

FY 2018

Business Report

(The 13th Fiscal Year)



From April 1, 2018

To March 31, 2019

The Public University Corporation

The University of Aizu

The Public University Corporation, the University of Aizu Business Report

I . Basic Information

1. Goals

<Fundamental Perspective>

The Public University Corporation, the University of Aizu is the founder and manager of the University of Aizu (hereinafter the “UoA”) and the University of Aizu Junior College Division (hereafter the “JCD”), and has the mission to contribute to the advancement of scientific technologies and academic knowledge by fostering talents and conducting research in the fields of computer science and engineering, industrial informatics, as well as food and nutritional science and study of early childhood education, in parallel with contributing to industrial and cultural promotion.

In addition, the entire corporation will aim at achieving the following basic goals below for contributions to the recovery of the prefecture from the Great East Japan Earthquake and to regional revitalization.

<Basic Goals>

- The University

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

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

- The Junior College

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

1. Foster professionals who have the ability to contribute to society through the utilization of the specialized knowledge and technical skills they have acquired.
2. Foster talents with a broad range of knowledge and a strong sense of ethics.
3. Provide local residents with opportunities for lifelong learning in order to contribute to the formation of a knowledge-based society.
4. Collaborate with academia, industry, the local population, and government in the region for contribution to its rejuvenation.

- Shared Goals of the University and the Junior College

1. Taking advantage of characteristic of the university, it shall contribute to revitalization of the prefecture from the Great East Japan Earthquake.
2. Flexible and proactive actions based on various changes on local needs such as depopulation, and advanced less-child and aging society

2. Duties

During the third medium-term goal period starting from AY2018, the university corporation was faced with a demand to engage in education, research, and regional contribution in a manner that leverages the characteristics of both the University of Aizu and the Junior College Division and to contribute to both the recovery from the Great East Japan Earthquake and to regional revitalization. Naturally, as a higher educational organization, the largest mission of the university is to admit students, to nurture them, and to send them off to society as workers or as researchers. However, in order to achieve this mission despite the shrinking 18 and under demographic, it is essential that we maintain and further improve the quality of our research and education, etc. To do this, it is vital that we attract more applicants and secure more new students with the qualities we desire.

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

In addition, the UoA has strategically conducted cutting-edge research with its Research Center for Advanced Information Science and Technology (CAIST) and AI Center (X-Lab.-AI) playing leading core roles. In addition, through active industry-academia-government collaboration, we received external research funding from industry and elsewhere. Having been selected as the Top Global University Program by MEXT, we carried out and the Silicon Valley internship program, etc. In this ways and others, we have international diversity since our establishment.

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

As mentioned above, the UoA and the JCD have steadily and appropriately worked to achieve the basic goals during the 3rd medium-term goal period. These efforts have earned us a strong reputation both domestically and abroad, as indicated by the fact that the UoA was continuously ranked high in an internationally-famous university ranking in recent years.

