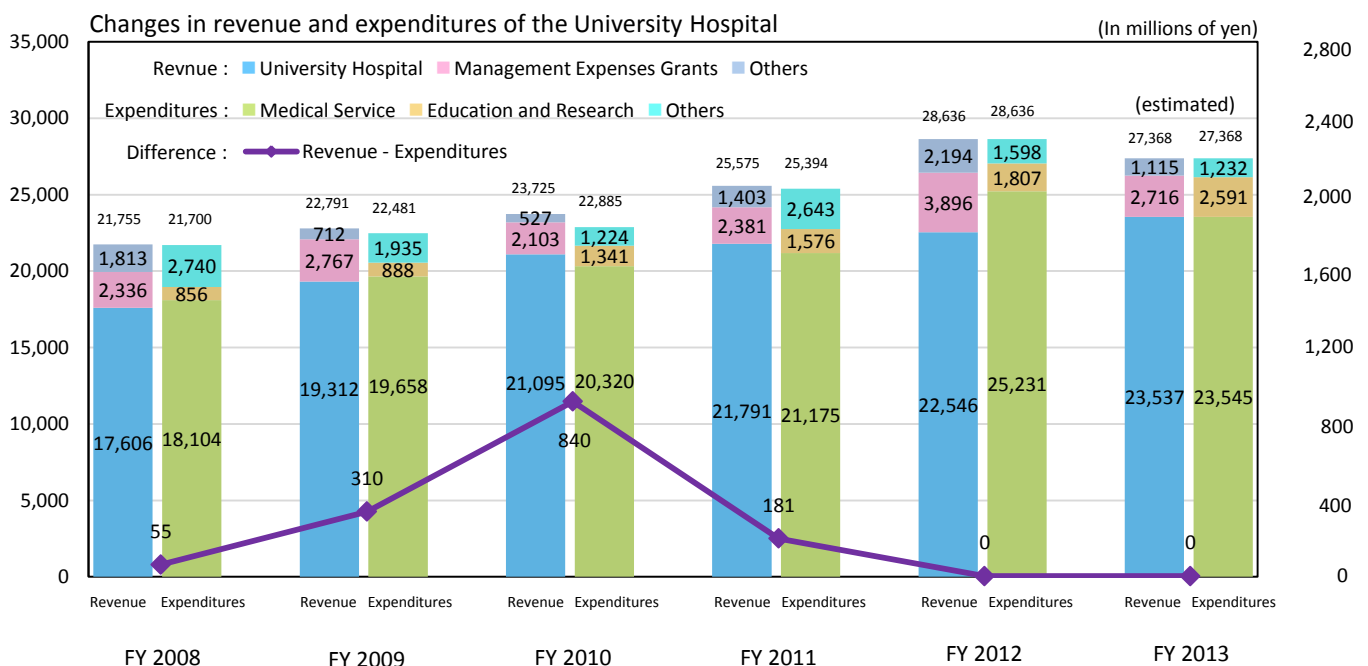
On the other hand, our university hospital has been recording Appropriated Surplus (accumulation of profit by efforts at management) and Reserve (profit not based on cash but a fact on accounting). We compensate the loss in fiscal year 2012 by reducing in a part of them. The compensation is applied to the loss of the entire university: ▲579 million yen. It is done after acknowledgement by the Minister of Education, Culture, Sports, Science and Technology.



## ■ Revenue and Expenditures of the University Hospital

Focusing on the change of revenue and expenditures of our university hospital since fiscal year 2008, both have been increasing favorably and showing surplus. The hospital will need to make more efforts at management because it is important to secure dependable sources of revenue in order to redeem PFI

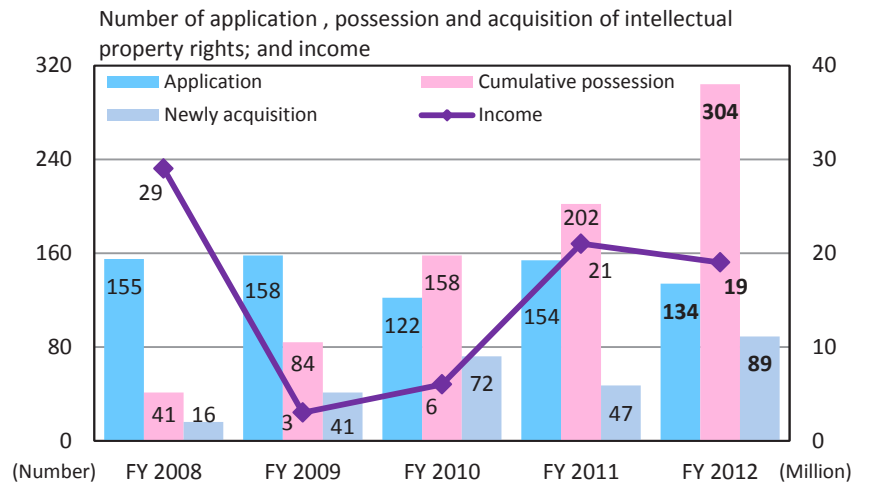
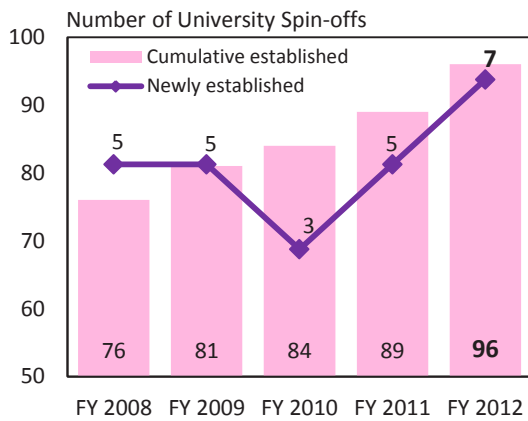
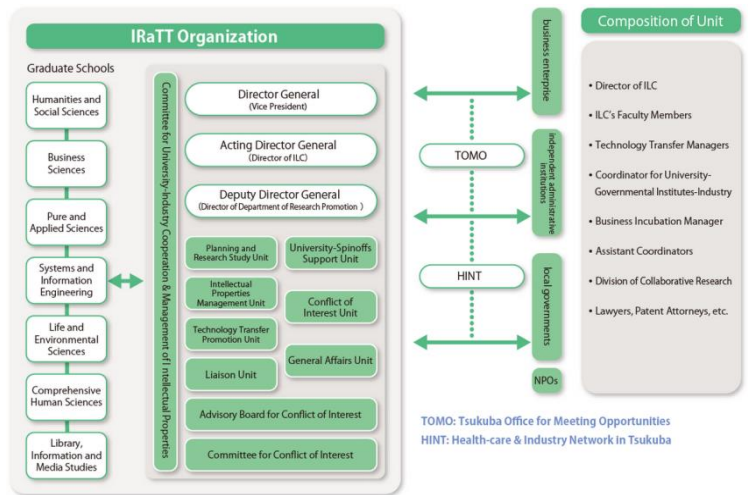
Liabilities smoothly from now on. The expectation for revenue and expenditures in fiscal year 2013 is stated below. There is nothing wrong with the condition of revenue and expenditures, and its soundness has been sustained.



## Promotion of Industry-Academia Collaboration at the University of Tsukuba

Our university was selected for the Industry-Academia-Government Collaboration Strategic Development Project (Strategic Development Program), which was launched in fiscal year 2008, by the Ministry of Education, Culture, Sports, Science and Technology. Under the project, we newly established the "Industry Relations and Technology Transfer Office" in April 2009. This office mainly aims to support the growth of University Spin-offs, which is a characteristic of our university, and to create innovation by reinforcing regional collaboration.

In addition, this office is leading acquisition and utilization of intellectual property rights such as patents.

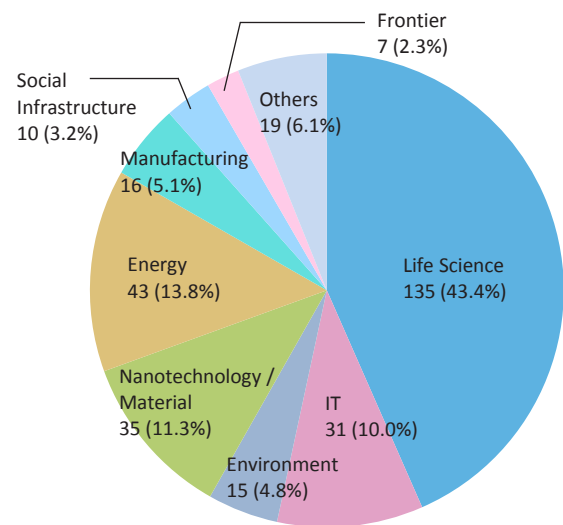


## Cooperative Research External Funds Received are reported on page 31

Cooperative Research is a system that our teachers and researchers from private enterprises together research on a common theme on an equal footing, which promotes to achieve superior results. We launched the "Cooperative Research Launch Support Project" in fiscal year 2010, and we recommend and support cooperative research by our young teachers and small/medium-sized enterprises in order to expand the range of research activities.

In addition, we set up a system of the "Academic Instruction Contract" in fiscal year 2009. This system allows contracts for technical instruction, supervision and consultations by our teachers between our university, not our teacher individuals, and private enterprises. Furthermore, we also accept scientific technological consultations (for free).

Track record of Cooperative Research (by research area) in fiscal year 2012



If you have a consultation of Industry-Academia Collaboration, please send your thoughts to Division of Collaborative Research.

<http://www.sanrenhonbu.tsukuba.ac.jp/>

Of these, the number of local enterprises (in Ibaraki Prefecture) is **50** (of 311) (This is **16.1%** of all enterprises)



## ■ Endowed Courses

The system of Endowed courses is set up and managed as “endowed course” or “endowed research division”, effectively utilizing donations from donors such as private enterprises. They aim to diversify and activate education and research in our university. These courses are to have names which show the contents of their education or research, but they also can add information about donors to their names by a proposal from donors.

In fiscal year 2012, we set up 2 new courses “Innovation in South Ibaraki Healthcare Network” and “Innovation in Ibaraki Pediatric Healthcare Network”. We hold a total of 13 courses, including ones having been continued.

### List of Endowed Courses at the University of Tsukuba in fiscal year 2012

Endowed course	(In thousands of yen)	
	Operating Expenses	
Life-style Diseases Course Endowed by the JA Ibaraki Prefecture Welfare Federation of Agricultural Cooperative	50,000	
Arrhythmia Next Generation Endowed Research Division	20,000	
Department of Longevity Science Endowed by Onodera Memorial Asuka Foundation	22,000	
Sleep Medicine Endowed Course	20,000	
Ibaraki Prefecture Department of Primary Care and Medical Education	20,000	
Toshokan Ryutsu Center (TRC) Library Management Course	25,000	
“Human Security - Seeking a New Way of Social Security -” Endowed Course	13,500	
Research Course on Regional Medical System	188,833	
“Environmental Disaster Prevention” Course	14,000	
Arrhythmia Research Department	30,000	
Innovation in North & Middle Ibaraki Healthcare Network (Social Cooperation Program)	90,000	
Innovation in South Ibaraki Healthcare Network	42,000	
Innovation in Ibaraki Pediatric Healthcare Network	27,251	
<b>Total</b>	<b>562,584</b>	

\* Includes amount received before fiscal year 2011 in part.

## ■ The Algae Industry Incubation Consortium Japan

In June 2010, the “Algae Industry Incubation Consortium Japan” was established by our university and more than 40 Japanese enterprises. It was promoted by Makoto Watanabe: a professor in our university, etc. Setting its goal as putting biomass fuel using minute algae to practical use, it was reorganized as the “General Incorporated Association of Algae Industry Incubation Consortium Japan” (chairperson: Isao Inoue: a professor in the Faculty of Life and Environmental Sciences) on April 1st in 2013. The present number of members of the consortium is 75 companies and 25 organizations/individuals. It is working toward early establishment of algae industries by searching problems with technical development related to industrial use of algae, researching on algae domestically and abroad, and collecting, providing and exchanging information about algae cooperatively.



Scene from a workshop production of algae

## ○ Holding the International Symposium on Algal Biomass

The “International Symposium on Algal Biomass –The Benefits of Algae to All Humankind–” was held on September 5<sup>th</sup> and 6<sup>th</sup> in 2013, cosponsored by our university and so on. Many researchers in our university participated in this symposium and presented their research results until now.



In addition, some affiliated organizations such as “Algae Biomass Organization (ABO)”, which is the world largest algae organization in the U.S., Solazyme, Inc. and Heliae, Inc. (both in the U.S.) also participated in this symposium. Being given lectures by Japanese and American major enterprises, it was a quite valuable meeting in which enterprises, researchers and government officials gathered.



Scene from the International Symposium on Algal Biomass

## ■ Lifelong Education

We provide lifelong education such as open courses and certificate programs for non-students.

Open courses release and diffuse educational and research achievements of our university through lectures in order to contribute to improvement of people's culture and development of people's ability at work and real life.

\* Revenue and expenditures for open courses in fiscal year 2012

Total Revenue: 14,636 thousand yen
Total Expenditures: 18,150 thousand yen

Certificate programs are special courses for adults. Each course requires 120 hours or more studies depending on its goals and contents. A certificate based on the School Education Law will be issued to those who have completed the program. It can be recorded as an educational background in curriculum vitae.

## ■ Contribution to Society

We work on activities for contribution to society as a regional center of knowledge in order to return intellectual achievements to society positively. We aim to create a bond between local people and our university, to bring up excellent human resources and to form a good cycle of regional activeness.

On the recovery and rebirth assistance project, we are carrying programs such as "Measures against Radiation", "Disaster Measures and Local Promotion" and "Forming Health-care", making use of our characteristic as a university with various academic fields. Programs are based on needs from suffering area.

