

Incorporated Educational Institutions and Accounting Standards for Incorporated Educational Institutions

Incorporated Educational Institutions

An incorporated educational institution refers to the legal entity established for the purpose of opening a private school as provided for in the School Education Act and the Private School Act.

While companies operate for the sake of profit, incorporated educational institutions do not: their objective is to conduct education and research activities and to give the outcomes of those activities back to society. In accordance with their respective founding principles and missions, these

institutions are highly public in that they engage in teaching and research, and they are also highly autonomous.

In accordance with the Private School Promotion Subsidy Act, incorporated educational institutions that receive subsidies from the national or local government ("private school subsidies") are required to create financial statements based on the Accounting Standards for Incorporated Educational Institutions stipulated by the Minister of MEXT.

Accounting Standards for Incorporated Educational Institutions

Due to the highly public nature of private schools, they are expected to be stable and to operate on a break-even basis to ensure long-lasting education and research activities. In light of this, MEXT established the Accounting Standards

for Incorporated Educational Institutions as a uniform set of guidelines to ensure that incorporated educational institutions receiving private school subsidies perform proper accounting.

Differences between Accounting for Incorporated Educational Institutions and Corporate Accounting

Financially speaking, companies are producing entities that produce and sell goods to recover the capital they have invested and to generate profits, which are then used to make new capital investments or improve existing facilities. Meanwhile, incorporated educational institutions secure revenues by admitting students and collecting fees from them, but if expenditures increase, increasing revenues to offset those outlays is difficult. In other words, they are

consuming entities.

Therefore, the purpose of corporate accounting is to disclose to shareholders the performance of profit-making business activities and the financial situation of a company, while the purpose of accounting for incorporated educational institutions is to assess and disclose the health of education and research activities undertaken as part of school operations from a financial standpoint.

Financial Ratios

The balance of revenues and expenditures, financial soundness, and other comprehensive indicators of financial standing are represented by the following financial ratios (p 56).

Ratios for the Statement of Operating Activities

Ratios that show the relationship of major expenditures to ordinary revenues: Personnel expenditure ratio, education and research expenditure ratio

Ratios that show the balance between revenues and expenditures: Ratio of net income/loss from educational activities, current account balance ratio, operating activities balance ratio

Ratios for the Statement of Financial Position

Ratios that demonstrate financial stability and soundness: Net asset ratio, ratio of total liabilities to total funds

1. Settlement of Accounts

1-1. Settlement of Accounts for AY2019

In order to maintain financial soundness, we have defined the financial independence of each school and the maintenance of a positive current account balance for the Trust as a whole as key indicators, and we are performing financial management for the second half of the R2020 Plan (AY2016 - AY2020).

Based on this financial policy, we set budgets for AY2019 and are steadily implementing various projects, including education and research based on the basic issues of the Academy and the basic issues for each university and affiliated schools stipulated in the R2020 Second Half Plan.

Although the Academy maintains a positive current account balance at present, due to efforts to improve faculty systems and the campus environment, the net ordinary income/loss in the Statement of Operating Activities continues to decline (and is particularly noticeable in the category of educational activity incomes and expenditures).

In terms of financial management efforts, we are constantly working to strengthen incomes and reduce expenses, but under the next (R2030) Basic Policy on Financial Operation, which is scheduled to be formulated in AY2020, one issue we face is the further strengthening of our financial base and fund balances in order to support the sustained advancement of our of education and research.

1-2. Statement of Cash Flow for FY2019

(in 100 million of JPY)

Item	FY2019 Budget	FY2019 Settlement	Difference
Revenues			
Revenue From Student Fees	583	581	Δ 2
Revenue From Processing Fees	32	34	2
Donation Revenue	13	17	5
Subsidy Revenue	97	97	1
(National Government Subsidy Revenue)	77	77	1
(Local Government Subsidy Revenue)	20	20	Δ 0
Revenue from Sales of Assets	0	1	1
Income from University-Owned Businesses	35	37	3
Income from Interest and Dividends	16	23	7
Miscellaneous Revenue	18	23	5
Revenue from Borrowings	0	0	0
Revenue from Advances Received	105	111	6
Amount Reversal from Specified Assets and Other Revenues	107	80	Δ 26
Revenue Adjustments	Δ 116	Δ 118	Δ 1
Carryover from Previous Year	196	196	0
Total: Revenues	1,084	1,084	Δ 0
Expenditures			
Personnel Expenditures	402	399	Δ 3
Education and Research Expenditures	257	243	Δ 14
Institutional Administrations Expenditures	55	61	6
Loan Interest Expenditures	0	0	0
Loan Repayment Expenditures	2	2	0
Facility-related Expenditures	57	56	Δ 2
Equipment-related Expenditures	22	14	Δ 8
Deposits for Specified Assets	61	92	30
Accounts Payable from Previous Fiscal Year and Other Expenditures	56	57	1
Reserve Fund	4	0	Δ 4
Expenditure Adjustments	Δ 56	Δ 58	Δ 2
Carryover into Next Year	224	219	Δ 5
Total: Expenditures	1,084	1,084	Δ 0