3. History

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

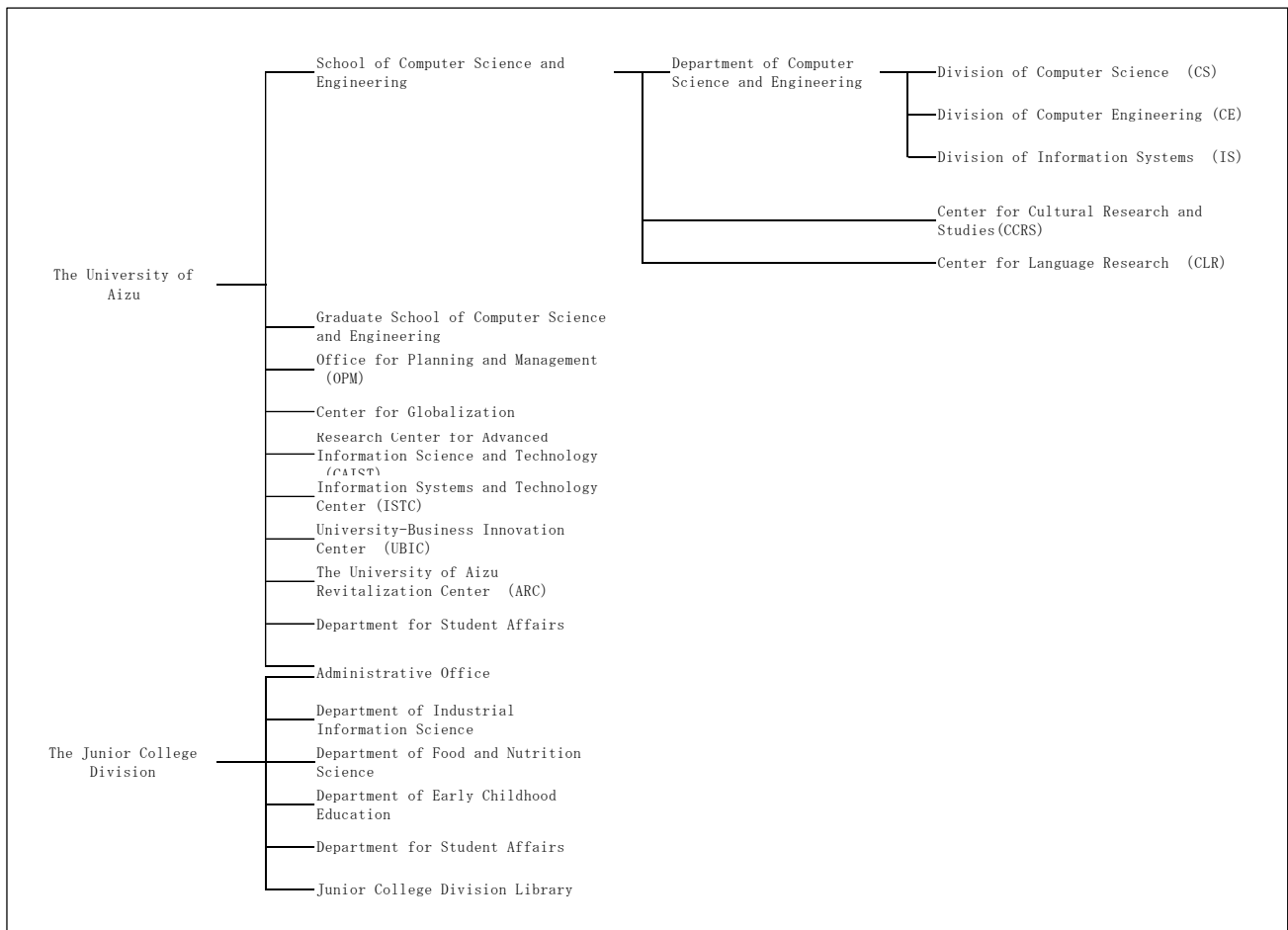
4. Base Law for the Establishment

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

5. Administration

Fukushima Prefecture

6. Organizational Chart (Overview)



7. Office Location (including secondary office)

Aizuwakamatsu City, Fukushima Prefecture

8. Amount of Capital Stock

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

9. Number of Students (as of May 1, 2018)

A total	1,536	
The UoA	1,222	
Undergraduate School		1,046
Graduate School (Master's Program)		134
(Doctoral Program)		42
The JCD	314	
Department of Industrial Information Sciences		130
Department of Food and Nutrition Sciences		83
Department of Early Childhood Education		101

10. Executives

Position	Name	Term of Office	Background
Chairperson of the Board of Executives	Ryuichi Oka	April 1, 2014 to March 31, 2020	April, 2002 Professor at the UoA April, 2010 ~ March, 2012 Regent / Dean of the Undergraduate School April, 2012 ~ March, 2014 Special Honorary Professor at the UoA
Vice Chairperson (In charge of Research)	Shigaku Tei	April 1, 2014 to March 31, 2020	April, 1993 Instructor at the UoA February, 2002 Professor at the UoA April, 2010 ~ March, 2014 Head of the Division of Computer Engineering
Regent (General Affairs and Financial Affairs)	Shuji Nakamura	April 1, 2018 to March 31, 2020	April, 2017 ~ March, 2018 Deputy Director General of the Labour Relations Commission Executive Secretary
Regent (Education and Academic Affairs)	Toshiaki Miyazaki	April 1, 2014 to March 31, 2020	April, 2005 Professor at the UoA April, 2008 ~ March, 2014 Chair of the Department of Computer and Information Systems, Graduate School of Computer Science and Engineering