### ○ Introduction of A Case of Science and Technology Week Assistance Project

"The University of Tsukuba's Science Workshop for Kids" The Science Workshop is a visiting scientific experiment course held every year, which our faculty members demonstrate and guide scientific experiments and handiwork by visiting schools. This workshop aims to let children and students find pleasure of science. We also accept teachers of elementary schools and junior high schools. By explaining the point of doing experiments to be easy to understand, we work on prevention against the children's and students' trend away from science. Furthermore, we also arrange visiting scientific experiment courses for the public as a part of lifelong education.

Besides the projects as above, we develop various projects of contribution to our region. Please see them from URL below.

[Lifelong Education] <http://www.tsukuba.ac.jp/education/>

[Contribution to Society] <http://www.tsukuba.ac.jp/community/>

### List of open courses

Course	Number	Enrollee
Incumbent Training Course	30 courses	1,193 people
General Open Course	29 courses	871 people
Prioritized Open Course	12 courses	501 people
Endowed Open Course	2 courses	76 people
<b>Total</b>	<b>73 courses</b>	<b>2,641 people</b>

### List of certificate programs

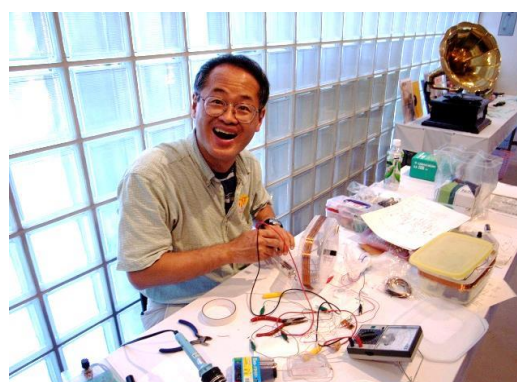
(In thousands of yen)

Course	Enrollee	Total revenue
Library Management Course	14 people	1,975
University Management and Cultivation of Human Resources	25 people	1,980
Up-to-date Oncological Knowledge Course for Active Clinical Staff	4 people	160
<b>Total</b>	<b>43 people</b>	<b>4,115</b>

### Main projects of contribution to society

(In thousands of yen)

Project	Number	Total expenditures
Recovery and Rebirth Assistance Project	26 projects	58,822
Social Contribution Project	47 projects	13,487
Science and Technology Week Assistance Project	15 projects	3,948
<b>Total</b>	<b>88 projects</b>	<b>76,257</b>



Associate Professor Masami Kobayashi (Pure and Applied Science)

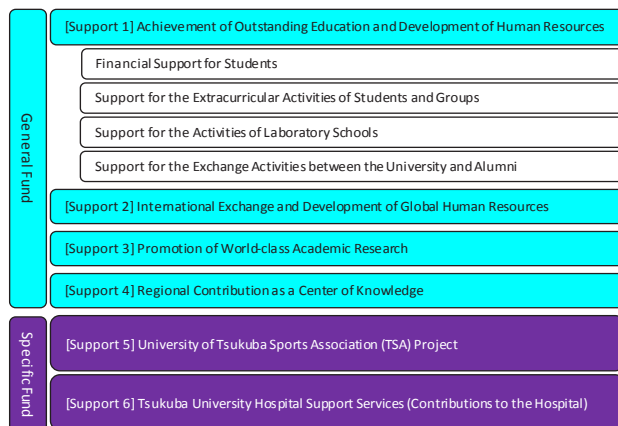


Kids taking lecture

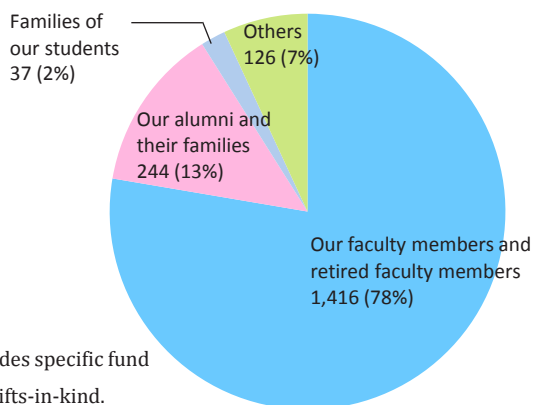
## ■ The University of Tsukuba Fund (TSUKUBA FUTURESHP)

We established the “University of Tsukuba Fund (TSUKUBA FUTURESHP)” in April 2010, aiming to contribute to various activities such as support for students in our university and children/students in our laboratory schools, promotion of education and research activities, and contribution to the regional community.

This fund consists of two kinds of fund; the “General Fund” which provides support in levels from Support 1 to Support 4 aiming to reinforce four functions that our university should serve, and the “Specific Fund” which provides support in levels of Support 5 and Support 6 aiming to aid specific projects. We accept donations without designation of use and used books donations.



Donations in fiscal year 2012 (classification of donors)



\* Excludes specific fund and gifts-in-kind.

as of March 31<sup>st</sup>, 2013  
**Total amount: 225,954 thousand yen**  
**Total number: 5,389 donations**

As to information on the details of the activities of the University of Tsukuba Fund and on how to donate, you can see from URL below.

<https://futureship.sec.tsukuba.ac.jp/>

## ■ The University of Tsukuba Alumni Association

The “University of Tsukuba Alumni Association” is a “forum” launched for the purpose of strengthening collaboration between our university and everyone involved in our university including graduates, completed students, current students, former faculty members, current faculty members, organizations for extracurricular activities, and specific alumni associations. Please make use of the “University of Tsukuba Alumni Association” when everyone involved in our university gathers, connects and promotes exchanges under the “common bond” of the “University of Tsukuba”.

In addition, we set up the “University of Tsukuba Alumni Association website” in July 2012. This website has a SNS which only those who are involved in our university such as graduates, completed students, current students, former faculty members, and current faculty members can access. Please make use of this SNS.



The University of Tsukuba Alumni Association URL  
<https://alumni.tsukuba.ac.jp/>

## ■ Commemorative Fundraising for the 40<sup>th</sup> + 101<sup>st</sup> Anniversary of the University of Tsukuba

Our university’s history dates back to its founding as the first Japanese “Normal School” in 1872. Based on 101 years of its long tradition and achievements since its founding, in October 1973, our university made a new start as a “University with a new vision”. Furthermore, our university commemorated its 40<sup>th</sup> anniversary on October 1<sup>st</sup>, 2013.



As commemoration of the 40<sup>th</sup> + 101<sup>st</sup> anniversary of the establishment, we are holding various events such as the “Commemorative Fundraising for the 40<sup>th</sup> + 101<sup>st</sup> Anniversary” for two years from fiscal year 2012 to 2013.

In addition, we run projects for bringing up global human resources below, using donations for this commemorative fundraising.

- Support for excellent undergraduate students going study abroad
- Support for projects for international exchanges of our laboratory schools
- Maintenance and expansion of our campuses abroad

# For Our Faculty Members

## Research Related Expenses

Total expenses related to research (Research Related Expenses) are approximately 16.2 billion yen.

### [Research Expenses]

Expenses for research funded by Management Expenses Grants, Subsidies, Donations, Non-Subsidy Revenue and etc.

### [Sponsored Research Expenses]

Expenses for Sponsored Research and Cooperative Research

### [Grants-in-Aid for Scientific Research (direct expenses)]

Subsidies provided by the national government for researcher individuals

### [Amount Equivalent to Depreciation not recorded in P/L]

Expenses not recorded in Profit and Loss Statement applied for Depreciation Expenses of research assets which were acquired using assets invested from the national government, Facility Expenses, Appropriated Surplus and etc.

Breakdown of Research Related Expenses (In thousands of yen)

Expenses Classification	FY 2012
Research expenses	7,800,203
Sponsored research expenses	3,581,358
Grants-in-Aid for Scientific Research (direct expenses)	3,020,706
Amount Equivalent to Depreciation not recorded in P/L	1,816,151
<b>Total</b>	<b>16,218,418</b>

**Research Related Expenses**  
Per teacher approx. 8.97 million yen

= Research Related Expenses / Number of full-time teachers

Number of full-time teachers in FY 2012 : 1,808

[cf.] Figure reported in FY 2011 : approx. 9.20 million yen

## Personnel Expenses

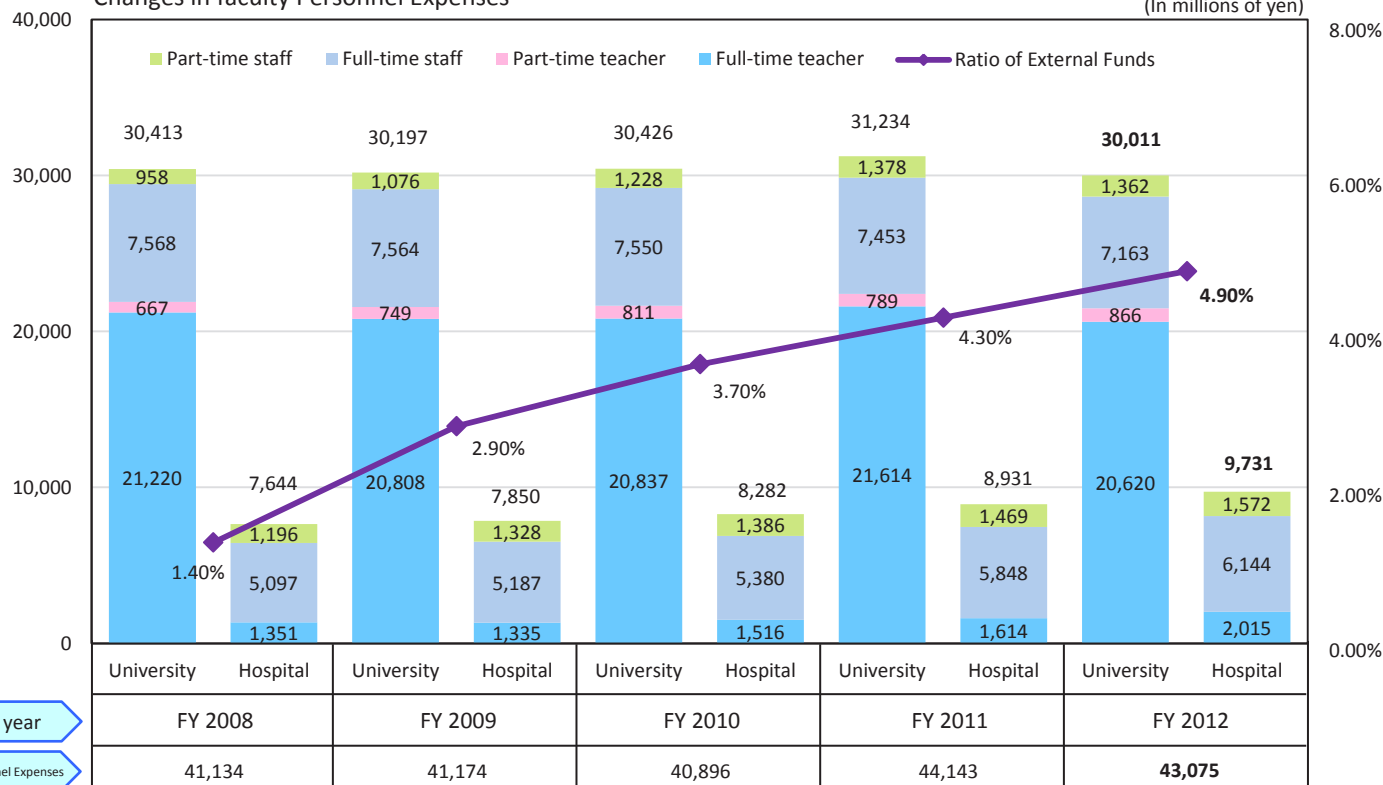
Personnel Expenses account for 51.5% of Ordinary Expenses and approximately 43.1 billion yen is paid out (including 153 million yen for personnel expenses for directors and 3,178 million yen for retirement benefits). As for our university (excluding the university hospital), Personnel Expenses for full-time teachers (▲994 million yen) and full-time staff (▲290 million yen) decreased due to the reduction in salary payment according to the Special Provisions Act.

On the other hand, as for the university hospital, Personnel Expenses increased (by 800 million yen) due to the increase of employment in order to reinforce functions of the hospital with opening Keyaki building. In addition, the proportion of External Funds to Personnel Expenses has been rising year by year, which shows we are diversifying the operations of our university and actively running projects such as research and development, and contribution to the regional community.

(Personnel Expenses ratio is mentioned on page 37.)

Changes in faculty Personnel Expenses

(In millions of yen)



\* The Personnel Expenses in graph do not include personnel expenses for directors and retirement benefits.

## ■ General Administrative Expenses

General Administrative Expenses are recorded as expenses necessary to manage and operate the university. In fiscal year 2012, General Administrative Expenses were approximately 2.6 billion yen with an increase of 0.039 billion yen from fiscal year 2011. This is mainly caused by the increase in Depreciation Expenses for the operation system. However, the ratio of General Administrative Expenses to Operating Expenses declined to 3.2% with a decline of 0.1% because the entire Operating Expenses increased from fiscal year 2011. It shows the efficiency of operations have been improved. (Please refer to the financial indicator analyses on page 37 for details.)