*Due to rounding up, totals may not match the sum of individual items.

*Items listed in parentheses are breakdowns of the items above them.

*'Difference' refers to the budget amount less the settlement amount.

Cash Revenues

After excluding the balance carried forward from the previous academic year from the Revenues section total of JPY 108.4 billion, cash revenues for FY2019 came to JPY 88.8 billion.

We earned JPY 58.1 billion in revenues from student fees such as student tuition and admission fees.

Revenues from entrance examination fee payments and other fees totaled JPY 3.4 billion.

Revenues from subsidies amounted to JPY 9.7 billion, and consisted of ordinary expense subsidies for private universities, affiliated school operating subsidies, as well as subsidies received through the Top Global University Project (SGU) and the Re-Inventing Japan Project (MEXT).

In other revenues, revenues from a reversal of reserve specified assets came to JPY 5.9 billion, and were allocated to FY2019 campus maintenance and the like.

Cash Expenditures

After excluding the balance carried forward to the next academic year from the Expenditures section total of JPY 108.4 billion, cash expenditures for FY2019 came to JPY 86.5 billion.

Personnel expenses totaled JPY 39.9 billion reflecting efforts to strengthen the faculty organization in order to improve the quality of education at the universities and affiliated schools.

Education and research expenses amounted to JPY 24.3 billion, and included cost related to the Top Global University Project (SGU), operating costs for the universities and affiliated schools, and costs associated with scholarships to support learning and growth among students (issued under systems individually managed by the universities and affiliated schools).

In AY2019, facility-related expenses came to JPY 5.6 billion and equipment-related expenses reached JPY 1.4 billion, reflecting major renovations to Zonshinkan Hall on Kinugasa Campus, earthquake-proofing of the Student Center, and the construction of facilities for the College of Gastronomy Management.

1-3. Statement of Operating Activities for FY2019

(in 100 million of JPY)

Item	FY2019 Budget	FY2019 Settlement	Difference
General Account; Educaton and Reseach			
Student Fees	583	581	Δ 2
Processing Fees	32	34	2
Donations	8	12	4
Subsidies	95	96	1
Income from University-Owned Businesses	35	37	3
Miscellaneous	19	21	3
Total: Revenues	771	782	11
Personnel	401	402	1
Education and Research	323	306	Δ 17
(Depreciation Cost)	66	63	Δ 3
Instisutonal Administrations	62	65	3
(Depreciation Cost)	7	7	0
Unrecoverable Amount	0	0	0
Total: Expenditures	786	774	Δ 12
Income/Loss	Δ 15	8	24

General Account; Others

Income from Interest and Dividends	16	23	7
Other Revenues	0	1	1
Total: Revenues	16	24	8
Interest on Loan	0	0	0
Other Expenditures	0	2	2
Total: Expenditures	0	2	2
Income/Loss	16	22	6
Income/Loss of General Account	1	31	30

Special Account

Gains from Sales of Assets	0	0	0
Other Revenues	8	10	1
Total: Revenues	8	10	1
Balance of Asset Disposal	3	11	8
Other Expenditures	0	1	1
Total: Expenditures	3	12	10
Income/Loss	6	Δ 2	Δ 8
Reserve Fund	4	0	Δ 4
Net Income/Loss before Allocated Capital Funds	3	28	26
Total Amount of Allocated Capital Funds	Δ 63	Δ 40	23
Net Income/Loss for This Fiscal Year	Δ 60	Δ 12	48
Net Income/Loss Brought Forward from Previous Fiscal Year	Δ 153	Δ 153	0
Amount Reversed from Capital Funds	0	4	4
Net Income/Loss to be Carried Forward to Next Fiscal Year	Δ 214	Δ 162	52
Total Revenues of Statement of Operations	796	816	21
Total Expenditures of Statement of Operations	793	788	Δ 5

*Due to rounding up, totals may not match the sum of individual items.