Regent (Management and External Affairs)	Jiro Iwase	April 1, 2007 to March 31, 2020	April, 2002 ~ March, 2007 Head of the Department of Software Engineering, IBM Japan
Regent (The Junior College Division)	Makoto Ishimitsu	April 1, 2018 ~ March 31, 2020	April, 1992 Instructor at the JCD April, 2005 Professor at the JCD April, 2013~ March, 2018 Director of the Department of Industrial Information Sciences, the JCD
Auditor (Part time)	Yoshio Funaki	April 1, 2014 to August 31, 2022	Funaki Yoshio Law Office
Auditor (Part time)	Sei Sato	April 1, 2016 to August 31, 2022	Saito Sei Accounting Office

11. Status of Faculty and Administrative Staff Members (as of May1, 2018)

The University of Aizu

Faculty members: 133 (Full time: 108, Part time: 25)

Administrative staffs: 109(Full time: 58, Part time: 51)

(Situation of full-time faculty/administrative staffs)

The ratio of full-time employees increased by 1.8% (three staffs) compared to the last academic year, and the average age is 45.3 years old. 34 of the full-time employees are dispatched personnel from local government.

The Junior College Division

Faculty members: 84 (Full time: 31, Part time: 53)

Administrative staffs: 19 (Full time: 13, Part time: 6)

(Situation of full-time faculty/administrative staffs)

The ratio of full-time employees increased by 2.3% (one staff) compared to the last academic year, and the average age is 43.7 years old. 9 of the full-time employees are dispatched personnel from local government.

II. Summary of Financial Statements

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

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

(Unit: million yen)

Assets	Amount	Liabilities	Amount
Fixed Assets	17,476	Fixed Liabilities	3,571
Tangible Fixed Assets	16,924	Assets Offsetting Liabilities	2,895
Land	6,620	Long-term Lease Liabilities	663
Accumulated Impairment Loss	△18	Other Fixed Liabilities	12
Buildings	15,583	Current Liabilities	1,132
Accumulated Depreciation, etc.	△8,253	Accounts Payable	513
Accumulated Impairment Loss	△3	Short-term Lease Liabilities	390
Structure	1,086	Other Current Liabilities	228
Accumulated Depreciation, etc.	△830	Total Liabilities	4,704
Tools, Fixtures and Durable Goods	2,450	Net Assets	
Accumulated Depreciation, etc.	△1,221	Capital Stock	19,947
Library Materials	1,502	Contributions by Local Government	19,947
Other Tangible Assets	7	Capital Surplus	△6,850
Other Fixed Assets	551	Retained Earnings	1,521
Current Assets	1,846	(Net Loss Carried Forward)	
Cash and Deposits	1,602	Other Net Assets	-
Other Current Assets	244	Total Net Assets	14,618
Total Assets	19,322	Total Liabilities and Net Assets	19,322

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

(Unit: million yen)

	Amount
Ordinary Expenses (A)	4,609
Operating Expenses	4,133
Education Expenses	354
Research Expenses	497
Education and Research Support Expenses	798
Personnel Expenses	2,398
Other	84
General and Administrative Expenses	454
Financial Expenses	22
Miscellaneous Loss	1
Ordinary Revenue (B)	4,907
Revenues from Management Expenses Grants	3,255
Revenues from Student Fees	962
Other Revenues	689
Nonrecurring Gain and Loss (C)	△9
Reversal Amounts of Reserve for Specific Purposes (D)	9
Current Gross Profit (Current Gross Loss) (B-A+C+D)	298

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

(Unit: million yen)

	Amount
I . Cash Flows from Operating Activities(A)	1,182
Expenses for purchase of materials, goods, or services	△ 1,081
Personnel Expenses	△ 2,401
Other Operating Expenses	△410
Revenues from Management Expenses Grants	3,457
Revenues from Student Fees	907
Other Operating Revenues	710
II . Cash Flows from Investing Activities(B)	△317
III . Cash Flows from Financing Activities(C)	△418
IV . Translation gains and losses in funds (D)	-
V . Increase (or decrease) in funds (E=A+B+C+D)	445
VI Opening Balance of Capital (F)	1,156
VII Final Balance of Capital (G=F+E)	1,602

