

# **Okinawa Institute of Science and Technology School Corporation**

## **Financial Statements**

**Year ended March 2019**

**From: April 1, 2018**

**To: March 31, 2019**

# Contents

	<u>Page</u>
Balance Sheets . . .	1
Profit and Loss Statements . . .	2
Statements of Cash Flows . . .	3
Profit Appropriation Statements . . .	4
Statements of Administrative Service Costs . . .	5
Notes to Financial Statements . . .	6
Annexed Detailed Statements . . .	8
1. Acquisition, disposal and depreciation of fixed asset, and accumulated impairment loss ( Includes depreciation, which is excluded from ordinary expenses, specified in the OIST Accounting standards, Article 40, Accounting treatment for depreciation of specific asset.)	
2. Supplies	
3. Securities	
4. Voluntary use of national property	
5. PFI	
6. Allowance-retirement benefits	
7. Contribution and additional paid-in contribution	
8. Changes in reserve fund	
9. Research expenses and general and administrative expenses	
10. Subsidy for operation	
11-1. Subsidy for facility	
11-2. Other subsidies	
12. Personnel costs for executives and employees	
13. Segment information	
14. Donation	
15. Sponsored research	
16. Joint research	
17. Primary assets, liabilities, expenses, and revenues	
18. Related Public Corporations	

# Balance Sheets

As of March 31, 2019

(Unit: Yen)

## Assets

### I Noncurrent assets

#### 1 Properties, plants, and equipment

Land		1,659,667,000
Buildings	40,455,509,097	
Accumulated depreciation	<u>-11,641,640,496</u>	28,813,868,601
Structures	6,766,367,770	
Accumulated depreciation	<u>-1,873,975,810</u>	4,892,391,960
Machineries	238,506,496	
Accumulated depreciation	<u>-190,424,026</u>	48,082,470
Equipment	22,978,278,771	
Accumulated depreciation	<u>-16,915,646,430</u>	6,062,632,341
Books		6,663,236
Ships and vessels	2,004,437	
Accumulated depreciation	<u>-1,681,270</u>	323,167
Vehicles and transportation equipment	27,426,192	
Accumulated depreciation	<u>-23,407,315</u>	4,018,877
Lease assets	1,721,081,636	
Accumulated depreciation	<u>-1,718,935,244</u>	2,146,392
Construction in progress		8,697,368,555
Total properties, plants, and equipment		<u>50,187,162,599</u>

#### 2 Intangible assets net of amortization

Patents		66,992,559
Trademark rights		493,632
Software		529,966,127
Patents (in the process of filing)		153,300,528
Others		<u>23,235,300</u>
Total intangible assets, net		<u>773,988,146</u>

#### 3 Investments and other assets

Investments in securities		5,000
Security deposits		1,667,500
Long-term prepaid expenses		615,525
Lease investment assets (Long-term)		<u>4,196,133,288</u>
Total investments and other assets		<u>4,198,421,313</u>

#### Total noncurrent assets

55,159,572,058

### II Current assets

Cash and cash equivalents		3,162,050,552
Accounts receivable		1,744,035,349
Supplies		59,306,358
Advance payments		20,721
Prepaid expenses		19,890,458
Lease investment assets (Short-term)		<u>119,849,430</u>

#### Total current assets

5,105,152,868

#### Total assets

60,264,724,926

## Liabilities

### I Noncurrent liabilities

Encumbrance for assets - subsidy for operation		11,808,387,227
Encumbrance for assets - donation		119,885,037
Encumbrance for assets - donated by Japan government		677,603
Allowance-retirement benefits		130,459,200
Long-term accrued amounts payable		4,212,912,490
Long-term lease obligations		<u>1,468,584</u>

#### Total noncurrent liabilities

16,273,790,141

### II Current liabilities

Advance received		14,128,182
Deposits received - subsidy for operation		
Deposits received - subsidy for operation	935,078,021	
Deposits received - subsidy for facility	<u>8,545,883,361</u>	9,480,961,382
Deposits received - donation		56,121,359
Deposits received - Kakenhi		84,641,331
Deposits received - others		100,501,011
Accounts payable		3,367,103,242
Short-term lease obligations		677,808
Accrued expenses		<u>65,392,251</u>

#### Total current liabilities

13,169,526,566

#### Total liabilities

29,443,316,707

## Equities

### I Contributions

Contributions from government		<u>24,317,681,264</u>
Total contributions		24,317,681,264

### II Additional paid-in contributions

Additional paid-in contributions		17,759,642,391
Accumulated depreciation - directly deducted from equity (-)		<u>-11,988,043,671</u>