*Items listed in parentheses are breakdowns of the items above them.

*'Difference' refers to the budget amount less the settlement amount.

*Total Revenues of Statement of Operations= Revenues from Cureent Account + Revenues from Special Account

*Total Expenditures of Statement of Operations= Expenditures from Cureent Account + Expenditures from Special Account + Reserve Fund

Educational Activity Revenues and Expenditures

Educational activity revenues and expenditures show revenues and expenditures from educational and research activities that are included under ordinary revenues and expenditures.

Revenues totaled JPY 78.2 billion reflecting student payments, fees, donations, and ordinary expense subsidies. Expenses came to JPY 77.4 billion, including personnel expenses, education and research expenses and administrative expenses, producing a final outcome of JPY 800 million in net income for FY2019.

Meanwhile, depreciation costs included in education and research expenses and administrative expenses reached JPY 7 billion.

Non-Educational Activity Revenues and Expenditures

Non-educational activity revenues and expenditures show revenues and expenditures from financial activities that are included under ordinary revenues and expenditures.

Revenues comprised of interest, dividend and other income totaled JPY 2.4 billion, while expenditures, which included loan interest and other income, amounted to JPY 200 million, producing a final outcome of JPY 2.2 billion in net income for FY2019.

Ordinary Net Income/Loss

Tallying up the totals for educational activity and non-educational activity revenues and expenditures, the final outcome was JPY 3.1 billion in ordinary net income.

Special Revenues and Expenditures

Special revenues and expenditures, which reflect one-time revenues and expenditures, included a donation to cover costs associated with the construction of the tentatively named Yasuhiro Wakebayashi Memorial Exchange Center, thereby resulting in a surplus of JPY 200 million for AY2019.

Net income/loss for current academic year

Tallying up the totals for educational activity, non-educational activity and special revenues and expenditures, the final outcome for the current academic year after subtracting JPY 4 billion included allocated to capital funds was net income of JPY 1.2 billion.

1-4. Statement of Financial Position for FY2019

(in 100 million of JPY)

Item	End of FY2019	End of FY2018	Change
Assets			
Fixed Assets	3,542	3,521	21
Tangible Fixed Assets	2,252	2,259	Δ 8
(Land)	694	700	Δ 5
(Buildings and Structures)	1,318	1,316	2
(Equipment for Education and Research)	78	80	Δ 2
(Books)	152	150	3
Specified Assets	1,276	1,245	31
(Reserve Assets for Type 3 Capital Fund)	137	137	0
(Reserve Assets for Type 4 Capital Fund)	56	55	1
(Reserve Assets for Retirement Benefits)	129	126	3
Other Fixed Assets	14	17	Δ 2
Current Assets	239	221	18
(Cash and Deposits)	219	196	23
Assets: Total	3,781	3,742	39

Liabilities

Fixed Liabilities	270	266	4
(Long-term Debt and School Bonds)	131	132	Δ 2
(Reserve for Retirement Benefits)	129	126	3
Current Liabilities	200	193	8
(Short-term Debt and School Bonds)	2	2	0
(Advances Received)	111	103	8
(Deposits)	32	32	0
Liabilities: Total	470	459	11

Net Assets

Capital Funds	3,473	3,436	37
(Type 1 Capital Fund)	3,280	3,245	36
(Type 3 Capital Fund)	137	137	0
(Type 4 Capital Fund)	56	55	1
Net Income/Loss	Δ 162	Δ 153	Δ 8
Net Assets: Total	3,311	3,283	28
Liabilities and Net Assets: Total	3,781	3,742	39

*Due to rounding up, totals may not match the sum of individual items.

*Items listed in parentheses are breakdowns of the items above them.

*Change refers to end of FY 2019 amount less end of FY 2018 amount.

Assets

The Assets section shows all assets held as of the end of the fiscal year.

Tangible fixed assets, such as land, buildings, equipment and books, decreased by JPY 800 million from the end of last academic year to JPY 225.2 billion owing to campus maintenance projects and other factors.

Specified assets, which include assets allocated to the reserve for retirement benefits (fixed liabilities), Type 3 and Type 4 capital funds and future facility maintenance, increased by JPY 3.1 billion from the end of last academic year to JPY 127.6 billion.

