Financial Report

- 2022 -
**FY2021 financial statement highlights**

### Balance Sheet (summary)

<table>
<thead>
<tr>
<th>Assets</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>Change from previous year</th>
<th>Liabilities</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
<td></td>
<td>Contr-accounts for assets</td>
<td>3,212</td>
<td>2,870</td>
<td>342 (4)</td>
</tr>
<tr>
<td>Land</td>
<td>9,276</td>
<td>9,344</td>
<td>67 (1)</td>
<td>Management expense grants liabilities</td>
<td>0</td>
<td>372</td>
<td>372 (7)</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>10,901</td>
<td>10,872</td>
<td>28 (2)</td>
<td>Donation liabilities</td>
<td>679</td>
<td>609</td>
<td>69</td>
</tr>
<tr>
<td>Tools, furniture and fixtures</td>
<td>2,798</td>
<td>2,500</td>
<td>297 (3)</td>
<td>Liabilities for commissioned research</td>
<td>371</td>
<td>370</td>
<td>1</td>
</tr>
<tr>
<td>Books</td>
<td>514</td>
<td>529</td>
<td>14</td>
<td>Accounts payable</td>
<td>2,138</td>
<td>2,265</td>
<td>127 (127)</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>3</td>
<td>101</td>
<td>98 (4)</td>
<td>Other liabilities</td>
<td>401</td>
<td>324</td>
<td>77</td>
</tr>
<tr>
<td>Investment securities</td>
<td>200</td>
<td>200</td>
<td>0</td>
<td>Total (Liabilities)</td>
<td>6,803</td>
<td>6,812</td>
<td>▲ 8</td>
</tr>
<tr>
<td>Other fixed assets</td>
<td>146</td>
<td>100</td>
<td>45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (Fixed assets)</td>
<td>23,841</td>
<td>23,649</td>
<td>191</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td>Net assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>2,942</td>
<td>3,652</td>
<td>▲ 709 (5)</td>
<td>Capital stock</td>
<td>18,624</td>
<td>18,680</td>
<td>▲ 56 (6)</td>
</tr>
<tr>
<td>Securities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Capital surplus</td>
<td>584</td>
<td>539</td>
<td>45 (9)</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>161</td>
<td>96</td>
<td>65</td>
<td>Earned surplus</td>
<td>948</td>
<td>1,386</td>
<td>▲ 437 (437)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>17</td>
<td>20</td>
<td>▲ 3</td>
<td>Gross profit</td>
<td>361</td>
<td>245</td>
<td>116</td>
</tr>
<tr>
<td>Total (Current assets)</td>
<td>3,121</td>
<td>3,769</td>
<td>▲ 648</td>
<td>Total (Net assets)</td>
<td>20,158</td>
<td>20,606</td>
<td>▲ 448</td>
</tr>
<tr>
<td>Total (Assets)</td>
<td>26,962</td>
<td>27,418</td>
<td>▲ 456</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Main factors affecting changes**

1. **Land**
   - Decrease of 67 million yen due to the sale of land.

2. **Buildings and structures**
   - Increase of 674 million yen due to replacement of facility maintenance.
   - Decrease of 659 million yen due to accumulated depreciation.

3. **Tools, furniture and fixtures**
   - Increase of 1,789 million yen due to purchases.
   - Decrease of 1,490 million yen due to accumulated depreciation.

4. **Construction in progress**
   - Decrease of 101 million yen due to completion of equipment renovation.

5. **Cash and deposits**
   - Decrease of 798 million yen due to Reversal of reserve for specific purposes.