#### Total additional paid-in contributions

5,771,598,720

### III Retained earnings

Voluntary reserve funds		
Special reserve funds		80,532,854
Accumulated net income		<u>651,595,381</u>
(Net income/(-loss) for FY2017)	(	166,232,774 )

#### Total retained earnings

732,128,235

#### Total equities

30,821,408,219

#### Total liabilities and equities

60,264,724,926

## Profit and Loss Statements

For the year ended March 31, 2019

(Unit: Yen)

Ordinary revenues			
Tuition fees		77,805,000	
Subsidy for operation		13,141,750,082	
Subsidy for facility		13,316,186	
Sponsored research from national and local governments		115,358,849	
Sponsored research from nongovernments		160,031,923	
Joint research		38,533,507	
Donations		29,019,122	
Subsidy for other		58,505,762	
Property rent revenue		11,754,283	
Land rent revenue		13,953,811	
Reversal of encumbrance for assets - subsidy for operation		3,760,608,529	
Reversal of encumbrance for assets - donations		47,511,081	
Financial revenues			
Interest income	104,202,226	104,454,244	
Foreign currency transaction gain	252,018		
Miscellaneous revenues		171,516,401	
Ordinary revenues total			17,744,118,780
Operating expenses			
Research and education expenses			
Personnel costs	5,400,717,722		
Other expenses			
Research supplies	1,182,740,191		
Supplies & Consumables	408,022,959		
Utilities	676,549,355		
Travel and transportation	592,446,162		
Communication and transportation expenses	76,679,414		
Rent	361,726,856		
Outsource	766,520,812		
Repair costs	219,872,760		
Maintenance fees	1,291,414,840		
Library expenses	211,311,060		
Depreciation	3,856,253,856		
Others	142,256,521	9,785,794,786	15,186,512,508
General and administrative expenses			
Personnel costs	1,381,364,083		
Other expenses			
Office supplies	40,841,481		
Travel and transportation	276,040,118		
Communication and transportation expenses	44,620,854		
Rent	5,396,511		
Outsource	236,566,177		
Service and advisory fees	55,846,402		
Advertising expenses	22,331,255		
Depreciation	23,837,481		
Others	248,953,445	954,433,724	2,335,797,807
Financial expense			
Interest expense	111,479,754	111,479,754	
Miscellaneous loss		719,000	
Operating expenses total			17,634,509,069
Net ordinary income/(-loss)			109,609,711
Extraordinary income			
Reversal of encumbrance for assets - subsidy for operation		70	
Reversal of encumbrance for assets - donation		76,141	
Prior period adjustment gain		56,623,063	
Total extraordinary income			56,699,274
Extraordinary loss			
Loss on retirement of noncurrent assets		76,211	
Total extraordinary loss			76,211
Net income/(-loss)			166,232,774
Gross income/(-loss)			166,232,774

## Statements of Cash Flows

### From April 1, 2018 to March 31, 2019

(Unit: Yen)

I Cash flows from operating activities	
Tuition fees	77,805,000
Funds received from government - subsidy for operation	15,713,294,268
Funds received from outside parties - sponsored research	396,718,380
Funds received from outside parties - donations	16,381,419
Funds received from government - subsidy for others	44,070,266
Funds received from employees - property rent - dormitory	11,754,283
Funds received from others	185,558,880
Net cash increase in advanced-received (Kakenhi:Grant-in-aid for scientific research)	15,909,481
Payments to employees	-6,756,288,113
Purchase of inventories	-6,015,017
Payments of other than payments to employees	-6,755,188,319
Returns to national government - subsidy for operation	-390,898,402
Net cash provided by operating activities	2,553,102,126
II Cash flows from investing activities	
Purchase of property, plant, and equipment	-5,278,276,442
Purchase of intangible assets	-73,258,638
Funds received from government - subsidy for facility	2,727,827,641
Payments for other investing activities	648,070
Subtotal	-2,623,059,369
Received interest and dividends	3,288
Net cash used in investing activities	-2,623,056,081
III Cash flows from financial activities	
Payments for finance lease liabilities	-27,316,562
Net cash used in financial activities	-27,316,562
IV Foreign exchange gain	252,018
V Net cash increase/(decrease) in cash and cash equivalents	-97,018,499
VI Cash and cash equivalents at beginning of year	3,259,069,051
VII Cash and cash equivalents at end of year	3,162,050,552

**Profit Appropriation Statements**  
**As of March 31, 2019**

(Unit: Yen)

I Unappropriated retained earnings

Gross profit	166,232,774
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Retained earnings at the beginning of a period	485,362,607
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II Retained earnings