### General Administrative Expenses Ratio

**3.2%**

= General Administrative Expenses / Operating Expenses

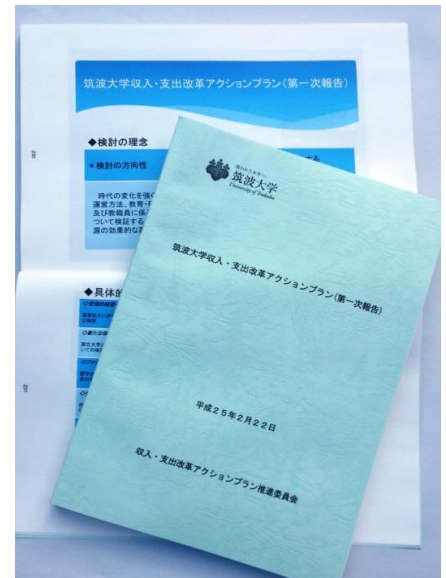
Breakdown of General Administrative Expenses (In thousands of yen)

Expenses Classification	FY 2011	FY 2012	Change
Consumables	284,750	258,015	▲ 26,735
Utility costs	105,423	135,255	▲ 29,832
Travel expenses	68,880	59,210	▲ 9,670
Maintenance costs	234,984	208,645	▲ 26,339
Repair costs	275,545	332,232	▲ 56,687
Non-life insurance premium	56,372	57,035	▲ 663
Advertising expenses	122,159	114,654	▲ 7,505
Compensation / Consignment / Commission	899,172	892,447	▲ 6,725
Tax and Dues	153,398	151,526	▲ 1,872
Depreciation expenses	152,307	198,340	▲ 46,033
Others	199,692	184,598	▲ 15,094
<b>Total General Administrative Expenses</b>	<b>2,552,682</b>	<b>2,591,957</b>	<b>▲ 39,275</b>
Operating Expenses (cf. p. 23)	78,488,206	80,074,798	1,586,592
<b>General Administrative Expenses Ratio</b>	<b>3.3%</b>	<b>3.2%</b>	<b>▲ 0.1%</b>

## ■ The University of Tsukuba Action Plan for Revenue and Expenditure Reform

It is an urgent problem to manage stable sources of revenue in order to secure budgets for education and a minimum of facility maintenance expenses under the situation that circumstances surrounding universities, the social situation, and the financial situation especially budgets for higher education are changing greatly.

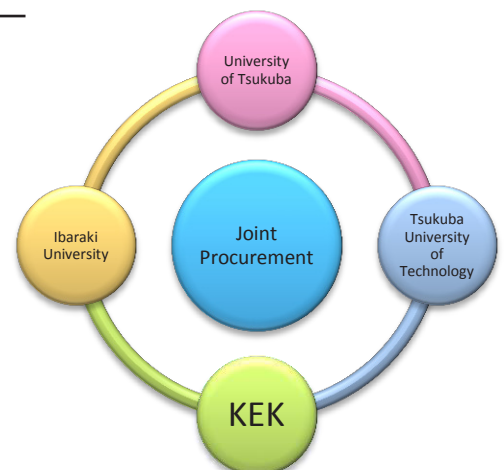
Under these financial situations, we set up the “University of Tsukuba Action Plan for Revenue and Expenditure Reform Promotion Committee” for the examination of reforms on revenue and expenditures of our university. We examined the issue by five points of view such as the reduction in administrative expenses and personnel expenses, and the promotion of facility management. As a proposal for the financial reform, we published the “Action Plan for Revenue and Expenditure Reform (1st report)” to our faculty members.



## ■ Improvement of Business Operations for Controlling Expenses

Aiming to streamline procurement and to reduce expenses with the economies of scale, the four organizations consisting of our university, Ibaraki University, Tsukuba University of Technology and the High Energy Accelerator Research Organization (KEK) started to purchase liquid nitrogen in partnership under the agreement between us, in addition to plain paper, toilet paper and fluorescent lamps. From fiscal year 2013, we are going to add the maintenance of staff residence halls as an item we purchase in partnership. Furthermore, the agreement is going to be between six organizations, adding the National Research Institute for Earth Science and Disaster Prevention (NIED) and the National Institute for Material Science (NIMS).

With this joint procurement, we succeeded to streamline procurement and control influence on its costs because of an increase in electricity bills to the minimum.



# Balance Sheet

(In millions of yen)

Item	FY 2011	FY 2012	Change
<b>Assets</b>	<b>370,827</b>	<b>399,893</b>	<b>29,067</b>
<b>Fixed Assets</b>	<b>345,104</b>	<b>374,918</b>	<b>29,814</b>
Land	249,449	249,374	▲75
Buildings	62,872	85,332	22,460
Structures	4,053	5,027	974
Mechanical equipment/tools, furniture and fixtures	13,525	17,452	3,928
Books	9,867	9,904	37
Works of art and Collected items	867	871	5
Construction in Progress	1,594	3,123	1,530
Patents	83	135	52
Software	187	307	120
Patent in Progress	255	242	▲13
Investment in Securities	2,000	2,804	804
Other Fixed Assets	352	345	▲7
<b>Current Assets</b>	<b>25,723</b>	<b>24,975</b>	<b>▲748</b>
Cash and Deposits	16,495	7,468	▲9,027
Accounts Receivable	4,994	5,381	387
Marketable Securities	3,820	11,500	7,680
Drugs, Medicine and Materials for Medical Services	196	172	▲24
Other Current Assets	218	454	237

It decreased due to impairing from a site because of the decision to abolish "Ishiuchi Training Center".

It increased due to the completion of University Hospital "Keyaki building" (26,364 million yen), etc.

It increased due to the acquisition of medical equipment pertaining to PFI in University Hospital (2,749 million yen), "Zengaku Computer System" in Academic Computing and Communications Center (703 million yen, lease), etc.

The number of books collected is approximately 2.63 million as of the end of fiscal year 2012.

It increased due to starting on the production of next generation of cancer treatment BNCT (Boron Neutron Capture Therapy) device.

It increased due to the purchase of government bonds (10 years remaining) and government-guaranteed bonds.

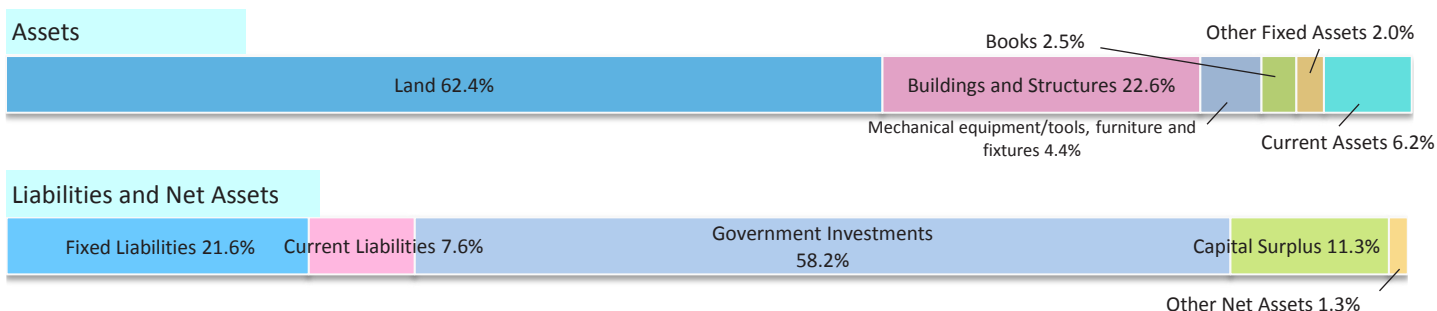
It decreased due to fund management of marketable securities (certificate of deposits).

It increased due to accounts receivable of Sponsored Operations Expenses from the Ministry of Economy, Trade and Industry (171 million yen), and amount scheduled to be refunded of a consumption tax (180 million yen), etc.

It increased due to fund management of certificates of deposit for short-term.

Financial Statements in Fiscal Year 2012

## ○ Breakdown of Assets / Liabilities / Net Assets by composite in fiscal year 2012



(In millions of yen)

Item	FY 2011	FY 2012	Change
<b>Liabilities</b>	<b>87,867</b>	<b>116,480</b>	<b>28,613</b>
<b>Fixed Liabilities</b>	<b>59,138</b>	<b>86,247</b>	<b>27,110</b>
Per Contra Liabilities for Property Acquisition	23,861	27,305	▲3,444
Borrowings	32,138	27,667	▲4,471
Long-term PFI Liabilities	1,124	28,600	▲27,477
Other Fixed Liabilities	2,014	2,675	▲660
<b>Current Liabilities</b>	<b>28,730</b>	<b>30,232</b>	<b>1,503</b>
Management Expenses Grants Liabilities	3,841	3,720	▲121
Donation Liabilities	3,699	3,676	▲23
Borrowings scheduled to be repaid within one year	4,539	4,471	▲67
Short-term PFI Liabilities	186	2,104	▲1,919
Accounts Payable	10,329	10,998	▲669
Other Current Liabilities	6,136	5,262	▲874
<b>Net Assets</b>	<b>282,959</b>	<b>283,413</b>	<b>454</b>
Government Investment	232,826	232,826	-
Capital Surplus	43,069	45,237	▲2,168
Reserve Funds Carried Forward from Previous Mid-Term Plan Period	4,636	4,271	▲364
Appropriated Surplus	1,132	663	▲468
Reserve	902	995	▲93
Unappropriated retained earnings (or Undisposed loss) at the end of the term	395	▲579	▲974

It is an accounting item specific to national university corporations. In case of an acquisition of assets, a matching liability is recorded. Then, when depreciation expenses of that assets emerge, a matching liability is reduced into an income to balance the income and expenses.

It increased due to recording liabilities with the completion of University Hospital "Keyaki building".

We carried forward expenses of reconstruction related projects (1,350 million yen), Disaster Restoration Expenses (601 million yen), expenses of Tsukuba International Strategic Zone (457 million yen), etc., however it decreased compared to fiscal year 2011.

It decreased due to regular repayment of borrowings from financial institutions for purchasing land (▲3,963 million yen) and borrowings from Center for National University Finance and Management (▲576 million yen).

It is recorded in cases such as when fixed assets are acquired using Facility Expenses granted by the national government.

We reduced Reserve for expenditures of operating expenses for Remodeling Student Residence Halls.

The loss was recorded due to the accounting treatment of initial costs and Depreciation Expenses by PFI project.

### Balance Sheet (B/S)

Reveals the financial condition of a corporation on the day of settlement. Liabilities and Net Assets show the "source of fund procurement" and Assets show "how the procured funds have been managed".

Assets : The majority is Fixed Assets such as land and buildings.

Liabilities : Borrowings (including PFI Liabilities) account for 54%, but we are striving to achieve a stable financial operation by making repayments in a well-planned manner.

Net Assets : They account for 71% of the total of Liabilities and Net Assets with 82% coming from government investment.

# Profit and Loss Statement

(In millions of yen)

Item	FY 2011	FY 2012	Change
Ordinary Expenses	82,074	83,720	1,645
Operating Expenses	78,488	80,075	1,587
Education Expenses	5,956	6,186	230
Research Expenses	8,009	7,809	▲ 200
Medical Service Expenses	13,909	16,408	2,499
Education and Research Support Expenses	2,342	2,390	48
Sponsored Research Expenses	3,578	3,581	3
Sponsored Operations Expenses	552	625	73
Personnel Expenses	44,143	43,075	▲ 1,068
General Administrative Expenses	2,553	2,592	39
Financial Expenses	913	981	68
Miscellaneous Loss	120	72	▲ 48
Extraordinary Loss	1,866	624	▲ 1,242
Gross Income (Loss)	395	▲ 579	▲ 974

National university corporations are required to classify expenses by purpose of use such as education, research, etc.

It decreased due to having no rent of a facility which was used as temporary school buildings in Tokyo campus.

It increased due to the rise in consignment fees for testing, as well as depreciation expenses of lease assets, tools, furniture, fixtures and buildings with the completion of Keyaki building.

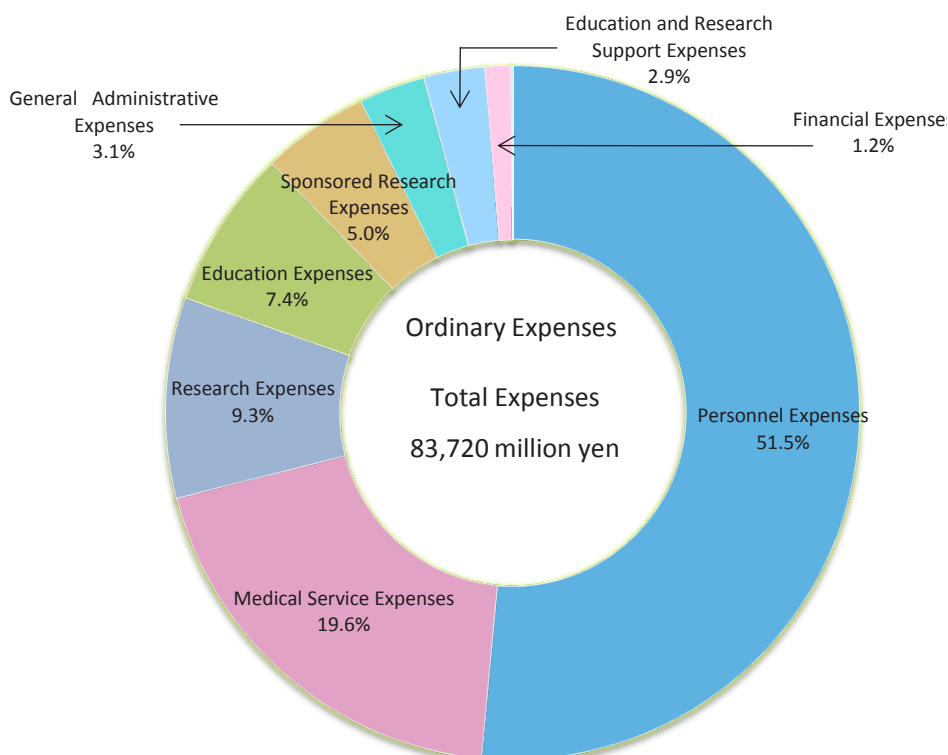
It decreased due to the reduction in salary payment that based on the Special Provisions Act.

Paid interest on Borrowings and PFI Liabilities are recorded.

Disaster Restoration Expenses are recorded mainly. Restoration expenses decreased from fiscal year 2011 due to steadily moving forward towards the recovery form disaster.

The loss was recorded due to the accounting treatment of initial costs and depreciation expenses by PFI project.