Liabilities and Net Assets

This Liabilities and Net Assets section shows the sources of funds used to acquire assets. Liabilities accounted for 12.4% of total assets and net assets made up 87.6%.

The total for the Liabilities sector for the fiscal year reached JPY 47 billion.

The Net Assets section increased by JPY 2.8 billion from the previous academic year to JPY 331.1 billion supported by an increase in capital funds from acquisitions of assets allocated to capital funds (e.g., buildings, education and research equipment/fixtures, and books).

Statement of Cash Flow

The Statement of Cash Flow presents a clear picture of all revenues and expenditures relating to activities for a given fiscal year as well as the details regarding cash intake and outlays.

Statement of Operating Activities

The Statement of Operating Activities classifies business revenues and expenditures for a given academic year into (1) revenues and expenditures from educational activities, (2) revenues and expenditures from non-educational activities, and (3) special revenues and expenditures. It presents a clear picture of the balance of revenues and expenditures for each category, and calculates changes in the net assets of incorporated educational institutions (changes in capital funds and carried-forward net income/loss).

While the Statement of Cash Flow covers all funds, the Statement of Operating Activities aims to show the change of an institution's net assets; therefore, it does not include incoming and outgoing liabilities (e.g., borrowing and deposits), but it does include revenues and expenditures that do not entail cash transactions (e.g., in-kind donations, depreciation cost).

【Categories of Activity Revenues and Expenditures】

- Educational Activity Revenues and Expenditures:
Among ordinary revenues and expenditures, this category consists of revenues and expenditures from educational and research activities.
- Non-Educational Activity Revenues and Expenditures:
Among ordinary revenues and expenditures, this category consists of revenues and expenditures from activities other than education and research (chiefly financial activities).
- Special Activity Revenues and Expenditures:
This category consists of one-time revenues and expenditures such as asset sales and asset disposals.

【Capital Funds】

To conduct education and research activities, incorporated educational institutions must have capital funds to maintain assets such as buildings, equipment, books and cash-on-hand. According to the standards for incorporated educational institution accounting, the amount of funds

to acquire assets during the fiscal year is included in the capital funds. The Accounting Standards for Incorporated Educational Institutions define four types of capital funds as follows:

- Type 1: Acquisition cost of tangible fixed assets, such as land, buildings, equipment, supplies and books
- Type 2: Amount of deposits or other funds set aside for the purpose of acquiring fixed assets in the future
- Type 3: Amount for scholarship funds, research funds, and other funds
- Type 4: Amount of operating funds required for administration (amount designated by the Minister of MEXT)

【Income/Loss】

- Net ordinary income/loss (net income/loss from educational activities + net income/loss from non-educational activities):
This shows the balance of ordinary revenues and expenditures for a given academic year.
- Net income/loss for given academic year prior to allocation to capital funds (ordinary net income/loss + special net income/loss):
This shows the balance of ordinary revenues and expenditures for a given academic year after including one-time revenues and expenditures. The net income/loss amount represents the change in net assets of an incorporated educational institution for a given academic year.
- Net income/loss for the current academic year, net income/loss for the current academic year carried forward from the previous academic year, net income/loss for the current academic year to be carried forward to the next fiscal year:
This shows the net income/loss after allocation to the capital funds, and reflects the long-term balance of revenues and expenditures.

Statement of Financial Position

The Statement of Financial Position provides a detailed account of assets, liabilities, and net assets (i.e., capital funds and income/loss carried forward) as well as the balances for each. It aims to provide a clear picture of an incorporated educational institution's financial situation.

【Assets】

This section shows all assets held as of the closing date.

【Liabilities and Net Assets】

These sections show the sources of funds used to acquire assets. The total of the Liabilities and Net Assets sections is equal to the total of the Assets section.

The Liabilities section, which includes loans and the reserve for retirement benefits, reflects funds originating from other persons or organizations outside of the institution, while the Net Assets section (capital funds + carried-forward net income/loss) reflects the institution's own funds.