651,595,381
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# Statements of Administrative Service Costs

## From April 1, 2018 to March 31, 2019

(Unit: Yen)

I Ordinary expenses		
(1) Ordinary expenses stated on Profit and Loss Statements		
Research expenses	15,186,512,508	
General and administrative expenses	2,335,797,807	
Financial expenses	111,479,754	
Miscellaneous loss	719,000	
Extraordinary loss	76,211	17,634,585,280
(2) (Less) Revenue from outside parties		
Tuition fees	△ 77,805,000	
Sponsored research	△ 275,390,772	
Joint research	△ 38,533,507	
Donations	△ 29,019,122	
Property rent revenue	△ 11,754,283	
Land rent revenue	△ 13,953,811	
Reversal of encumbrance for assets donation	△ 47,511,081	
Financial revenue	△ 104,454,244	
Miscellaneous income	△ 119,227,457	△ 717,649,277
Total ordinary expenses		16,916,936,003
II Depreciation-directly deducted from equity		1,769,840,880
III Estimated allowance for retirement benefits		1,569,300
IV Opportunity costs		
Opportunity costs of free rental fee or reduction rental fee from national/local government	155,168,620	
Opportunity costs of national/local government	0	155,168,620
V Administrative service costs		18,843,514,803

## Notes to Financial Statements

### I. Important accounting policy

#### 1. Supplies

Others are reported at lower of cost or progressive average inventory method.

#### 2. Depreciation

##### (1) Property, plant, and equipment

Depreciation is recognized on the straight-line method under The Corporation Tax Law.

In accordance with OIST Accounting standards, Article 40 depreciation on specified assets is directly deducted from equity stated as "Accumulated depreciation-directly deducted from equity."

##### (2) Intangible Assets

Depreciation is calculated on the straight-line method.

Useful life of software for in-house use is amortized over three to five years.

#### 3. Allowance for retirement benefits

##### (1) Allowance-retirement benefits

Allowance for retirement benefits for employees is recognized on liability for FY2018 within estimated payment amount in the future.

#### 4. Opportunity costs on the statements of administrative service costs

(1) Calculation of opportunity costs of lending by means of free rental fee or reduction rental fee of the property of the national/local governments has been calculated based on the JASDF Onna Sub Base and agricultural land unit price.

(2) Interest rate used to calculate the opportunity cost pertaining to government contributions

Although the interest rate for 10-year government bonds as at the closing date at the end of March 2019 was -0.095%, opportunity costs of the national/local government are calculated at the percentage of 0% in conformity with Interest Rate related to Calculation of Opportunity Costs on Incorporated National University, etc. the Statements of Administrative Service Costs (Notification).

#### 5. Foreign currency transactions

Foreign currency transactions are converted to yen at the spot exchange rate as of the closing date, and the translation difference is recorded in profit and loss.

#### 6. Leases

Finance lease transactions are calculated in accordance with standard sales transaction procedures.

Among those finance lease transactions, non-ownership transfer finance lease transactions where a total amount of leasing is less than 3 million yen, are calculated in accordance with standard operating lease transaction procedures.

#### 7. Accounting standards for income and expenses

##### (1) Accounting standards related to income from finance leases (lessor)

Accounted for based on the method of allocating an amount equivalent to the interest to each period without posting sales.

#### 8. Consumption tax

The tax-included method is adopted for consumption tax accounting.

### II. Additional information

#### 1. Summary of transactions and accounting treatment regarding the village zone housings

The University entered into a contract with OKINAWA SCIENTISTS VILLAGE Co., Ltd. (hereafter the "Business Operator") on September 30, 2011, regarding the housings maintenance business. The Business Operator, based on the corresponding contract, was to construct housings located on premises owned by the University that would be for use by students and faculty staff members and transfer the housings to the University after its completion. Construction of the housings was to consist of three phases. The first phase, the second phase, the third-(1) phase and the third-(2) phase were completed at each fiscal year 2012, 2013, 2014 and 2015. The housings were then delivered to the University. Upon completion of the received them from the Business Operator under a long-term installment purchase and at the same time entered into a building loan agreement by way of a periodic lease with the Business Operator, and is leasing the housings. The long-term installment purchase amount in accordance with the acquisition of the housings is the same amount as the lease payments relating to the housings. Further, the payment schedule and the amount to pay each year including interest are also set at the same amount. Hence, the payment amounts for each year are canceled out and no payments are made to each other. The building loan agreement by way of a periodic lease stipulates that the Business Operator cannot in principle cancel the lease contract during the term and that the housings will be returned to the University after the end of the lease term. Lease transactions between the University and the Business Operator are accounted for by treating them as a finance lease where ownership is not transferred (to the lessor). Furthermore, when accounting for such transactions they are treated as a finance lease where ownership is not transferred (to the lessor), and an amount equivalent to the interest is allocated to each period without posting sales and the housings that were handed over is stated as a lease investment asset.