○ Breakdown of Ordinary Income and Expenses by composite in fiscal year 2012



## What is the difference between Income and Revenue?

Income / Expenses : accrual basis accounting

Revenue / Expenditures : cash basis accounting

### Income that is not Revenue

(ex) accrued income such as interest

### Revenue that is not Income

(ex) unearned revenue such as down payments

### Expenditures that are not Expenses

(ex) prepayments such as rents

### Expenses that are not Expenditures

(ex) depreciation expenses



(In millions of yen)

Item	FY 2011	FY 2012	Change
Ordinary Income	82,377	82,921	544
Management Expenses Grants Income	37,268	36,039	▲1,229
Student Fee Income	9,045	9,443	398
University Hospital Income	22,122	22,700	578
Sponsored Research / Sponsored Operations Income	4,757	4,687	▲69
Facilities Expenses Grants Income	481	143	▲337
Subsidy Income	2,395	2,829	434
Donation Income	1,364	1,633	270
Reversal of Per Contra Liabilities for Property Acquisition	2,666	2,907	241
Financial Income	44	41	▲3
Miscellaneous Gains	2,236	2,498	262
Extraordinary Profit	1,669	600	▲1,069
Reduction of Appropriated Surplus	-	166	166
Reduction of Reserve Funds Carried Forward from Previous Mid-Term Plan Period	289	77	▲211

Management Expenses Grants are decreased.

Income increased due to the decline in the acquisition of depreciable assets for education.

It increased due to the rise in the number of outpatient chemotherapies and surgeries.

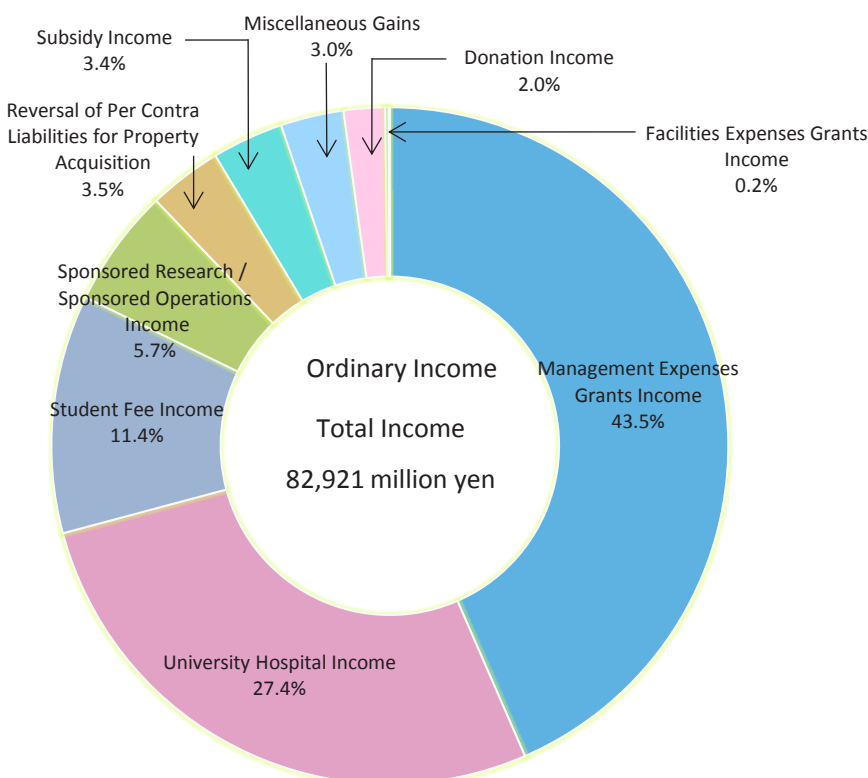
It decreased due to the decline in amounts received and the rise in amounts carried forward.

It increased due to the rise in amounts received of World Premier International Research Center Initiative (WPI), etc.

It increased with the rise in amounts received.

This is an income item that is recorded corresponding to the depreciation expenses of assets. By recording it, profit and loss are balanced. (Please see "Unique Accounting Treatment (an Example)" on page 6 for details.)

Income from Disaster Restoration Expenses in Extraordinary Loss is decreased from fiscal year 2011.



### Profit and Loss Statement (P/L)

The statement shows the amount of income minus expenses as profit. It reveals the situation with the operation of a national university corporation during a certain accounting period.

# Cash Flow Statement

(In millions of yen)

It shows the flow of cash, such as business revenue and expenditures, related to conducting the respective operations of education and research, etc.

It records the difference between the amount received and the amount paid.

It shows the flow of cash in fund management or acquisition of Fixed Assets for establishing the operational foundation towards the future.

It shows the flow of cash in repayment of Borrowings, etc.

It shows the changes in the amount of funds during the fiscal term. The increase in funds during the fiscal term is due to the decrease in investment activities.

The closing balance does not include time deposits and thus does not match the Cash and Deposits in Balance Sheet.

Items	FY 2011	FY 2012	Change
<b>I Cash Flow from Operating Activities</b>	14,867	11,762	▲3,105
Education/Research Operation Expenditures	▲15,880	▲15,315	565
Medical Service Operation Expenditures	▲12,288	▲12,758	▲470
Expenditures of Personnel Expenses	▲42,203	▲44,268	▲2,065
Other Operating Expenditures	▲4,239	▲3,326	913
Management Expenses Grants Revenue	44,804	42,702	▲2,102
Student Fee Revenue	9,537	9,285	▲252
University Hospital Revenue	21,791	22,546	755
Sponsored Research/Operations Revenue	5,174	4,819	▲355
Subsidy Revenue	3,772	3,744	▲29
Donation Revenue	1,536	1,713	177
Other Operating Revenue	2,296	2,440	144
Changes in Deposits Payable	568	181	▲387
Amount paid to national treasury	-	-	-
<b>II Cash Flow from Investing Activities</b>	▲14,555	▲3,841	10,714
Expenditures from the acquisition of marketable securities	▲36,992	▲60,004	▲23,012
Revenue from the sale of marketable securities	34,070	51,520	17,450
Expenditures from the acquisition of tangible/intangible fixed assets	▲12,229	▲9,440	2,789
Revenue from the sales of tangible/intangible fixed assets	316	-	▲316
Expenditures from deposit of time deposits	▲23,300	▲3,300	20,000
Revenue from the withdrawal of time deposits	18,000	14,000	▲4,000
Revenue from facility expenses	6,624	4,078	▲2,546
Expenditures of refund from settling facility expenses	▲742	▲742	-
Other investing expenditures	▲342	-	342
Interests and dividends received	39	47	8
<b>III Cash Flow from Financing Activities</b>	▲7,163	▲6,248	915
Expenditures for the repayment of Lease Liabilities	▲1,402	▲631	771
Expenditures for the repayment of PFI Liabilities	▲180	▲186	▲5
Expenditures for the repayment of Center for National University Finance and Management debt burden	▲610	▲555	56
Expenditures for the repayment of Long-term Borrowings	▲3,984	▲3,984	-
Other Financing Expenditures	-	▲25	▲25
Interest paid	▲986	▲868	118
<b>IV Differences from Currency Conversion of Funds</b>	▲0	▲1	▲1
<b>V Changes in Funds</b>	▲6,850	1,673	8,523
<b>VI Initial Balance</b>	11,545	4,695	▲6,850
<b>VII Closing Balance</b>	4,695	6,368	1,673

## Cash Flow Statement (C/F)

The statement focuses on the flow of cash during a certain accounting period and displays them by specific activity segments. It shows the flow and overage/shortage of cash that cannot be seen in "Balance Sheet" or "Profit and Loss Statement."

While Profit and Loss Statement shows the expenses and income generated during the fiscal term, this statement recognizes and measures the fact of "cash received and paid" including borrowings and additional investments unrelated to expenses and income, and it is indicated as revenue (plus) and expenditures (minus: ▲) segments.

# National University Corporation Business Operation Cost Statement

(In millions of yen)

Items	FY 2011	FY 2012	Change
<b>I Operating Expenses</b>	44,510	43,420	▲ 1,089
<b>1) Expenses in Profit and Loss Statement</b>	83,940	84,343	403
Operating Expenses	78,488	80,075	1,587
General Administrative Expenses	2,553	2,592	39
Financial Expenses	913	981	68
Miscellaneous Expenses	120	72	▲ 48
Extraordinary Loss	1,866	624	▲ 1,242
<b>2) (Deduction) Non-Subsidy Revenue</b>	▲ 39,431	▲ 40,923	▲ 1,492
Tuition Fee Income	▲ 7,419	▲ 7,812	▲ 393
Admission Fee Income	▲ 1,319	▲ 1,326	▲ 7
Examination Fee Income	▲ 306	▲ 304	2
University Hospital Income	▲ 22,122	▲ 22,700	▲ 578
Sponsored Research Income	▲ 4,176	▲ 4,036	139
Sponsored Operations Income	▲ 581	▲ 651	▲ 70
Donation Income	▲ 1,364	▲ 1,633	▲ 270
Reversal of Management Expenses Grants Per Contra Liabilities for Property Acquisition (Tuition Fee)	▲ 113	▲ 229	▲ 116
Reversal of Donations Per Contra Liabilities for Property Acquisition	▲ 633	▲ 640	▲ 7
Financial Income	▲ 44	▲ 41	3
Miscellaneous Gains	▲ 1,285	▲ 1,524	▲ 239
Extraordinary Income	▲ 68	▲ 24	44
<b>II Depreciation Amount not Included in P/L</b>	4,297	4,325	28
<b>III Impairment Loss Amount not Included in P/L</b>	197	183	▲ 14
<b>IV Interest Expense Equivalent Amount not Included in P/L</b>	0	3	2
<b>V Sales or Disposal Amount not Included in P/L</b>	17	6	▲ 11
<b>VI Estimated Amount of Increase in Unreserved Bonus</b>	▲ 97	▲ 132	▲ 35
<b>VII Estimated Amount of Increase in Unreserved Retirement Benefit</b>	▲ 971	▲ 136	835
<b>VIII Opportunity Cost</b>	2,876	1,723	▲ 1,152
Opportunity cost of debt-credit transactions of decreased or free-of-charge usage fees from the national government or local public authorities	210	190	▲ 20
Opportunity cost of government investment	2,666	1,533	▲ 1,133
<b>IX National University Corporation Business Operation Cost</b>	50,829	49,393	▲ 1,436

It shows the expenses in Profit and Loss Statement minus income of Non-Subsidy Revenue.

It shows income other than that coming from tax money from the Japanese people.

It shows the increase in the cost borne by the Japanese people that is not included in Profit and Loss Statement.

It shows the amount waived or reduced for being a national university corporation, in using assets held by the government, etc.

It includes staff residence halls rented free of charge from the national government.

No interest payment is required on government investments recorded in Balance Sheet, but this shows the hypothetical amount that would be paid.

Financial Statements in Fiscal Year 2012

## National University Corporation Business Operation Cost Statement (O/C)

The statement summarizes the cost borne by the Japanese people for the business operation of a national university corporation to ensure the thoroughness of information disclosure so that it would contribute to the evaluation/assessment of the operations of a national university by the Japanese people as the taxpayers.

That is to say, it represents the amount of tax money incurred by the Japanese people for our university.

# Statement on Appropriation of Retained Surplus or Disposition of Loss (draft)

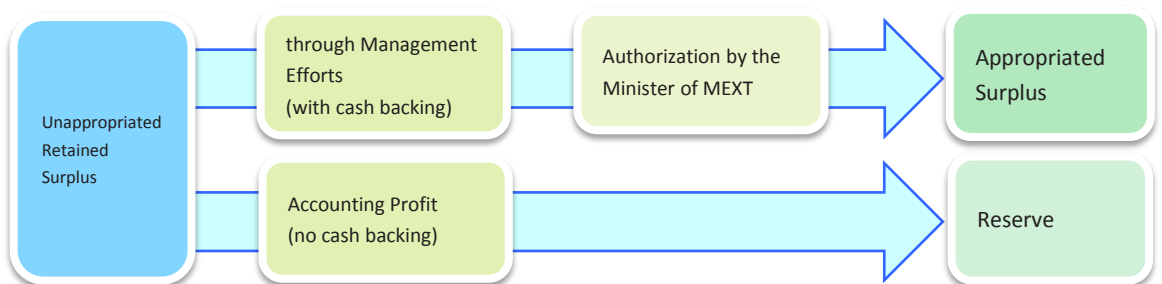
(In millions of yen)

Items	FY 2011	FY 2012	Change	Remarks
<b>I Unappropriated Retained Surplus (or Undisposed Loss) at the end of the term</b>	395	▲ 579	▲ 974	
Gross Profit (Loss)	395	▲ 579	▲ 974	
<b>II Retained surplus appropriation (loss disposition)</b>	395	▲ 579	▲ 974	
Appropriated Surplus	302	-	▲ 302	Amount to be requested for approval by the Minister of Education, Culture, Sports, Science and Technology under the National University Corporations Law Article 35, which provides for the mutatis mutandis application of the Act on the General Rules for Incorporated Administrative Agencies, Article 44, Paragraph 3
Reserve	93	▲ 579	▲ 672	If Undisposed Loss at the end of the term emerges, the loss is compensated by the reduction of Reserve.

Portion of Unappropriated Retained Surplus with cash backing that can be used for operations may be carried forward to the next fiscal year upon receiving authorization of management efforts from the Minister of MEXT based on application and upon making the use of the fund clear.

Unappropriated Retained Surplus other than Appropriated Surplus is categorized as Reserve.

## ○ Flow of Appropriation of Earned Surplus



### Statement on Appropriation of Retained Surplus

National University Corporations are non-profit corporations which conduct operations with Management Expenses Grants received. Its accounting is based on a system under which the profit and loss shall be balanced if operations are implemented as planned. However, if non-subsidy revenue rises or costs are reduced through efficient operations management, there will be a profit. "Statement on Appropriation of Retained Surplus" is prepared in order to make clear how this profit will be carried forward to the next fiscal year.