4. Cost Statement for Implementation of Administrative Services

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

(Unit: million yen)

	Amount
I Operating Costs	3,447
Expenses shown on Income Statement ▼ (Deduction) Self-income, etc.	4,619 △1,171
(Other Costs for Implementation of Administrative Services)	
II. Amount Equivalent to Depreciations Not Associated with Profit and Loss	355
III. Amount Equivalent to Impairment Loss Not Associated with Profit and Loss	13
IV. Amount Equivalent to Interest Expenses Not Associated with Profit and Loss	-
V. Equivalent to Balance of Sale or Disposal Not Associated with Profit and Loss	1
VI. Increases in Estimated Amount Not Associate with Accrued Bonus	4
VII. Increases in Estimated Amount Not Associated with Accrued Benefit	△68
VIII. Opportunity Costs	1
IX. (Deduction) Payments from the founder of the university	-
X Costs for Implementation of Administrative Services	3,753

5. Financial Information

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

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

a. Balance Sheet Related Information

(Total Assets)

Total amount of assets was 19,322M (a year-on-year increase of 4.7 % or 871M yen). This includes fixed assets of 17,476M yen mainly consisting of land, buildings, and educational and research-purpose machines, etc. which account for 90.4% of the total amount of assets. The amount of current assets was 1,846M yen including 1,602M yen of cash and deposits. This includes account payable due in April of 513M yen.

The primary factor in the increase in assets was increase in durable goods such as tools and devices due to the replacement of the network systems, infrastructure for education and research, and the increase in the value of buildings, etc. due to the revision of the accounting process for repair work costs.

(Total Liabilities)

The total amount of liabilities was 4,704M yen (a year-on-year increase of 18.9% or 748M yen), and the amount of fixed liabilities was 3,571M yen. This amount was consisted of 2,895M yen of assets offsetting liabilities to mainly cover the unamortized balance of fixed assets. The total amount of current liabilities was 1,132M yen including accounts payable of 513M yen and short-term lease Liabilities for computer systems, etc. of 390M yen.

The primary factor in the increase in liabilities was the increase in long-term lease liabilities and short-term lease liabilities due to the replacement of the network systems as infrastructure for education and research.

(Total Net Assets)

The total net asset was 14,618M yen (a year-on-year increase of 0.8 % or 123M yen). The amount of capital in the net assets includes the values of investments in kind such as land, buildings from the prefecture where the foundation of the university operations are formed, and the total amount of the capital was 19,947M yen.

The amount of capital surplus fell to Δ 6,850M yen. This includes facilities, etc. transferred from the prefecture and the Somei House of 1,757M yen, the accumulated depreciations on the assets invested by the prefecture of 8,586M yen (excluded from the amount of depreciation association on profit and loss in accordance with the Accounting Standards), and accumulated impairment losses of 21M yen (excluded from the amount of depreciation association on profit and loss in accordance with the Accounting Standards). The amount of retained earnings was 1,521M yen, and this includes reserve for specific purpose, etc. and unappropriated retained earnings at the end of the fiscal year of 298M yen.

The primary factor in the increase in net assets was the fact that the costs for repair work in the previous year was recorded in capital surplus.

b. Income Statement Related Information

(Ordinary Expenses)

The total amount of ordinary expenses was 4,609M yen (a year-on-year decrease of 9.9% or 508M yen), including education and research expenses of 1,650M yen, personnel expenses of 2,398M yen, and general and administration expenses of 454M yen.

The percentage of personnel expenses in relation to ordinary expenses was 52.0%, and the percentage of educational and research expenses was 35.8%. These consist mostly of ordinary expenses. The amount of expenses for lease and maintenance of computer systems which form an infrastructure of education and research at our corporation, represent a large percentage of ordinary expenses.

The primary factor in the decrease in ordinary expenses was a decrease in general administrative expenses due to the revision of the accounting process for repair work.

(Ordinary Income)

The total amount of ordinary income was 4,907M yen (a year-on-year decrease of 6.0% or 315M yen.) This includes revenues from management expenses grants by the prefecture of 3,255M yen, which was 66.3% of ordinary revenues, and revenues from student fees such as tuition and admission fees of 962M yen, which was 19.6% of ordinary revenues.