### III. Balance sheets

#### 1. Subsidy for operation and facility

##### (1) Deposits received - subsidy for operation

Returns to National government	639,169,900 yen
Closing balance of encumbrance for construction in progress - subsidy for operation in SC	142,607,594 yen
Closing balance of encumbrance for patent - subsidy for operation in SC	153,300,527 yen
Total of closing balance	935,078,021 yen

##### (2) Deposits received - subsidy for facility

Closing balance of encumbrance for construction in progress - subsidy for facility in SC	8,545,883,361 yen
Total of closing balance	8,545,883,361 yen

### IV. Statement of Cash Flows

#### (1) Breakdown of the balance sheet by year-end balance of funds

Cash and cash equivalent	3,162,050,552 yen
Balance of funds at end of year	3,162,050,552 yen

#### (2) Important non-financial transactions

Amount of investments related to finance leases (lessee) newly recognized in the term	0 yen
Amount of lease payable related to acquisition of lease assets newly recognized in the term	0 yen

### V. Statements of administrative service costs

Estimated allowance for retirement benefits includes 1,569,300 yen concerning loaned employees from the government and other organizations.

### VI. Notes to finance leases

#### 1. Lessee

##### (1) Details of lease assets

Service vehicles (OIST bus)

##### (2) Depreciation method of lease assets

< Leased assets relating to ownership-transfer finance lease transactions >

Ownership-transfer finance lease transactions are depreciated using the same method adopted for self-owned fixed assets.

< Leased assets relating to finance lease transactions without the transfer of ownership >

Depreciated using the straight-line method over the useful life of the lease term, with no residual value.

#### 2. Lessor

##### (1) Breakdown of investments in leases

###### (i) Investments and other assets

Portion of lease receivables	5,604,215,100yen
Amount equivalent to interest income	△1,408,081,812yen
Lease investment assets	4,196,133,288yen

###### (ii) Current assets

Portion of lease receivables	221,299,927yen
Amount equivalent to interest income	△101,450,495yen
Lease investment assets	119,849,432yen

##### (2) Scheduled recoverable amount of the lease receivables part pertaining to lease investment assets after the closing date

###### (i) Investments and other assets

	Within 1 year	More than 1 year but not more than 2 years	More than 2 year but not more than 3 years	More than 3 year but not more than 4 years	More than 4 year but not more than 5 years	More than 5 years	amount
Portion of lease receivables	-	221,479,009	221,662,569	221,850,719	222,043,570	4,717,179,233	5,604,215,100

###### (ii) Current assets

	Within 1 year	More than 1 year but not more than 2 years	More than 2 year but not more than 3 years	More than 3 year but not more than 4 years	More than 4 year but not more than 5 years	More than 5 years	amount
Portion of lease receivables	221,299,927	-	-	-	-	-	-

### VII. Important subsequent events

Not applicable.

## Annexed Detailed Statements

### 1. Acquisition, disposal and depreciation of fixed asset, and accumulated impairment loss

(Includes depreciation, which is excluded from ordinary expenses, specified in the OIST Accounting standards, Article 40, Accounting treatment for depreciation of specific asset).

(Unit: Thousand Yen)