1-5. Asset Inventory

Total Assets	¥378,115,402,469
Endowment	¥226,470,016,158
Operating Assets	¥151,645,386,311
<hr/>	
Total Liabilities	¥46,995,942,607
Net Assets	¥331,119,459,862

(as of March 31, 2020)

Type	Amount
Assets	
1 Endowment	
Land 2,298,244.67 m ²	¥69,438,120,973
Buildings 825,275.38 m ²	¥119,940,064,467
Books 3,219,510	¥15,231,241,290
Equipment 17,714	¥8,542,513,830
Construction in Progress	¥126,317,962
Other	¥13,191,757,636
2 Operating Assets	
Cash and Deposits	¥21,888,844,476
Assets Held for School Trips	¥163,647,491
Reserve Fund	¥127,585,550,230
Securities	¥123,999,743
Accounts Receivable	¥1,446,777,945
Advance Payments	¥392,897,829
Other	¥43,668,597
Total Assets	¥378,115,402,469

Type	Amount
Liabilities	
1 Fixed Liabilities	
Long-term Debt and School Bonds	¥13,050,000,000
Long-term Account Payable	¥982,023,016
Reserve for Retirement Benefits	¥12,928,968,434
2 Current Liabilities	
Short-term Debt and School Bonds	¥155,330,000
Account Payable	¥5,394,364,327
Advances Received	¥11,119,734,188
Deposits	¥3,201,875,151
Cash Held for School Trips	¥163,647,491
Total Liabilities	¥46,995,942,607
Net Assets	¥331,119,459,862

1-6. Audit Report

Audit Report

May 15, 2020

To: The Board of Trustees and Trust Council of the Ritsumeikan Trust
 From: Yoshikazu Sagami, Full-time Auditor of the Ritsumeikan Trust
 Takanori Ozaki, Auditor of the Ritsumeikan Trust
 Yasuhiko Watanabe, Auditor of the Ritsumeikan Trust

In accordance with Article 37, Paragraph 3 of the Private School Act and Article 16, Paragraph 1, Item 4 of the Ritsumeikan Trust Act of Endowment, we, the auditors, hereby report on the operations and status of property of the Ritsumeikan Trust for the 2019 fiscal year commencing on April 1, 2019 and ending on March 31, 2020.

1. Method

We, the auditors, examined the operations and status of property of the Ritsumeikan Trust by attending meetings of the Board of Trustees and the Trust Council, receiving reports from the Trustees and other executives on the performance of duties, viewing important management documents, and liaising with Deloitte Touche Tohmatsu LLC—a third-party auditing firm.

We also received an explanation of the auditing report from Deloitte Touche Tohmatsu LLC and a report on the internal audit by the Office of Inspections and Auditing, and we carefully examined the financial statements.

2. Results

- (1) We deem the operations of the Ritsumeikan Trust to be appropriate, and we deem the financial statements to be appropriate representations of the status of property as of the end of the fiscal year in question.
- (2) We deem that there exists no misconduct with regard to the operations or property of the Ritsumeikan Trust and no serious acts in violation of the laws of Japan or the Act of Endowment.