### Income Statement (summary)

<table>
<thead>
<tr>
<th>Expenses</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>Change from previous year</th>
<th>Revenues</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary expenses</td>
<td></td>
<td></td>
<td></td>
<td>Ordinary revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>565</td>
<td>436</td>
<td>128</td>
<td>Management expense grants</td>
<td>5,213</td>
<td>5,074</td>
<td>139 (139)</td>
</tr>
<tr>
<td>Research</td>
<td>1,343</td>
<td>1,171</td>
<td>171</td>
<td>Student fees</td>
<td>646</td>
<td>623</td>
<td>23</td>
</tr>
<tr>
<td>Support for education and research</td>
<td>1,054</td>
<td>1,007</td>
<td>46</td>
<td>Commissioned research</td>
<td>1,498</td>
<td>1,138</td>
<td>360 (360)</td>
</tr>
<tr>
<td>Commissioned research</td>
<td>1,445</td>
<td>1,126</td>
<td>319 (319)</td>
<td>Donations</td>
<td>211</td>
<td>221</td>
<td>▲ 9</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>3,848</td>
<td>3,954</td>
<td>▲ 106 (106)</td>
<td>Subsidies</td>
<td>272</td>
<td>263</td>
<td>9</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>302</td>
<td>262</td>
<td>20</td>
<td>Research-related revenues</td>
<td>229</td>
<td>236</td>
<td>▲ 6</td>
</tr>
<tr>
<td>Other ordinary expenses</td>
<td>211</td>
<td>221</td>
<td>▲ 9</td>
<td>Other ordinary expenses</td>
<td>29</td>
<td>57</td>
<td>▲ 28</td>
</tr>
<tr>
<td>Extraordinary loss</td>
<td>24</td>
<td>0</td>
<td>24</td>
<td>Total (Expenses)</td>
<td>8,588</td>
<td>8,036</td>
<td>552 (552)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>361</td>
<td>245</td>
<td>116</td>
<td>Total (Revenues)</td>
<td>8,737</td>
<td>8,153</td>
<td>584 (584)</td>
</tr>
<tr>
<td>Reversal of reserve for specific purposes</td>
<td>361</td>
<td>245</td>
<td>116</td>
<td>Increase of 911 million yen due to purchases fixed assets.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Main factors for the changes**

1. **Commissioned research expenses**
   - Increase due to research makes progress.
   - Commissioned research: Increase of 254 million yen
   - Joint research: Increase of 12 million yen
   - Commissioned business: Increase of 12 million yen

2. **Personnel expenses**
   - Decrease of 170 million yen due to the decrease in retirees.
   - Increase of 64 million yen due to increasing employment.

3. **Revenue from Management expense grants**
   - Increase of 99 million yen due to the increase in expenses.

4. **Revenue from commissioned research**
   - Increase of 341 million yen due to the increase in expenses.
   - Joint research: Increase of 6 million yen
   - Commissioned business: Increase of 12 million yen

### Notes:

- ▲ Decrease
- ▲ Increase
- ( ) Change from previous year
New equipment installed in FY2021

- Digital Transformation Promotion Project to integrate education and research to drive the advancement of graduate school education (Government subsidy)
- Local 5G network system (Government subsidy)
  
  We installed a local 5G radio station and started operation of a high-speed, high-reliability, large-capacity wireless network service. This system can provide an advanced research environment and a fulfilling graduate school education environment.

- Individual booths for online interviews (NAIST budget)

  Company recruiting activities have moved online due to counter-measures against covid-19 and advances in IT technology. Therefore, we set up individual booths for job hunting where students can take online interviews without worrying about network trouble in a quiet environment where privacy is maintained.

- System for housing animals with individual ventilation (NAIST budget)

  We introduced a system for animal experiments to provide comfortable animal rearing environments, strictly manage genetically modified animals to prevent escape, and control microbial environments to ensure research reproducibility and safety.
Summary of revenue (Change from FY2004)

FY 2004
- Revenue from management expenses: 125
- Revenue from grants: 883
- Revenue from external funding: 691
- Revenue from donations: 232
- Revenue from student fees: 1,547
- Reversal of contra-accounts for assets: 5,744

FY 2021
- Other revenues: 125
- Reversal of contra-accounts for assets: 883
- Revenue from student fees: 691
- Revenue from donations: 232
- Revenue from external funding: 1,547
- Revenue from management expenses grants: 5,214

Total:
- FY 2004: 9,222
- FY 2021: 8,714
**Financial management issues**

- **Reduced management expenses grants**
  Decreased by 40 million yen each fiscal year → Review of all expenses

- **Soaring electricity rates**
  
  FY2021 (actual)  ➔  FY2022 (forecast)  ➔  FY2023 (forecast)
  240 million yen ➔  490 million yen ➔  600 million yen

  → Save electricity（The President called for this in a video.）

- **Increased labor costs**
  Adoption of the annual salary system, Employment of diverse professionals
  → Review position assignments, etc.

- **Others factors**
  Soaring e-journal prices, information technology costs, yen depreciation, etc.