Asset		Beginning balance	Increase	Decrease	Closing balance	Accumulated depreciation		Accumulated impairment loss			Closing net book value	Memo
						Depreciation for FY 2017		Included in ordinary expenses FY2017	Excluded in ordinary expenses FY2017			
Property, plant, and equipment (Depreciation - Included in ordinary expenses)	Buildings	6,362,997	161,060	-	6,524,057	1,515,287	308,721	-	-	-	5,008,770	
	Structures	377,267	10,595	-	387,862	171,060	26,573	-	-	-	216,802	
	Machinery	192,687	2,737	-	195,425	169,016	7,386	-	-	-	26,409	
	Equipment	21,267,389	1,737,342	170,893	22,833,837	16,778,685	3,285,946	-	-	-	6,055,152	
	Books	5,585	1,078	-	6,663	-	-	-	-	-	6,663	
	Ship	2,004	-	-	2,004	1,681	400	-	-	-	323	
	Vehicle and transportation equipment	26,876	550	-	27,426	23,407	2,564	-	-	-	4,018	
	Lease assets	1,732,083	-	11,002	1,721,081	1,718,935	22,284	-	-	-	2,146	
	Total	29,966,891	1,913,363	181,896	31,698,359	20,378,073	3,653,877	-	-	-	11,320,286	
Property, plant, and equipment (Depreciation - Excluded from ordinary expenses)	Buildings	33,426,814	504,637	-	33,931,451	10,126,353	1,490,668	-	-	-	23,805,098	
	Structures	6,324,736	53,768	-	6,378,505	1,702,915	273,979	-	-	-	4,675,589	
	Machinery	43,080	-	-	43,080	21,407	2,886	-	-	-	21,673	
	Equipment	144,440	-	-	144,440	136,960	2,252	-	-	-	7,479	
	Total	39,939,072	558,405	-	40,497,478	11,987,637	1,769,786	-	-	-	28,509,840	
Non-depreciable assets	Land	1,659,667	-	-	1,659,667	-	-	-	-	-	1,659,667	
	Construction in progress	5,056,824	3,775,307	134,762	8,697,368	-	-	-	-	-	8,697,368	
	Total	6,716,491	3,775,307	134,762	10,357,035	-	-	-	-	-	10,357,035	
Total property, plant, and equipment	Land	1,659,667	-	-	1,659,667	-	-	-	-	-	1,659,667	
	Buildings	39,789,811	665,697	-	40,455,509	11,641,640	1,799,389	-	-	-	28,813,868	
	Structures	6,702,004	64,363	-	6,766,367	1,873,975	300,552	-	-	-	4,892,391	
	Machinery	235,768	2,737	-	238,506	190,424	10,272	-	-	-	48,082	
	Equipment	21,411,830	1,737,342	170,893	22,978,278	16,915,646	3,288,198	-	-	-	6,062,632	
	Books	5,585	1,078	-	6,663	-	-	-	-	-	6,663	
	Ship	2,004	-	-	2,004	1,681	400	-	-	-	323	
	Vehicle and transportation equipment	26,876	550	-	27,426	23,407	2,564	-	-	-	4,018	
	Lease assets	1,732,083	-	11,002	1,721,081	1,718,935	22,284	-	-	-	2,146	
	Construction in progress	5,056,824	3,775,307	134,762	8,697,368	-	-	-	-	-	8,697,368	
	Total	76,622,455	6,247,077	316,659	82,552,873	32,365,710	5,423,663	-	-	-	50,187,162	
	Intangible assets (Depreciation - Included in ordinary expenses)	Patents	51,304	34,229	-	85,534	18,541	8,582	-	-	-	66,992
Trademark right		1,217	-	-	1,217	723	121	-	-	-	493	
Software		1,104,694	36,762	25,970	1,115,486	585,520	213,567	-	-	-	529,966	
Other intangible assets		51,785	-	-	51,785	28,854	3,942	-	-	-	22,930	
Total		1,209,002	70,992	25,970	1,254,023	633,640	226,214	-	-	-	620,382	
Intangible assets (Depreciation - Excluded from ordinary expenses)	Other intangible assets	711	-	-	711	406	54	-	-	-	305	
Non-depreciable assets	Patent in the process of filing	139,533	64,486	50,719	153,300	-	-	-	-	-	153,300	
Total intangible assets	Patents	51,304	34,229	-	85,534	18,541	8,582	-	-	-	66,992	
	Trademark right	1,217	-	-	1,217	723	121	-	-	-	493	
	Software	1,104,694	36,762	25,970	1,115,486	585,520	213,567	-	-	-	529,966	
	Patent in the process of filing	139,533	64,486	50,719	153,300	-	-	-	-	-	153,300	
	Other intangible assets	52,496	-	-	52,496	29,261	3,996	-	-	-	23,235	
	Total	1,349,246	135,478	76,690	1,408,035	634,046	226,269	-	-	-	773,988	
	Investments and other assets	Investments in securities	5	-	-	5	-	-	-	-	-	5
Security deposit		2,170	-	503	1,667	-	-	-	-	-	1,667	
Prepaid expense (long-term)		-	615	-	615	-	-	-	-	-	615	
lease investment assets		4,315,982	-	119,849	4,196,133	-	-	-	-	-	4,196,133	
Total		4,318,158	615	120,352	4,198,421	-	-	-	-	-	4,198,421	

#### Notes:

- Increased buildings : CDC2 330,860 thousand yen, Incubation facility 161,053 thousand yen
- Increased structures : South hill Slope Stabilization Work etc 22,442 thousand yen, construction in developing area 11,253 thousand yen, Seaside House road construction 9,210 thousand yen, Incubation facility 5,594 thousand yen
- Increased equipment : Expansion of GPGPU cluster system 224,640 thousand yen, Network Upgrade for Data Center and Research 100,194 thousand yen, NMR 500MHz Cryo System 77,020 thousand yen
- Increased construction in progress : Lab4 3,131,642 thousand yen, OMSS(Okinawa Marine Science Station) 211,680 thousand yen, No.8 bridge 174,835 thousand yen, Lab5 116,293 thousand yen