The primary factor in the decrease in ordinary income was a decrease in the income from the operational subsidy due to the revision of the accounting process for repair work, and a decrease in the income from grants from Fukushima Prefecture, etc.

(Nonrecurring Gain and Loss)

The total amount of Nonrecurring Gain and Loss was 9M yen, causing a decrease by 212M yen (down 104.4% y/y).

The primary factor in the decrease was the fact that the remains of the operational subsidy was recorded as profits since FY2017 was the final year of the 2nd medium-term goal period.

(Reversal Amounts of Reserve for Specific Purposes)

Out of 206M yen used as facility repair expenses etc., 9M yen was recorded as the reversal of Reverse Funds for Specific Purposes excluding the amount recorded as assets.

(Current Gross Profit)

As a result, gross profit for FY 2018 was 298M yen (a year-on-year decrease of 36.5% or 171M yen).

c. Cash Flow Statement Related Information

(Cash Flows from Operating Activities)

The total amount of cash flows from operating activities in FY2018 was 1,182M yen (a year on year increase of 158.1% or 724M yen.)

The primary factor in the increase was an increase in operational subsidy by 212M yen (up 6.5% y/y) as there is no balance of operational subsidy from the previous year as FY 2018 was the first year of the 3rd medium-term goal period.

The primary factor in the decrease was a decrease in other operating expenses by 357M yen (down 46.5% y/y) due to the revision of the accounting process for repair work.

(Cash Flows from Investing Activities)

The total amount of cash flows from investing activities in FY2018 was 317M yen (a year on year decrease of 414.6% or 256M yen.)

The primary factor in the decrease in cash flows from investing activities was a increase in expenses for the acquisition of tangible fixed assets by 254M yen (up 474.0% y/y) due to the revision of the accounting process for repair work.

(Cash Flows from Financing Activities)

The total amount of cash flows from financing activities in FY2018 was 418M yen (a year on year increase of 13.6% or 66M yen.)

The primary factor in the increase in cash flows from financing activities was a decrease in expenses of lease liabilities by 75M yen (down 16.0% y/y) to 397M yen due to cutbacks in the lease expenses of the computer systems.

d. Cost Statement for Implementation of Administrative Services Related Information

(Cost for Implementation of Administrative Services)

The total amount of costs for implementation of administrative services in FY2018 was 3,753M yen (a year on year decrease of 13.8% or 605M yen.)

The primary factor in the decrease in costs for implementation of administrative services was a decrease in general management expenses by 384M yen (down 45.8% y/y) due to the revision of the accounting process for repair work.

(Table: Timeline of Main Financial Data)

(Unit: million yen)

Category	FY2014	FY2015	FY2016	FY2017	FY2018
Total Assets	19,065	19,555	18,867	18,451	19,322
Total Liabilities	4,057	4,756	4,347	3,956	4,704
Total Net Assets	15,008	14,799	14,519	14,495	14,618
Ordinary Expenses	4,670	4,726	4,845	5,117	4,609
Ordinary Revenue	4,691	4,841	4,892	5,222	4,907
Net Loss and Gain	113	191	179	469	298
Cash Flows from Operating Activities	941	1,278	592	458	1,182
Cash Flows from Investing Activities	△917	△833	△97	△62	△317
Cash Flows from Financing Activities	△495	△457	△428	△485	△418
Final Balance of Capital	1,192	1,179	1,245	1,156	1,602
Cost for Implementation of Administrative Services	3,865	4,045	4,127	4,359	3,753
(Breakdown)					
Operating Costs	3,552	3,627	3,719	3,962	3,447
Operating costs in Income Statement	4,670	4,726	4,846	5,117	4,619
Self-generated Income	△1,118	△1,099	△1,127	△1,154	△1,171
Amount Equivalent to Depreciation not Associated with Profit and Loss	313	324	328	327	355
Amount Equivalent to Impairment Loss not Associated with Profit and Loss	0	0	0	0	13
Amount Equivalent to Interest Expenses not Associated with Profit and Loss					
Amount Equivalent to Balance of Sales or Disposals not Associated with Profit and Loss				1	1
Increases in Estimated Amount Not Associate with Accrued Bonus	△1	12	4	8	4
Increases in Estimated Amount Not Associated with Accrued Benefit	△54	81	67	55	△68
Opportunity Costs	55	1	9	6	1
(Deduction) Payments from the founder of the university					

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

Our corporation will request approval for handling of the unappropriated surplus at the end of the term of 298 M yen as the “Reverse Funds for Specific Purposes” as written in the “Appropriation of Profits(Draft)” in the Financial Statement.