# Earnings Statement

## ○ Revenue

Classification	Budget	Actual	(In millions of yen)
			Difference (Actual - Budget)
Management Expenses Grants	46,830	46,464	▲ 366
Facilities Maintenance Grants	4,390	3,211	▲ 1,179
Subsidy Revenue	3,402	4,358	956
Grants for Facilities from the Center for National University Finance and Management	175	175	-
Non-Subsidy Revenue	33,657	33,150	▲ 507
Revenue from Tuitions, Admission and Examination Fee	9,563	9,274	▲ 289
University Hospital Revenue	22,884	22,546	▲ 338
Revenue from appropriation of property	-	-	-
Other Miscellaneous Revenue	1,210	1,330	120
Revenue from Industry-Academia Collaboration Research and Donations	7,287	8,880	1,593
Reduction of Reserve Allowance	396	398	2
Reduction of Appropriated Surplus	1,512	1,160	▲ 352
<b>Total</b>	<b>97,649</b>	<b>97,796</b>	<b>148</b>

Revenue decreased due to the reduction in salary payment based on the Special Provisions Act.

Revenue decreased because the disaster restoration projects and the projects for repair of laboratory schools were carried forward to fiscal year 2013.

Revenue decreased due to the decline in the number of students, etc.

The number of outpatients increased. However income decreased under the influence of the period of moving to Keyaki building.

Revenue increased due to the effort to gain external funds.

Project for enhancing the function of Joint Usage / Research Center was uncompleted in part. For that, amounts reduced were decreased.

## ○ Expenditures

Classification	Budget	Actual	(In millions of yen)
			Difference (Actual - Budget)
Operating Expenses	75,919	71,064	▲ 4,855
Education and Research Expenses	51,098	46,643	▲ 4,455
Medical Service Expenses	24,821	24,422	▲ 400
Facility Maintenance Expenses	5,731	4,195	▲ 1,536
Subsidies	3,402	4,143	740
Expenditures for Industry-Academia Collaboration Research and Donation Projects	7,287	7,677	390
Redemption of Long-term Borrowings	5,309	5,308	▲ 1
Paid for Facilities from the Center for National University Finance and Management	-	-	-
<b>Total</b>	<b>97,649</b>	<b>92,387</b>	<b>▲ 5,262</b>

Expenditures decreased due to the reduction in salary payment based on the Special Provisions Act.

Expenditures decreased because the disaster restoration projects and the projects for repair of laboratory schools were carried forward to fiscal year 2013.

Expenditures increased with the rise in amounts received of Subsidies.

Expenditures increased with the rise in amounts received of Donations.

### Earnings Statement

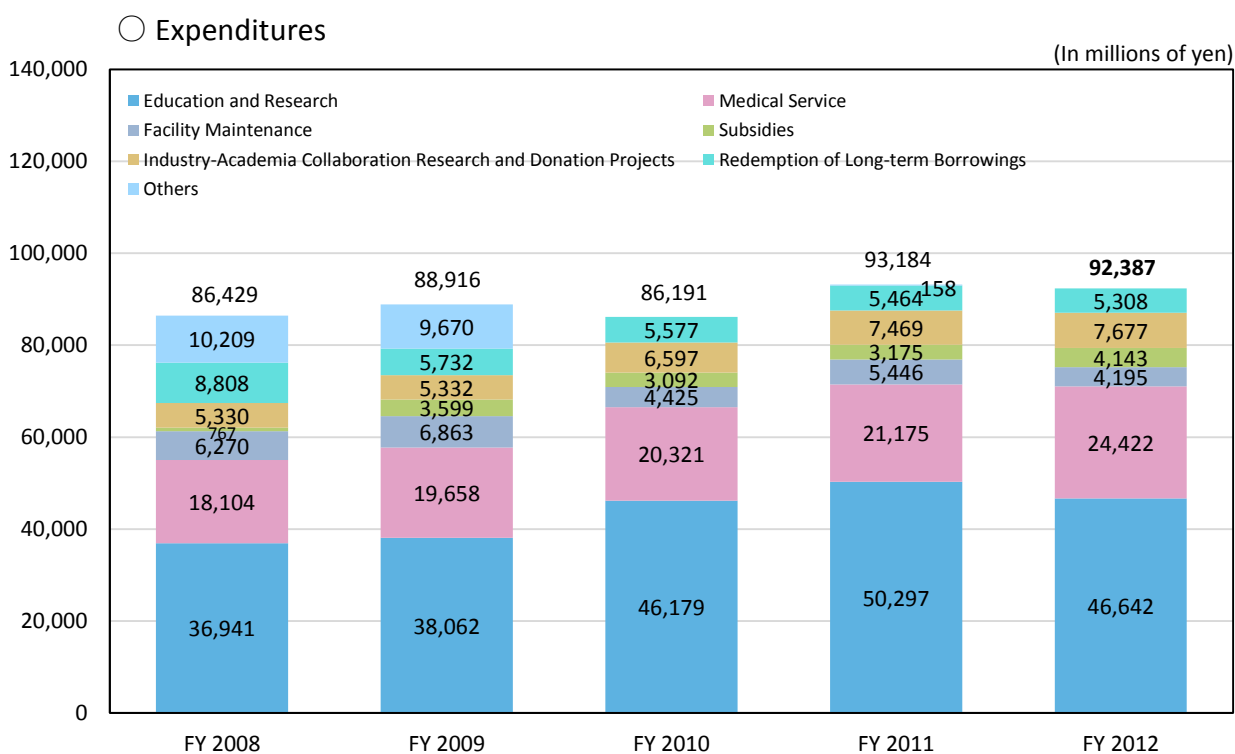
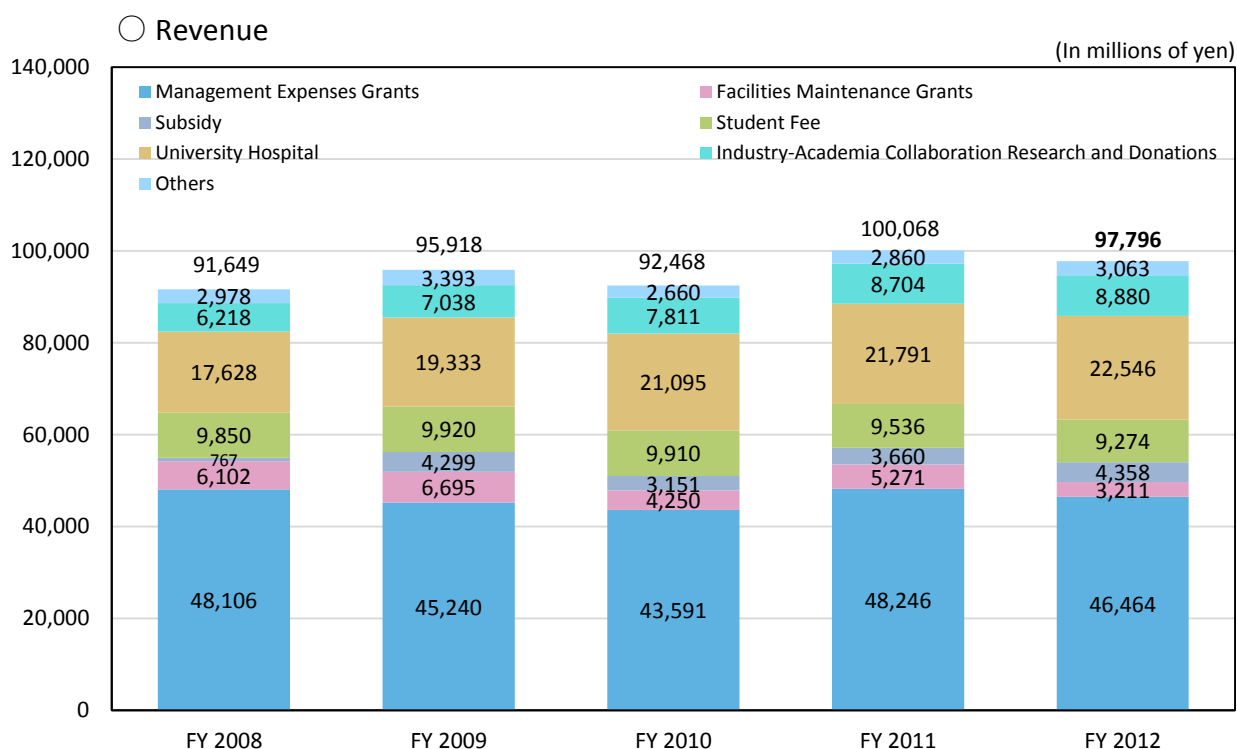
As the majority of the operating funds is appropriated from the national government resources, management by budget classifications similar to that of the national government is required. The statement shows the situation of implementation in comparisons to the budget plan.

# On Operating Expenses

## Changes in Annual Operating Expenses

The revenue of our university consists of Management Expenses Grants provided by the national government, external funds such as Sponsored Research Expenses, Non-Subsidy Revenue like Student Fee Revenue and University Hospital Revenue, etc. Looking at the changes since fiscal year 2008, our revenue is in an increasing trend.

Meanwhile, the expenditures consist of Education and Research Expenses, Medical Service Expenses, Industry-Academia Collaboration Research Expenses, and etc. Our expenditures have also been increasing year by year since fiscal year 2008. Therefore, our university's Operating Expenses are in an increasing trend, and it can be seen that our university's operation has expanded.

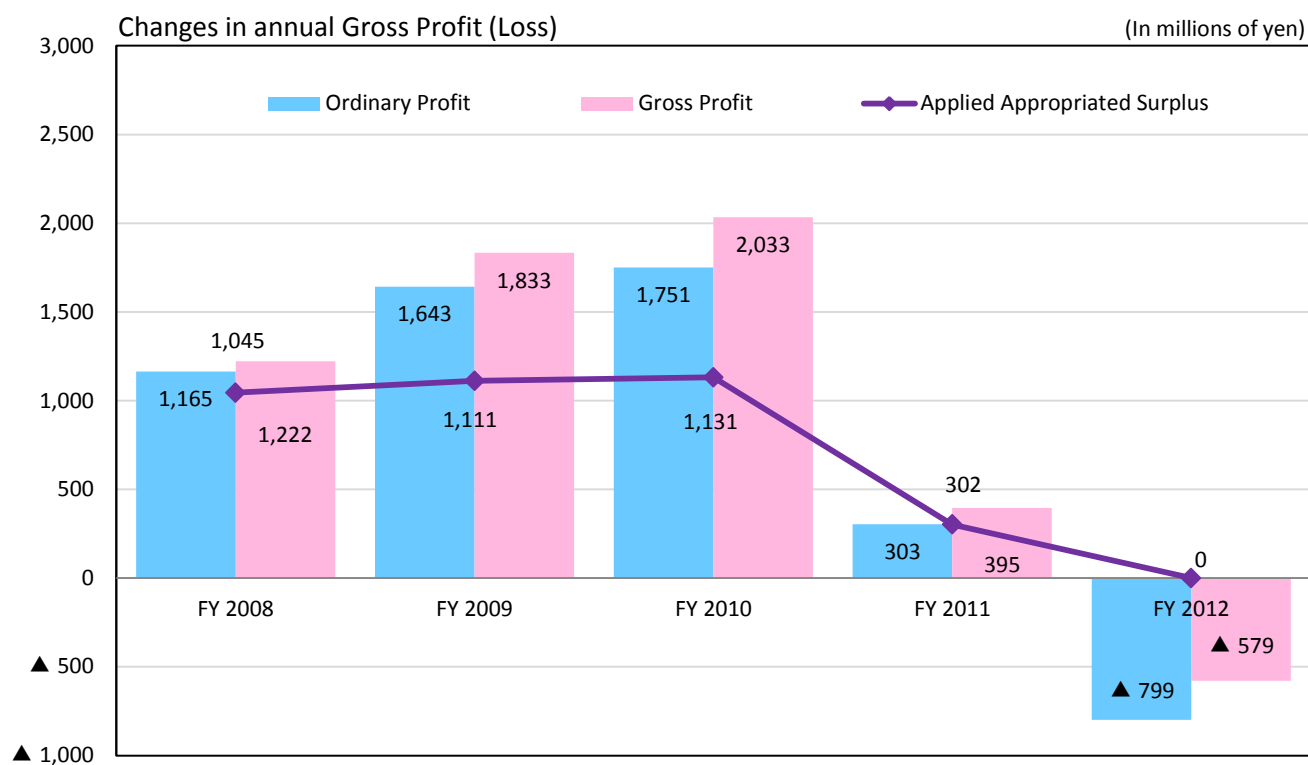


Financial Information pertaining to Management

## Changes in Annual Gross Profit

Gross Profit of our university in fiscal year 2012 was ▲579 million yen, the loss was recorded. Compared to fiscal year 2011, it decreased by 974 million yen. This is mainly due to the influence of the first year expenses recorded according to the project for the university hospital redevelopment and expenses with no

expenditures on account processing such as depreciation expenses. Meanwhile, because the balance of revenues and expenditures was 0 yen, we didn't apply Appropriated Surplus. (To details, please see page 14.)



## Implementation of Appropriated Surplus

Appropriated Surplus is to be used for organizational improvements and for raising the quality of education and research as determined in the use of surplus in the mid-term plan.

In fiscal year 2012, we reduced 364,219 thousand yen as Reserve Funds Carried Forward from Previous Mid-Term Plan Period into "Projects for renovation of student residence halls" and "Damages in an incident occurred before corporatization"; and 770,238 thousand yen as Appropriated Surplus into "Projects for reserve / maintenance of education and research environment".