## 2. Supplies

(Unit: Thousand Yen)

Item	Beginning balance	Increase		Decrease		Closing balance	Memo
		Purchase and Transfer	Others	Consumption and Transfer	Others		
Research supplies	72,581	1,071	-	20,375	-	53,277	
Other	8,467	4,217	-	6,656	-	6,028	
Total	81,048	5,289	-	27,031	-	59,306	

### 3. Securities

#### Investments in securities

(Unit: Thousand Yen)

		Description	Acquisition cost	Amount of denomination	market value	Balance sheet	Profit and loss statement	Valuation difference of securities	Memo
Securities-other	Fair value		-	-	-	-	-	-	
	Non-fair value	Okinawa Protein Tomography Limited	-	-	-	5	-	-	Gratis allotment of stock acquisition rights 5,000
Total			-	-	-	5	-	-	

4. Voluntary use of national property

Category	Item	Address	Space (㎡)	Structure	Opportunity costs (Thousand yen)	Memo
Land	Campus	1919-1 Tancha, Onna-son Okinawa	631,410.60	-	153,344	
Land	Seragaki Marine Station	656 Seragakibaru, Seragaki, Onna-son Okinawa	7,511.50	-	1,824	
Total			638,922.10	-	155,168	

## 5.PFI

(Unit: Thousand yen)

Project	Outline	Type	Contractor	Contract term	Description
Okinawa Institute of Science and Technology Housing Development Project	Housing development(building) and maintenance, administration, management	BTO	OKINAWA SCIENTISTS VILLAGE INC.	From September 30, 2011 to March 31, 2045	First phase:Deliverd between August 2012 and January 2013 Second phase: Deliverd in June 2013 Third-1 phase: Deliverd in August 2014 Third-2 phase: Deliverd in August & October 2015

## 6.Allowance-retirement benefits

(Unit: Thousand yen)

Category	Beginning Balance	Increase	Decrease	Closing Balance	Memo
Total of accumulated benefits obligation	117,008	25,373	11,922	130,459	
Obligation of retirement lump-sum grants	117,008	25,373	11,922	130,459	
Unrecognized prior service cost	-	-	-	-	
Unrecognized net actual loss on assets	-	-	-	-	
Pension asset	-	-	-	-	
Allowance-retirement benefits	117,008	25,373	11,922	130,459	

7. Contribution and additional paid-in contribution

(Unit: Thousand Yen)

Category		Beginning Balance	Increase	Decrease	Closing balance	Memo
Contribution	Contribution from national government	24,317,681	-	-	24,317,681	
	Total	24,317,681	-	-	24,317,681	
Additional paid-in contribution	Additional paid-in contribution					
	Subsidy for Facility	17,201,236	558,405	-	17,759,642	Note (1)
	Total	17,201,236	558,405	-	17,759,642	
	Accumulated depreciation directly deducted from equity	10,218,202	1,769,840	-	11,988,043	
	Balance	6,983,033	△ 1,211,436	-	5,771,598	

Note(1):Increase in the subsidy for facility was mainly due to the Child Development Center(2nd phase) 330,860 thousand yen and Incubation facility 164,887 thousand yen.



## 8. Changes in reserve fund

(Unit: Thousand yen)

Category	Beginning balance	Increase	Decrease	Closing balance	Memo
Special reserve fund	58,867	-	-	58,867	With regards to allowance-retirement benefits for employees in the previous corporation that were not posted in the balance sheet in accordance with accounting standards for an independent administrative institution, at the beginning of the first fiscal year, we posted the required amount for the reserve as a liability and handled the corresponding reserve amount as a school subsidy in the same fiscal year. In this way, we monetized the required amount for the reserve.
Special reserve fund	21,665	-	-	21,665	With regards to allowance-bonuses in the previous corporation that were not posted in the balance sheet in accordance with accounting standards for an independent administrative institution, at the beginning of the first fiscal year, we posted the required amount for the reserve as a liability and handled the corresponding reserve amount as a school subsidy in the same fiscal year. In this way, we monetized the required amount for the reserve.
Total	80,532	-	-	80,532	

## 9. Research expenses and general and administrative expenses

(Unit: Thousand Yen)