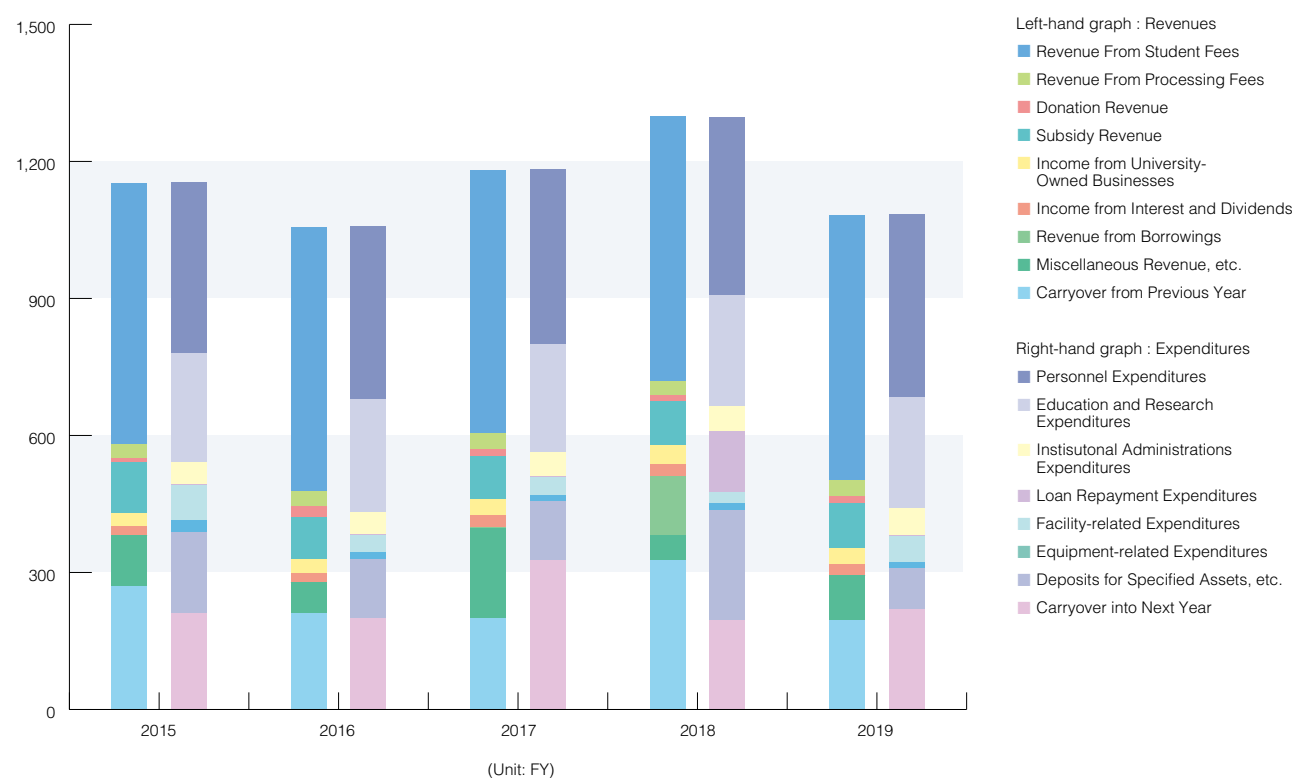
2. Year-to-year Changes

2-1. Historical Cash Flow (FY2015 ~ 2019)

(in 100 million of JPY)

Item	FY2015	FY2016	FY2017	FY2018	FY2019
Revenues					
Revenue From Student Fees	572	580	578	579	581
Revenue From Processing Fees	31	31	33	32	34
Donation Revenue	9	26	17	11	17
Subsidy Revenue	112	90	94	98	97
Revenue from Sales of Assets	0	0	0	0	1
Income from University-Owned Businesses	29	32	34	42	37
Income from Interest and Dividends	18	19	27	25	23
Miscellaneous Revenue	20	17	18	23	23
Revenue from Borrowings	0	0	1	130	0
Revenue from Advances Received	105	105	100	103	111
Amount Reversal from Specified Assets and Other Revenues	101	64	197	47	80
Revenue Adjustments	Δ114	Δ119	Δ117	Δ120	Δ118
Carryover from Previous Year	270	212	201	327	196
Total: Revenues	1,154	1,057	1,182	1,297	1084
Expenditures					
Personnel Expenditures	375	378	382	391	399
Education and Research Expenditures	237	248	236	241	243
Institutional Administrations Expenditures	49	48	53	56	61
Loan Interest Expenditures	0	0	0	0	0
Loan Repayment Expenditures	2	2	2	132	2
Facility-related Expenditures	76	38	39	26	56
Equipment-related Expenditures	27	16	14	15	14
Deposits for Specified Assets	118	130	127	244	92
Accounts Payable from Previous Fiscal Year and Other Expenditures	114	56	56	51	57
Expenditure Adjustments	Δ56	Δ59	Δ54	Δ55	Δ58
Carryover into Next Year	212	201	327	196	219
Total: Expenditures	1,154	1,057	1,182	1,297	1084

* Due to rounding up, totals may not match the sum of individual items.



2-2. Historical Operating Activities (FY2015 ~ 2019)