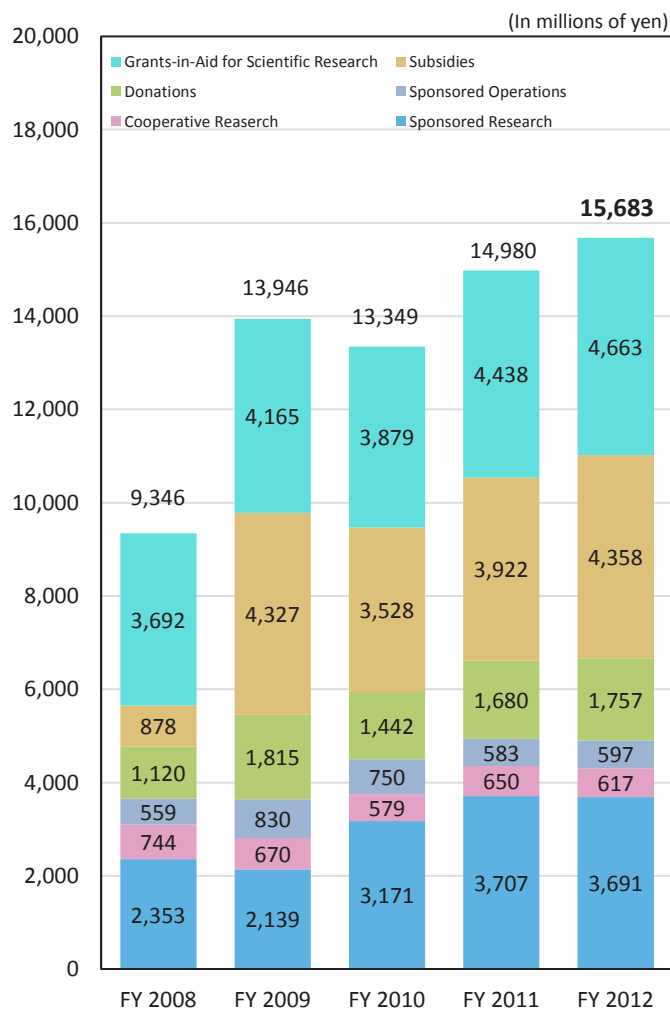
(In thousands of yen)

Items of Reserve and name of projects	Reserve Funds Carried Forward from Previous Mid-Term Plan Period		Appropriated Surplus	Total
	Renovation of student residence halls	Damages in an incident occurred before corporatization	Projects for reserve / maintenance of education and research environment	
Buildings	279,477	-	17,441	296,918
Structures	7,360	-	-	7,360
Tools, Furniture and Fixtures	-	-	585,783	585,783
Software	-	-	978	978
Sub-total	286,837	-	604,202	891,039
Education Expenses	49,756	-	1,892	51,648
Research Expenses	-	-	-	-
Medical Service Expenses	-	-	164,144	164,144
General Administrative Expenses	-	27,626	-	27,626
Sub-total	49,756	27,626	166,036	243,418
Total	336,593	27,626	770,238	1,134,457

# On External Funds

## Changes in Annual External Funds Received

External funds received in fiscal year 2012 increased by 703 million yen compared to fiscal year 2011 with various efforts leading to the rise. Furthermore, looking at the changes since fiscal year 2008, external funds received are in a rising trend, and the growth of our university can be seen.



\* Includes indirect expenses.

\* Excludes gifts-in-kind in Donations.

### [ Grants-in-Aid for Scientific Research ]

They are research aids for the development of original/leading research in all fields from humanities/social sciences to natural sciences, granted by the national government to individual researchers. In fiscal year 2012, the amount increased by 225 million yen compared to fiscal year 2011.

- Grants-in-Aid for Scientific Research (Kakenhi)	: 1,855	4,177 million yen
- Health and Labor Sciences Research Grants	: 73	357 million yen
- Other Grants	: 6	129 million yen

### [ Subsidies ]

They are granted by the national government or local public authorities to specific projects of the university. In fiscal year 2012, the amount increased by 436 million yen compared to fiscal year 2011.

- Subsidies of the Project for Establishing Core Universities for Internationalization (the Global 30)	: 3	432 million yen
- Funding Program for World-Leading Innovative R&D on Science and Technology (FIRST)	: 2	1,450 million yen
- Subsidies of the Project for Promoting International Core for Research (WPI)	: 1	221 million yen
- University Reform Development Subsidies	: 11	567 million yen

### [ Donations ]

They are donated funds from corporations or individuals to the university for the purpose of enhancing education or for academic research. They include endowed courses that are courses funded by donations from private institutions. In fiscal year 2012, the amount increased by 77 million yen compared to fiscal year 2011.

- Mito Medical Center operations	: 1	250 million yen
- Life-style Diseases Course Endowed by the JA Ibaraki Prefecture Welfare Federation of Agricultural Cooperative (Endowed course)	: 1	50 million yen
- Ibaraki Prefecture Research Course on Regional Medical System (Endowed course)	: 1	189 million yen

### [ Sponsored Research, Cooperative Research, Sponsored Operations ]

Sponsored Research is a system under which our university is commissioned from an external consigner to conduct research as the university's operation and reports the results to this consigner. Cooperative Research is that the university carries out a research on common subject by cooperating with or sharing it with outside researchers. In fiscal year 2012, the amount decreased by 35 million yen compared to fiscal year 2011.

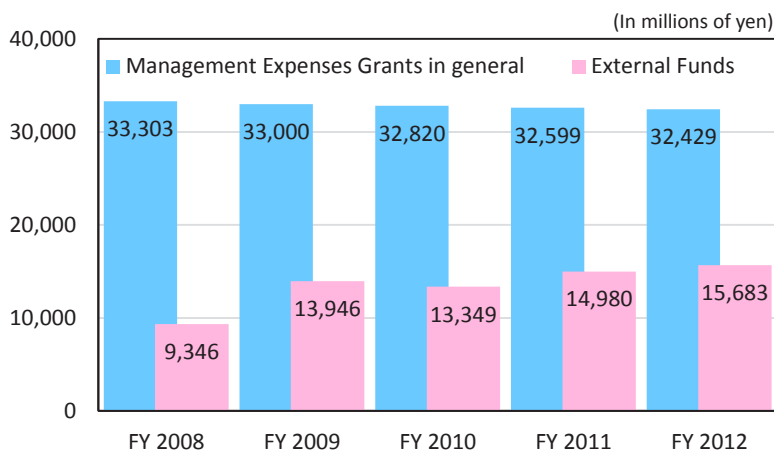
- Team "Nippon" Multi Support Project	: 1	1,230 million yen
- Strategic Basic Research Program (CREST)	: 19	535 million yen
- Strategic Basic Research Program (PRESTO)	: 16	174 million yen

\* Only main projects are mentioned in tables.

## Changes in Annual Management Expenses Grants and External Funds

The graph on the right compares the above mentioned amount of external funds received and the amount of Management Expenses Grants in general received. While Management Expenses Grants in general have been decreasing year by year, it can be seen that external funds received have been increasing and supporting the operations of the university.

\* Management Expenses Grants in general excludes special expenses, special factor expenses, and the portion from the supplementary budget.





## ■ Implementation of Donations

Donations are, if the use of funds is designated by the donor, considered as liabilities of the corporation reflecting one's will. Therefore, it is recorded as "Donation Liabilities" at the time of receipt. These Donation Liabilities remain as liabilities, even after the mid-term period, until expenses are generated in line with the designated use. When such expenses are generated, Donation Liabilities are reduced and accounted for as "Donation Income".

\* Excludes gifts-in-kind.

\* The number of donations received is the total.

\* Funds include the "the University of Tsukuba Fund" as well as the "Fund for the occasion of the 120 year anniversary of the establishment of the Junior and Senior High School at Otsuka, University of Tsukuba".

\* The Other column shows the amount transferred to other institutions.

Donation Liabilities in Fiscal Year 2012

Item	Number	Initial balance	Increase	Amount received	Decrease	(In thousands of yen)		Closing balance
						Assets obtained	Expenses	
						Other		
Donations	897	2,966,336		1,143,356		127,792	1,054,958	2,921,264
						5,678		
Endowed courses	16	419,396		526,584		3,682	554,666	386,633
						1,000		
Funds	2,361	313,269		87,375		8,394	23,686	368,565
						-		
<b>Total</b>	<b>3,058</b>	<b>3,699,002</b>		<b>1,757,315</b>		<b>139,868</b>	<b>1,633,310</b>	<b>3,676,461</b>
						<b>6,678</b>		

## ■ Implementation of Subsidies

Subsidies are granted by the national or local governments to specific projects of the university. When a subsidy is granted, it is categorized as "Subsidies Deposited" and, as the operation proceeds in line with the purpose of the subsidy granted, is recorded as income. Specifically, "Subsidies Income" is recorded according to expenditures of costs (expenses) pertaining to that operation.

\* Subsidies other than from the above mentioned are those provided by independent administrative agencies, etc.

\* The Other column shows the amount repaid.

Subsidies Deposited in Fiscal Year 2012

Item	Number	Initial balance	Increase	Amount received	Decrease	(In thousands of yen)		Closing balance
						Assets obtained	Expenses	
						Other		
Subsidies from National Government	39	48,577		2,487,069		494,607	1,972,987	19,474
						48,577		
Subsidies from Local Government	6	-		26,000		15,750	10,250	-
						-		
Subsidies other than from the above	11	759,769		1,142,876		802,695	846,222	240,868
						12,860		
<b>Total</b>	<b>56</b>	<b>808,346</b>		<b>3,655,945</b>		<b>1,313,052</b>	<b>2,829,459</b>	<b>260,342</b>
						<b>61,437</b>		

## ■ Implementation of Grants-in-Aid for Scientific Research

Grants-in-Aid for Scientific Research are granted as competitive funds to the representative of a research planning that is followed by one or more researchers. Therefore, the research institution can not include the Grants as income of the institution, and the amount is recorded as a deposit with the institution. The indirect expenses are categorized as the corporation's income.

\* Includes amounts received as expenses shared.

\* The closing balance of indirect expenses is recorded as advances received.

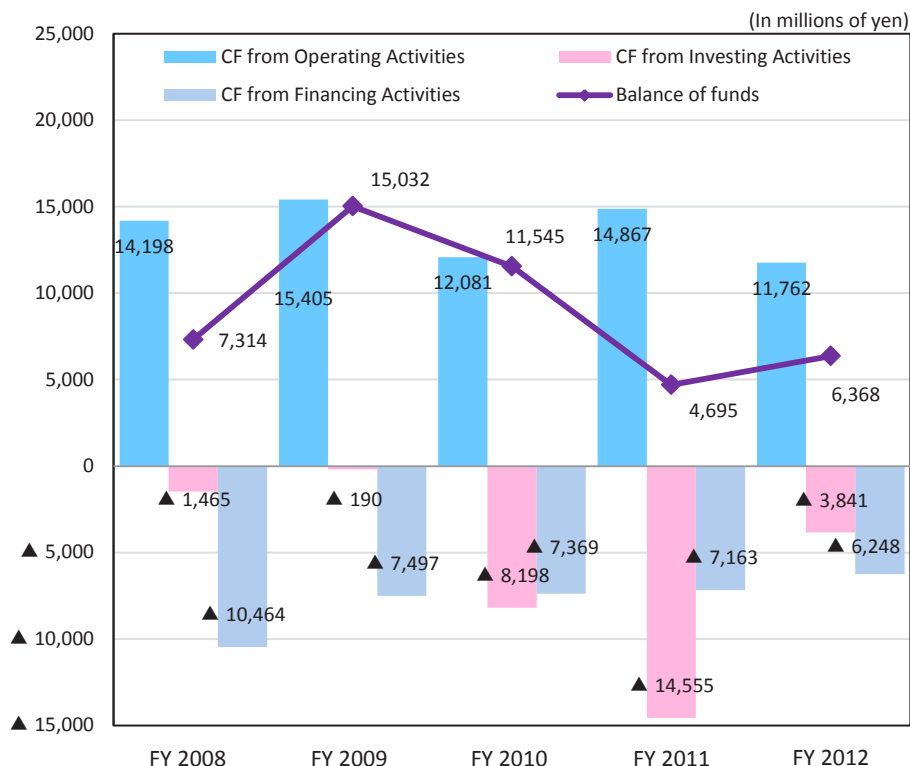
Grants-in-Aid for Scientific Research Deposited in Fiscal Year 2012 (In thousands of yen)

Item	Number	Initial balance	Increase	Direct expenses		Decrease	Indirect expenses		Closing balance
				Direct expenses	Indirect expenses		Direct expenses	Indirect expenses	
Grants-in-Aid for Scientific Research (Kakenhi)	1,076	-		2,563,047		2,563,047		-	
				689,983		689,983			
Multi-year Fund-based Grants-in-Aid (Multi-year Fund)	709	104,365		786,203		743,386	222,213	159,807	
				234,838					
Kakenhi (Multi-year Fund in part)	100	-		271,655		240,623		40,143	
				81,407		72,296			
Health and Labor Sciences Research Grants	73	-		460,345		460,345		-	
				70,271		70,271			
Grants for Industrial Technology Research	2	-		14,880		14,880		-	
				4,464		4,464			
Leading-edge Research Promotion Fund (Multi-year Fund)	4	21,307		112,486		107,200		28,179	
				33,746		32,160			
<b>Total</b>	<b>1,964</b>	<b>125,672</b>		<b>4,208,617</b>		<b>4,129,482</b>		<b>228,129</b>	
				<b>1,114,709</b>		<b>1,091,388</b>			

## Changes in Annual Cash Flow

Cash Flow Statement focuses on the flow of funds (cash) during a certain accounting period and describes the flow in specific activity segments.

In fiscal year 2012, "Cash Flow from Operating Activities", which shows the flow of funds for education and research activities, decreased by 3,105 million yen compared to fiscal year 2011 because of decrease in Management Expenses Grants Revenue and increase in expenditures due to the project for the university hospital redevelopment. "Cash Flow from Investing Activities", which shows the purchase and sales of tangible fixed assets and marketable securities such as government bonds and certificates of deposit, decreased compared to fiscal year 2011 because the amount of Redemption of time deposits was over the amount of the purchase. Meanwhile, "Cash Flow from Financing Activities", which shows the situation of the procurement and repayment of funds, was ▲6,248 million yen mainly because of the repayment of Long-term Borrowings and lease liabilities.