In FY2018, we appropriated 206M yen of the reserve funds for the purpose of improvement of education/research and organizational operation”.

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

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

N/A

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

N/A

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

N/A

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

N/A

(3) Summary of Budget and Settled Amount

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

(Unit: million yen)

Category	FY2014		FY2015		FY2016		FY2017		FY2018		Remarks
	Budget	Settlement	Budget	Settlement	Budget	Settlement	Budget	Settlement	Budget	Settlement	
Revenue	4,746	4,867	4,832	5,619	4,931	4,938	4,983	4,988	5,081	5,124	
Revenues from Management	3,294	3,294	3,200	3,200	3,291	3,291	3,248	3,248	3,457	3,457	
Expenses Grants											
Revenues from Subsidies, etc.	4	371	17	46	112	132	426	419	266	279	
Revenues from Student Fees	919	863	897	877	894	883	908	901	920	910	
Other Revenues	529	339	718	1,496	634	632	401	420	438	478	
Expenses	4,746	4,709	4,832	5,187	4,931	4,545	4,983	4,720	5,081	4,699	
Education and Research Expenses	3,182	2,858	3,056	2,702	3,102	2,783	3,006	2,679	3,217	2,868	*1)
General and Administrative Expenses	1,062	1,069	1,110	1,088	1,106	1,095	1,201	1,217	1,165	1,123	
Other Expenses	502	782	666	1,397	723	667	776	824	698	707	
Revenue—Expenses	0	158	0	432	0	393	0	268	0	425	

Note*1) As for the operational expenses, there was a decrease of 391,000,000 yen comparing to the original budget due to the reduction of the actual labor costs, the expenses related to equipment/facility renewal, office costs, etc.

III. Explanation on the Business Operation

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

Ordinary Revenues of our corporation was 4,907M yen, and this includes revenues from management expenses grants of 3,255M yen (in a ratio of 66.3% to ordinary revenue, the same shall apply hereinafter), revenues from student fees such as tuition, admission fees of 962M yen (19.6%), and other revenues of 690M yen (14.1%).

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

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

(3) Issues and Policy Measures

The revenues from management expenses grants amount to 66.3% of the total revenues of our corporation, as a financial basis of the corporation. With the management expenses grants shrinking year by year, we will set the improvement and streamlining of the operational management as one of the 3rd-medium-term goals, and will work to achieve the goal by streamlining of our office work, etc. as well as by improving our financial status.

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

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

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

IV. Details of Other Matters Related to Operation

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

(1) Budget

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

(2) Income and Expenditure Plan

See Annual Financial Plan and Financial Statement (Income Statement)

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

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

(3) Financial Plan

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

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

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

2. Outline of Short-term Loan

N/A

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

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

(Unit: million yen)

FY	Opening Balance	Subsidies Received in the Current Term	Transferred Amount				Final Balance
			Revenues from Management Expenses Grants	Reversal of Encumbrance for Assets-subsidy for Operation	Reversal of Encumbrance for Allowance for Patent	Sub Total	
FY2018	0	3,457	3,255	100	3	3,358	98

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

(Unit: million yen)

Criteria	FY2018	Total	Reason for balance occurrence and Monetization plan
Period-based portion	0	0	
Expense-based portion	98	98	This is the Remaining of personnel expenses, and will be spent and monetized after the next fiscal year.
Total	98	98	

■ Account Titles in Financial Statements

1. Balance Sheet

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

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

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

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

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

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

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

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

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

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

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

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

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

government.

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

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

2. Income Statement

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

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

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

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

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

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

Financial Expenses: Interest paid, etc.

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

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

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

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

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

3. Cash Flow Statement

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

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

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

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

4. Cost Statement for Implementation of Administrative Services

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

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

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

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

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

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

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

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

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