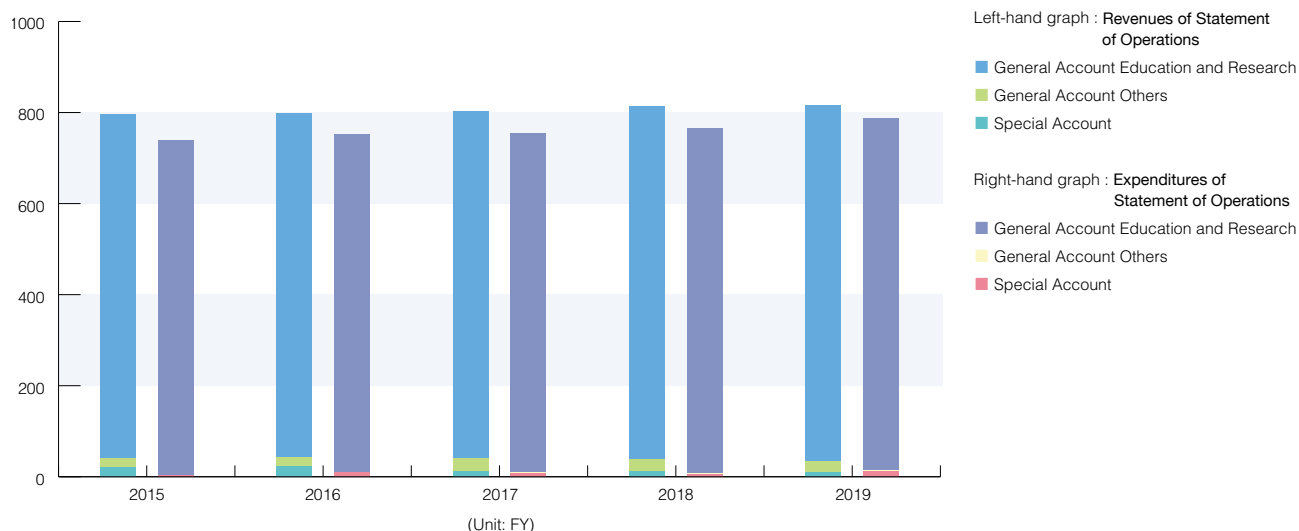
(in 100 million of JPY)

Item	FY2015	FY2016	FY2017	FY2018	FY2019
General Account; Educator and Research					
Student Fees	572	580	578	579	581
Processing Fees	31	31	33	32	34
Donations	8	6	7	6	12
Subsidies	95	88	93	96	96
Income from University-Owned Businesses	29	32	34	42	37
Miscellaneous	18	18	17	20	21
Total: Revenues	754	755	762	774	782
Personnel	378	377	387	393	402
Education and Research	301	311	299	305	306
Instisutonal Administrations	56	54	59	61	65
Unrecoverable Amount	0	0	0	0	0
Total: Expenditures	734	742	746	759	774
Income/Loss	20	13	16	15	8
General Account; Others					
Income from Interest and Dividends	18	19	27	25	23
Other Revenues	3	0	1	3	1
Total: Revenues	21	19	28	28	24
Interest on Loan	0	0	0	0	0
Other Expenditures	0	1	1	1	2
Total: Expenditures	1	1	1	1	2
Income/Loss	20	18	27	26	22
Income/Loss of General Account	40	31	43	41	31
Special Account					
Gains from Sales of Assets	0	0	0	0	0
Other Revenues	20	24	13	11	10
Total: Revenues	20	24	13	11	10
Balance of Asset Disposal	3	8	8	5	11
Other Expenditures	0	1	0	1	1
Total: Expenditures	3	9	8	6	12
Income/Loss	17	15	4	5	Δ 2
Net Income/Loss before Allocated Capital Funds	57	46	48	47	28
Total Amount of Allocated Capital Funds	Δ 48	Δ 36	Δ 16	Δ 9	Δ 40
Net Income/Loss for This Fiscal Year	8	10	32	37	Δ 12
Net Income/Loss Brought Forward from Previous Fiscal Year	Δ 250	Δ 242	Δ 229	Δ 191	Δ 153
Amount Reversed from Capital Funds	0	3	7	0	4
Net Income/Loss to be Carried Forward to Next Fiscal Year	Δ 242	Δ 229	Δ 191	Δ 153	Δ 162
Total Revenues of Statement of Operations	795	798	803	813	816
Total Expenditures of Statement of Operations	738	752	755	767	788

*Due to rounding up, totals may not match the sum of individual items.

*Total Revenues of Statement of Operations= Revenues from Cureent Account + Revenues from Special Account

*Total Expenditures of Statement of Operations= Expenditures from Cureent Account + Expenditures from Special Account + Reserve Fund

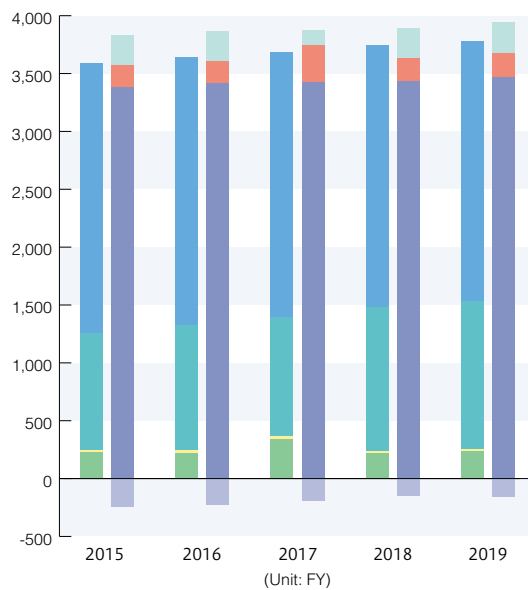


2-3. Historical Financial Position (FY2015 ~ 2019)