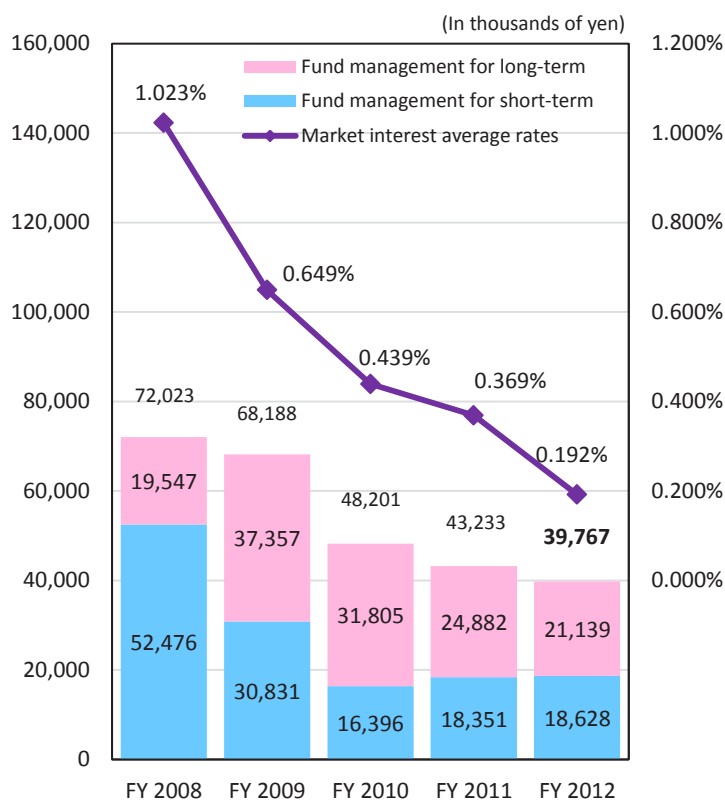


## Track Record of Profit from Fund Management

Since the corporatization of national universities, Management Expenses Grants are being reduced every year, and to secure various sources of revenue is the challenge for universities.

At our university, surplus funds not scheduled to be paid out in foreseeable future, are invested in government bonds and government guaranteed-bonds using donations as resources for long-term as well as in certificates of deposit using Management Expenses Grants as resources for short-term (less than one year).

In fiscal year 2012, in the situation that market interest rate was low, profit from fund management was approximately 40 million yen. Furthermore, fund management for short-term was influenced by suspending Management Expenses Grants by no approval of Act on Deficit Public Debt Securities, 2 billion yen reduction in Manamenet Expenses Grants with the reduction in salary payment, etc. However, as a result of efficient fund management, profit from fund management increased from fiscal year 2011.



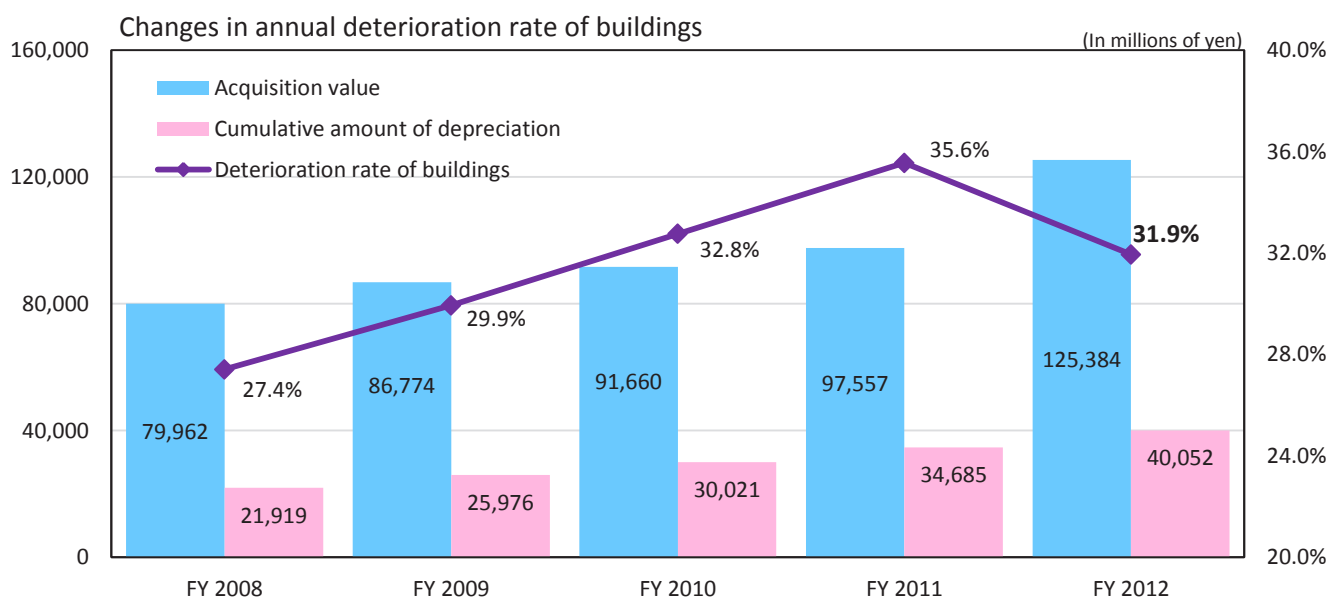
\*The market interest average rates are taken from the average annual yield for newly issued five-year government bonds.

## Deterioration Rate of Buildings

It can be grasped as a whole that in Buildings of Tangible Fixed Assets, by calculating the rate of cumulative amount of depreciation to acquisition value, how long they have been from acquisition as compared with their service lives.

Deterioration rate had been rising gradually until fiscal year 2011, but in fiscal year 2012, the ratio declined by 3.7%. The main cause of that was the acquisition of new buildings by the project for the university hospital redevelopment.

Furthermore, at the corporatization of national universities in fiscal year 2004, the buildings which were acquired by fiscal year 2003 were capitalized and succeeded from national government. However, acquisition value was recorded on estimated values as of the time of corporatization, and also their service lives were set as new service lives on that remaining as of the time of corporatization. Under the influence of that, years of depreciation are shorter than actual ages of service. As a result, actual deterioration rate of buildings is more progressing than one on the graph.



$$\text{Deterioration rate of buildings (\%)} = \frac{\text{Cumulative amount of depreciation}}{\text{Acquisition value}}$$

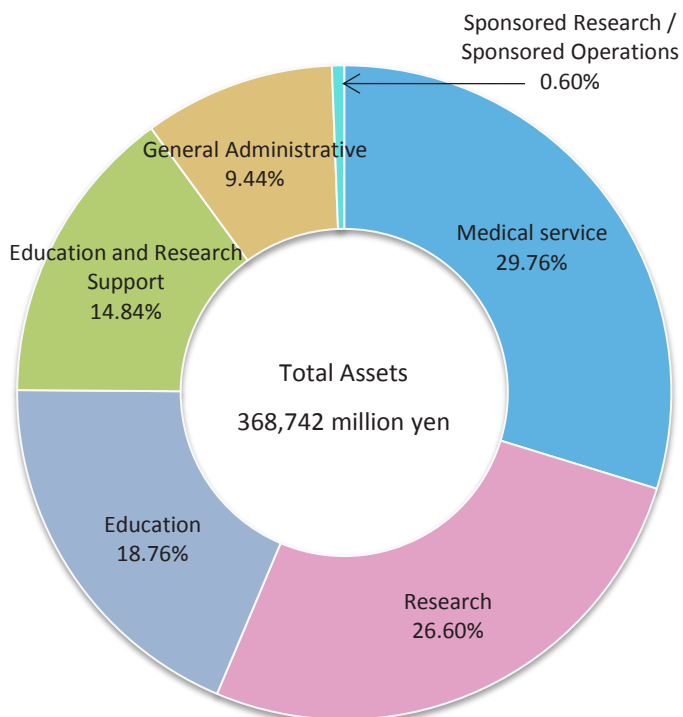
## The Rate of Assets by Usages

The right graph shows the rate of assets by usages. The value of assets is the remaining value, which excludes depreciation expenses till now from acquisition value, as of the end of fiscal year 2012.

The rate of medical service is high of approximately 30%. This is because the remaining value of medical service assets rose greatly by the newly establishment of Keyaki buildings at the university hospital in fiscal year 2012.

Nearly equal levels of funds were invested in education, research and medical service. It can be said that well-balanced investments not being one-sided by any of usages were made.

\*The total in right graph excludes Construction in Progress, etc. from "Fixed Assets" in Balance Sheet on page 21.



# Financial Indicator Analyses

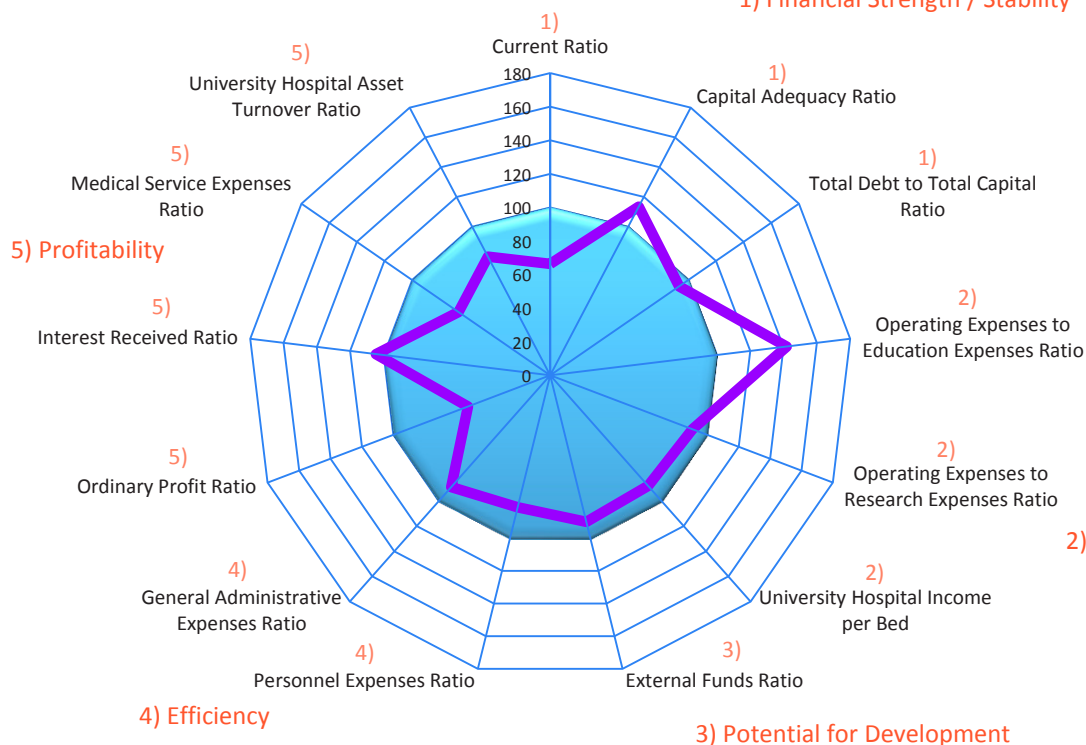
Making a financial analysis on the financial data from financial statements helps to better grasp and improve the financial situation of the university. The analysis is also utilized as the explanatory material towards the Japanese people and parties involved with the university.

Our university makes analyses using the following five indicator scheme.

The following radar chart shows the average in the rate of universities of similar size as 100 in blue, and the corresponding figure of our university in purple line.

- 1) Financial Strength / Stability  
This indicator shows whether or not the financial structure allows for stable/continuous education and research activities.
- 2) Activeness  
This indicator shows whether or not resources are financially secured/used for improving the level of higher education and academic research.
- 3) Potential for Development  
This indicator shows whether or not the university stabilizes financial resources and secures matching resources for the activities, by making efforts to secure various resources outside Management Expenses Grants from the national government and Student Fees.
- 4) Efficiency  
This indicator shows whether or not resources are efficiently managed in conducting education and research activities.
- 5) Profitability  
This indicator shows the profitability of Non-Subsidy Revenue; in particular whether or not the expenses and income of general medical service activities at the university hospital are balanced.

## 1) Financial Strength / Stability



[ Universities of similar size ]

- Hokkaido University
- Tohoku University
- Chiba University
- The University of Tokyo
- Niigata University
- Nagoya University
- Kyoto University
- Osaka University
- Kobe University
- Okayama University
- Hiroshima University
- Kyushu University

Explanation of Indicator		Indicator	Analysis																		
Financial Strength / Stability	Current Assets / Current Liabilities	<p><b>Current Ratio</b></p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>89.0%</td> <td>98.3%</td> <td>93.5%</td> <td>89.5%</td> <td>82.6%</td> </tr> <tr> <td>Average</td> <td>101.1%</td> <td>103.2%</td> <td>95.6%</td> <td>96.4%</td> <td>107.4%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	89.0%	98.3%	93.5%	89.5%	82.6%	Average	101.1%	103.2%	95.6%	96.4%	107.4%	<p>Current Ratio declined. This is because Current Assets decreased due to the purchase of Investment in Securities for fund management and Current Liabilities increased due to the rise in PFI Liabilities.</p>
			FY 2008	FY 2009	FY 2010	FY 2011	FY 2012														
Our university	89.0%	98.3%	93.5%	89.5%	82.6%																
Average	101.1%	103.2%	95.6%	96.4%	107.4%																
An indicator shows the short-term solvency (within one year) and the higher the figure, the larger the margin of solvency. If the current ratio is over 100%, it can be said that the Current Liabilities can be paid off with Current Assets.																					