Account item	Amount	Memo
Research expenses		
Salaries - Base	4,466,339	
Salaries - Allowance	278,575	
Salaries - Commutation	48,727	
Salaries - Over time	41,514	
Salaries - Others	40,621	
Periodic retirement benefits	8,533	
Legal welfare	516,406	
Research supplies	1,182,740	
Supplies	227,849	
Consumables	180,173	
Utilities	676,549	
Travel and transportation - Domestic	106,315	
Travel and transportation - International	265,805	
Travel and transportation - Invite (Domestic)	75,628	
Travel and transportation - Invite (International)	138,400	
Travel and transportation - Others (Domestic)	1,879	
Travel and transportation - Others (International)	4,416	
Communication and transportation expenses	76,679	
Lease fees	55,293	
Rent fee - Land and buildings	263,866	
Rent fee - Others	42,567	
Welfare expenses	10,551	
Event expenses	896	
Payment commissions	4,679	
Membership fees	36,089	
Meeting expenses	8,395	
Training fees	13,692	
Professional fees	3,252	
Honorariums	19,722	
Outsource	766,520	
Repair costs	219,872	
Maintenance fees	1,291,414	
Insurance - Property	5,784	
Advertising expenses	9,123	
Depreciation - Buildings	308,721	
Depreciation - Structures	26,573	
Depreciation - Machinery	7,386	
Depreciation - Equipment	3,274,548	
Depreciation - Vehicle and transportation equipment	2,564	
Depreciation - Ships and vessels	400	
Depreciation - Intangible assets	213,774	
Depreciation - Lease assets	22,284	
Library expenses	211,311	
Taxes and dues	4,110	
Import consumption tax	7,657	
Other expenses	18,301	
Total:	15,186,512	
General and administrative expenses		
Executive salaries	122,904	
Salaries - Exe commutation	155	
Salaries - Base	985,237	
Salaries - Allowance	59,779	
Salaries - Commutation	18,699	
Salaries - Over time	27,779	
Salaries - Others	11,759	
Periodic retirement benefits	16,840	
Legal welfare	138,207	
Research supplies	22,856	
Supplies	6,576	
Consumables	34,264	
Utilities	25,649	
Travel and transportation - Domestic	42,848	
Travel and transportation - International	36,806	
Travel and transportation - Invite (Domestic)	49,437	
Travel and transportation - Invite (International)	123,217	
Travel and transportation - Others (Domestic)	14,000	
Travel and transportation - Others (International)	9,729	
Communication and transportation expenses	44,620	
Lease fees	1,920	
Rent fee - Land and buildings	3,427	
Rent fee - Others	49	
Welfare expenses	272	
Event expenses	33,213	
Payment commissions	7,075	
Membership fees	5,984	
Meeting expenses	4,484	
Training fees	5,590	
Professional fees	27,800	
Honorariums	28,046	
Outsource	236,566	
Repair costs	377	
Maintenance fees	3,873	
Insurance - Property	45,752	
Advertising expenses	22,331	
Patent expenses	16,489	
Depreciation - Equipment	11,397	
Depreciation - Intangible assets	12,439	
Library expenses	4,973	
Taxes and dues	71,136	
Import consumption tax	30	
Other expenses	1,194	
Total:	2,335,797	

10.Subsidy for operation

(Unit: Thousand yen)

Category	Received amount	Transactions				Memo
		Encumbrance for construction in progress	Encumbrance for patents in the process of filing	Encumbrance for assets	Revenue from Subsidy for operation	
The Granting of Subsidies to the Okinawa Institute of Science and Technology	15,098,561	45,334	35,480	1,884,660	13,133,085	
Total	15,098,561	45,334	35,480	1,884,660	13,133,085	

Notes: Revenue of Subsidy for operation on the P/L includes 8,665 thousand yen produced by transferring from Patents and construction (in the process of filing) acquired in the past fiscal year to patent other expenses.

## 11-1.Subsidy for facility

(Unit: Thousand yen)

Category	Received amount	Transactions				Memo
		Encumbrance for construction in progress	Additional paid-in contribution	Deposits received-subsidy for facility	Others	
OIST Subsidy for Facility as of February 16, 2016 Lab4	3,258,445	3,258,445	-	-	-	
OIST Subsidy for Facility as of February 26, 2019 Lab5	54,271	54,271	-	-	-	
OIST Subsidy for Facility as of February 26, 2019 Reinforcement of Seawater Intake Facility in OMSS	211,680	211,680	-	-	-	
OIST Subsidy for Facility as of April 25, 2018 Lab5	22,582	22,582	-	-	-	
OIST Subsidy for Facility as of April 25, 2018 Annual Infrastructure improvement	183,012	84,492	85,203	-	13,316	
OIST Subsidy for Facility as of April 25, 2018 Incubation facility	156,300	-	156,300	-	-	
OIST Subsidy for Facility as of April 25, 2018 PPP Infrastructure	60,645	60,645	-	-	-	
OIST Subsidy for Facility as of April 25, 2018 Lab5	36,720	36,720	-	-	-	
OIST Subsidy for Facility as of October 24, 2016 Child Development Center (2nd phase)	191,209	-	191,209	-	-	
Total	4,174,869	3,728,838	432,714	-	13,316	