(in 100 million of JPY)

Item	End of FY2015	End of FY2016	End of FY2017	End of FY2018	End of FY2019
Assets					
Fixed Assets	3,360	3,419	3,342	3,521	3,542
Tangible Fixed Assets	2,338	2,312	2,288	2,259	2,252
Specified Assets	1,005	1,088	1,034	1,245	1,276
Other Fixed Assets	17	20	20	17	14
Current Assets	232	220	345	221	239
Assets: Total	3,592	3,639	3,687	3,742	3,781
Liabilities					
Fixed Liabilities	265	263	138	267	270
Current Liabilities	184	187	313	193	200
Liabilities: Total	449	451	451	459	470
Net Assets					
Capital Funds	3,385	3,418	3,427	3,436	3,473
Type 1 Capital Fund	3,194	3,227	3,235	3,245	3,280
Type 2 Capital Fund	—	—	—	—	—
Type 3 Capital Fund	137	137	137	137	137
Type 4 Capital Fund	53	54	55	55	56
Net Income/Loss	Δ 242	Δ 229	Δ 191	Δ 153	Δ 162
Net Assets: Total	3,143	3,189	3,236	3,283	3,311
Liabilities and Net Assets: Total	3,592	3,639	3,687	3,742	3,781

*Due to rounding up, totals may not match the sum of individual items.



Left-hand graph : Assets Right-hand graph : Liabilities and Net Assets
 ■ Tangible Fixed Assets ■ Fixed Liabilities
 ■ Specified Assets ■ Current Liabilities
 ■ Other Fixed Assets ■ Capital Funds
 ■ Current Assets ■ Net Income/Loss

3. Financial Ratios

Financial Ratios for the Statement of Operating Activities

(Unit:%)

Ratio	Calculation	Evaluation	FY2015	FY2016	FY2017	FY2018	FY2019	National average
Personnel ratio	Personnel Expenditures ÷ General Revenues	▼	48.7	48.7	49.1	49.0	49.9	53.0
Education and Research Ratio	Education and Research Expenditures ÷ General Revenues	△	38.8	40.2	37.9	38.0	38.0	33.4
Balance of Payments in General Accounts; Education and Research	Income/Loss of General Accounts; Education and Research ÷ Revenues in General Accounts; Education and Research	△	2.6	1.7	2.1	1.9	1.1	3.0
Balance of Payments in General Accounts	Income/Loss of General Accounts ÷ General Revenues	△	5.2	4.0	5.5	5.2	3.8	4.5
Operating Activities Balance Ratio	Net income/loss for given academic year prior to allocation to capital funds ÷ revenue from operating activities	△	7.1	5.8	5.9	5.7	3.5	4.6

* General Revenues = Revenues from General accounts

* Scale: △: Higher values are better ▼: Lower values are better. National averages are the figures from FY2018 for incorporated universities, excluding medical and dental schools, taken from "Private University Finance Today" published by the Promotion and Mutual Aid Corporation for Private Schools.

* The definitions of ratios can be found in the section entitled "Incorporated Educational Institutions and Accounting Standards for Incorporated Educational Institutions" (p. 48).

Financial Ratios for the Statement of Financial Position

(Unit:%)

Ratio	Calculation	Evaluation	FY2015	FY2016	FY2017	FY2018	FY2019	National average
Ratio of Net Assets to Total Assets	Net Assets ÷ Total Assets	△	87.5	87.6	87.8	87.7	87.6	87.8
Ratio of Total Liabilities to Total Assets	Total Liabilities ÷ Total Assets	▼	12.5	12.4	12.2	12.3	12.4	12.2

* Scale: △: Higher values are better ▼: Lower values are better. National averages are the figures from FY2018 for incorporated universities, excluding medical and dental schools, taken from "Private University Finance Today" published by the Promotion and Mutual Aid Corporation for Private Schools.

* The definitions of ratios can be found in the section entitled "Incorporated Educational Institutions and Accounting Standards for Incorporated Educational Institutions" (p. 48).