\* If the arrow indicated on the lower part of the ratio column is pointing upward, the indicator is better when the figure is higher. The opposite is true if the arrow is pointing downward.

Explanation of Indicator		Indicator	Analysis																		
Financial Strength/Stability	<p><b>Capital Adequacy Ratio</b></p> <p>Equity Capital / (Liabilities + Equity Capital)</p> <p>An indicator shows the soundness of management. It can be said that the larger the figure, the more sound it is.</p> <p>↑</p>	<p><b>Capital Adequacy Ratio</b></p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>73.8%</td> <td>74.3%</td> <td>75.6%</td> <td>76.3%</td> <td>70.9%</td> </tr> <tr> <td>Average</td> <td>65.3%</td> <td>65.5%</td> <td>65.5%</td> <td>65.0%</td> <td>64.2%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	73.8%	74.3%	75.6%	76.3%	70.9%	Average	65.3%	65.5%	65.5%	65.0%	64.2%	<p>Capital Adequacy Ratio declined. Capital Surplus increased due to the acquisition of Fixed Assets by using Facility Expenses and the Redemption of Long-term Borrowings for the purchase of land for our campus. However, the rise in PFI Liabilities lowered this ratio.</p>
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012															
Our university	73.8%	74.3%	75.6%	76.3%	70.9%																
Average	65.3%	65.5%	65.5%	65.0%	64.2%																
<p><b>Total Debt to Total Capital Ratio</b></p> <p>* Debts / Liabilities and Net Assets</p> <p>An indicator shows debts that require the payout of funds against Total Assets. It can be said that the lower the figure, the higher the ability to payback debts.</p> <p>↓</p>	<p><b>Total Debt to Total Capital Ratio</b></p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>19.4%</td> <td>18.8%</td> <td>16.6%</td> <td>15.2%</td> <td>20.4%</td> </tr> <tr> <td>Average</td> <td>20.8%</td> <td>20.2%</td> <td>19.1%</td> <td>18.3%</td> <td>18.0%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	19.4%	18.8%	16.6%	15.2%	20.4%	Average	20.8%	20.2%	19.1%	18.3%	18.0%	<p>Total Debt to Total Capital Ratio rose. We redeem Long-term Borrowings for the purchase of land for our campus and Borrowings for facility arrangement in our university hospital every year. However, the rise in PFI Liabilities raised this ratio.</p>	
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012																
Our university	19.4%	18.8%	16.6%	15.2%	20.4%																
Average	20.8%	20.2%	19.1%	18.3%	18.0%																
Activeness	<p><b>Operating Expenses to Education Expenses Ratio</b></p> <p>Education Expenses / Operating Expenses</p> <p>An indicator shows the Education Expenses against Operating Expenses. It can be said that the higher the figure, the larger the expenses necessary for education.</p> <p>↑</p>	<p><b>Operating Expenses to Education Expenses Ratio</b></p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>7.8%</td> <td>8.2%</td> <td>8.1%</td> <td>7.6%</td> <td>7.7%</td> </tr> <tr> <td>Average</td> <td>4.7%</td> <td>5.1%</td> <td>4.4%</td> <td>4.6%</td> <td>5.1%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	7.8%	8.2%	8.1%	7.6%	7.7%	Average	4.7%	5.1%	4.4%	4.6%	5.1%	<p>This ratio rose due to the increase in expenses for teaching materials, entrance examination for students from abroad and foreign travels for educating graduate students. This ratio is higher than the average of universities of similar size, which shows we own plenty of educational facilities.</p>
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012															
Our university	7.8%	8.2%	8.1%	7.6%	7.7%																
Average	4.7%	5.1%	4.4%	4.6%	5.1%																
<p><b>Operating Expenses to Research Expenses Ratio</b></p> <p>Research Expenses / Operating Expenses</p> <p>An indicator shows the Research Expenses against Operating Expenses. It can be said that the larger the figure, the higher the expenses used in research activities.</p> <p>↑</p>	<p><b>Operating Expenses to Research Expenses Ratio</b></p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>9.1%</td> <td>9.3%</td> <td>9.8%</td> <td>10.2%</td> <td>9.8%</td> </tr> <tr> <td>Average</td> <td>10.9%</td> <td>11.3%</td> <td>11.3%</td> <td>11.6%</td> <td>12.4%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	9.1%	9.3%	9.8%	10.2%	9.8%	Average	10.9%	11.3%	11.3%	11.6%	12.4%	<p>This ratio was on an upward trend with the increase in acquisition of External Funds, which is closely related to increase/decrease in Research Expenses. However, in fiscal year 2012, it declined due to the decrease in rent of temporary school buildings in Tokyo campus which was appropriated in fiscal year 2011.</p>	
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012																
Our university	9.1%	9.3%	9.8%	10.2%	9.8%																
Average	10.9%	11.3%	11.3%	11.6%	12.4%																

\* The debt amount in the Total Debt to Total Capital Ratio is calculated as Total Liability minus Per Contra Liabilities for Property Acquisition, Donations Liabilities, Management Expenses Grants Liabilities and Tuitions Liabilities .

# Financial Indicator Analyses

Explanation of Indicator		Indicator	Analysis																		
Activeness	<p>University Hospital Income per Bed</p> <p>University Hospital Income / Number of Hospital Beds</p> <p>An indicator shows the activity level of medical service activities based on the size of the university hospital. It can be said that the higher the figure, the better it is.</p>	<p>University Hospital Income per Bed (In thousands of yen)</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>22,467</td> <td>24,345</td> <td>26,850</td> <td>27,652</td> <td>28,374</td> </tr> <tr> <td>Average</td> <td>24,651</td> <td>25,592</td> <td>27,434</td> <td>28,929</td> <td>30,294</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	22,467	24,345	26,850	27,652	28,374	Average	24,651	25,592	27,434	28,929	30,294	<p>University Hospital Income per Bed increased. This is because medical examinations are activated (e.g. the increase in the hospital charge per bed and the number of surgical operations) even though the rate of bed operation declined because the number of inpatients was controlled during the moving period with opening of Keyaki building .</p>
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012															
Our university	22,467	24,345	26,850	27,652	28,374																
Average	24,651	25,592	27,434	28,929	30,294																
Potential for Development	<p>External Funds Ratio</p> <p>(Sponsored Research Income + Sponsored Operations Income + Donation Income) / Ordinary Income</p> <p>An indicator shows how much external funds have been obtained. It can be said that the higher the figure, the better it is. This is the indicator used to evaluate the profitability and situation of activities using external funds.</p>	<p>External Funds Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>6.1%</td> <td>5.9%</td> <td>6.9%</td> <td>7.4%</td> <td>7.6%</td> </tr> <tr> <td>Average</td> <td>10.9%</td> <td>10.5%</td> <td>10.6%</td> <td>10.5%</td> <td>10.0%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	6.1%	5.9%	6.9%	7.4%	7.6%	Average	10.9%	10.5%	10.6%	10.5%	10.0%	<p>External Funds Ratio rose due to the increase in acceptance of Sponsored Operations and Donations. This indicator has been on an upward trend since fiscal year 2009, which shows our sources of revenue are being diversified as a whole.</p>
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012																
Our university	6.1%	5.9%	6.9%	7.4%	7.6%																
Average	10.9%	10.5%	10.6%	10.5%	10.0%																
Efficiency	<p>Personnel Expenses Ratio</p> <p>Personnel Expenses / Operating Expenses</p> <p>An indicator shows the management efficiency of the university from personnel aspects. It can be said that the lower the figure, the higher the efficiency is. By investing funds efficiently, how to raise the quality of education and research is the challenge.</p>	<p>Personnel Expenses Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>59.2%</td> <td>57.5%</td> <td>55.9%</td> <td>56.2%</td> <td>53.8%</td> </tr> <tr> <td>Average</td> <td>52.8%</td> <td>51.6%</td> <td>51.1%</td> <td>51.3%</td> <td>50.1%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	59.2%	57.5%	55.9%	56.2%	53.8%	Average	52.8%	51.6%	51.1%	51.3%	50.1%	<p>We continue making effort to reduce Personnel Expenses as the level we have been doing. Personnel Expenses Ratio declined from fiscal year 2011 due to the reduction in salary payment according to the Special Provisions Act.</p>
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012															
Our university	59.2%	57.5%	55.9%	56.2%	53.8%																
Average	52.8%	51.6%	51.1%	51.3%	50.1%																
<p>General Administrative Expenses Ratio</p> <p>General Administrative Expenses / Operating Expenses</p> <p>An indicator shows the management efficiency of the university from aspects about cost. It can be said that the lower the figure, the better it is. These costs are genuinely the management / operating expenses of the university, and how to reduce them is the challenge.</p>	<p>General Administrative Expenses Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>3.8%</td> <td>3.9%</td> <td>3.5%</td> <td>3.3%</td> <td>3.2%</td> </tr> <tr> <td>Average</td> <td>3.3%</td> <td>3.3%</td> <td>2.9%</td> <td>2.9%</td> <td>2.9%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	3.8%	3.9%	3.5%	3.3%	3.2%	Average	3.3%	3.3%	2.9%	2.9%	2.9%	<p>We continue making effort to reduce General Administrative Expenses by improving business for university operations. This ratio declined from fiscal year 2011. This is because the entire Operating Expenses increased even though General Administrative Expenses increased slightly. It shows the efficiency of operation has been improved.</p>	
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012																
Our university	3.8%	3.9%	3.5%	3.3%	3.2%																
Average	3.3%	3.3%	2.9%	2.9%	2.9%																

Explanation of Indicator		Indicator	Analysis																		
Profitability	<p>Ordinary Profit / Ordinary Income</p> <p>An indicator shows the profitability of operations. It can be said that the larger the figure, the higher the profitability.</p> <p>* Although, National University Corporations are not for-profit organizations.</p>	<p>Ordinary Profit Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>1.6%</td> <td>2.1%</td> <td>2.2%</td> <td>0.4%</td> <td>▲2.0%</td> </tr> <tr> <td>Average</td> <td>2.4%</td> <td>1.7%</td> <td>2.8%</td> <td>2.1%</td> <td>1.5%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	1.6%	2.1%	2.2%	0.4%	▲2.0%	Average	2.4%	1.7%	2.8%	2.1%	1.5%	<p>Ordinary Loss emerged due to the increase in initial costs for opening of Keyaki building even though University Hospital Income and Subsidy Income increased.</p> <p>However, this does not mean that our university hospital is in financial difficulties. It is just a fact on accounting, as mentioned on page 14.</p>
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012															
	Our university	1.6%	2.1%	2.2%	0.4%	▲2.0%															
	Average	2.4%	1.7%	2.8%	2.1%	1.5%															
<p>(Interest Received + Interest on Marketable Securities) / (Cash and Deposits + Marketable Securities)</p> <p>An indicator shows the amounts of financial income gained from cash, deposits, and marketable securities. It can be said that the larger the figure, the more efficiently financial resources are managed.</p>	<p>Interest Received Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>0.5%</td> <td>0.3%</td> <td>0.3%</td> <td>0.2%</td> <td>0.2%</td> </tr> <tr> <td>Average</td> <td>0.6%</td> <td>0.5%</td> <td>0.3%</td> <td>0.3%</td> <td>0.2%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	0.5%	0.3%	0.3%	0.2%	0.2%	Average	0.6%	0.5%	0.3%	0.3%	0.2%	<p>This ratio keeps the same level as that in fiscal year 2011, even though it was affected by grant deferment in Management Expenses Grants and reduction of 2 billion yen in the Grants according to the reduction in salaries, in addition to the decline in market interest rates.</p>	
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012																
Our university	0.5%	0.3%	0.3%	0.2%	0.2%																
Average	0.6%	0.5%	0.3%	0.3%	0.2%																
<p>Medical Service Expenses / University Hospital Income</p> <p>An indicator shows the profitability of a university hospital. It can be said that the lower the figure, the better it is. However, personnel expenses are not included in the medical service expenses.</p>	<p>Medical Service Expenses Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>62.7%</td> <td>63.8%</td> <td>61.8%</td> <td>62.9%</td> <td>72.3%</td> </tr> <tr> <td>Average</td> <td>65.9%</td> <td>66.7%</td> <td>64.5%</td> <td>64.2%</td> <td>63.7%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	62.7%	63.8%	61.8%	62.9%	72.3%	Average	65.9%	66.7%	64.5%	64.2%	63.7%	<p>This ratio rose. Although we succeeded to reduce expenses for pharmaceuticals and hospital equipment by making efforts at management, the rise in initial costs for opening of Keyaki building (e.g. Dismantlement Expenses) and Depreciation Expenses raised this ratio. In fiscal year 2013, it is expected to decline because these initial costs will not emerge.</p>	
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012																
Our university	62.7%	63.8%	61.8%	62.9%	72.3%																
Average	65.9%	66.7%	64.5%	64.2%	63.7%																
<p>Ordinary Income of University Hospital / Imputed Assets of University Hospital</p> <p>An indicator shows how much activity is done using assets at a University Hospital from the revenue aspect. It can be said that the larger the figure, the better the efficiency is of the use of assets.</p>	<p>University Hospital Asset Turnover Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2008</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>109.7%</td> <td>114.0%</td> <td>125.2%</td> <td>127.4%</td> <td>58.0%</td> </tr> <tr> <td>Average</td> <td>73.1%</td> <td>72.2%</td> <td>75.1%</td> <td>78.6%</td> <td>80.0%</td> </tr> </tbody> </table>		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Our university	109.7%	114.0%	125.2%	127.4%	58.0%	Average	73.1%	72.2%	75.1%	78.6%	80.0%	<p>This ratio declined. This is because the hospital's assets increased by the project for the university hospital redevelopment, Keyaki building opened in the middle of the fiscal year (December 26th, 2012) and the university hospital income decreased during the moving period. In fiscal year 2013, it is expected to rise because the university hospital income is expected to increase in Keyaki building.</p>	
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