## 11-2 Other subsidies

(Unit: Thousand yen)

Category	Received amount	Transactions				Memo
		Encumbrance for assets	Deposits received - subsidy (long-term)	Revenue from Subsidy	Others	
OGB Grant: Project for Support the Advancement of Strategic Core Technologies	1,049	-	-	1,049	-	
Okinawa Convention & Visitors Bureau Subsidy for MICE shuttle bus	3,110	-	-	3,110	-	
AMED Grant: Project for Support the Advancement of Life Science (drug development etc)	15,100	-	-	15,100	-	
OIST Startup Accelerator Program	13,266	-	-	13,266	-	
Total	32,525	-	-	32,525	-	

## 12. Personnel costs for executives and employees

(Unit: Thousand yen)

Category	Compensation/Salaries		Retirement benefits	
	Amount	Number of people	Amount	Number of people
Executives	( 1,704 )	( 1 )	( - )	( - )
	121,355	3	-	-
Employees	( 82,255 )	( 34 )	( - )	( - )
	5,896,778	798	11,922	2
Total	( 83,959 )	( 35 )	( - )	( - )
	6,018,134	801	11,922	2

Notes: 1. Payments of compensation/salaries and retirement benefits for executives (including part-time executives) are made in conformity with the regulations as follows in principle:

Policy Library chapter 34 and chapter 35

2. Payments of compensation/salaries and retirement benefits for employees are made in conformity with the regulations as follows in principle:

Policy Library chapter 34 and chapter 35

3. Number of people is stated on a yearly average basis.

4. Personnel costs on the P/L includes legal welfare costs (654,614 thousand yen) other than the figures in the above table.

5. Figures for part-time executives and employees are put in parentheses, which is not included in each total amount.

6. Total amounts doesn't include allowance-retirement benefits and allowance-bonuses.

### 13. Segment information

(Unit: Thousand Yen)

Category	Research Unit	Research Service	Education	Subtotal	Administration	Total
Ordinary revenue						
Tuition fees	-	-	77,805	77,805	-	77,805
Subsidy for operation	5,670,212	4,376,812	950,635	10,997,660	2,144,089	13,141,750
Subsidy for facility	-	13,316	-	13,316	-	13,316
Sponsored research	313,924	-	-	313,924	-	313,924
Donation	16,516	2,303	60	18,879	10,139	29,019
Subsidy for others	5,159	36,970	-	42,129	16,376	58,505
Reversal of encumbrance for assets - subsidy for operation	1,193,475	2,531,188	12,529	3,737,194	23,414	3,760,608
Reversal of encumbrance for assets - donation	42,123	3,322	2,064	47,511	-	47,511
Miscellaneous revenue	533	77,750	10	78,294	118,930	197,224
Financial revenue	254	104,198	-	104,453	1	104,454
Total	7,242,200	7,145,862	1,043,105	15,431,167	2,312,951	17,744,118
Operating expenses	7,235,942	7,083,696	986,333	15,305,973	2,328,536	17,634,509
Net ordinary income	6,257	62,165	56,771	125,194	△15,585	109,609
Total assets	2,620,254	54,144,798	16,229	56,781,281	3,483,443	60,264,724

(Notes to segment information)

#### (1) Definition of segments and detailed activities

Contents of Activities

Research unit: Molecular science, neuroscience, promotion of research and development for mathematics and computer science, the training of researchers, etc.

Research service: Support for research units, dissemination of research results, etc.

Education: Matters related to graduate student enrollment and education

#### (2) Amounts that are not allocatable and categorized as "Administration" are mainly related to administrative divisions as following.

Personnel costs	1,376,397	thousand yen
Others	245,795	thousand yen
Travel and transportation	276,040	thousand yen

#### (3) Total assets categorized as Administration mainly include:

Cash and cash equivalents	3,162,050	thousand yen
Patents (in the process of filing)	153,300	thousand yen

#### (4) Depreciation (directly deducted from equity) and estimated allowance for retirement benefits by segment are indicated below.

(Unit: Thousand Yen)

	Research Unit	Research Service	Education	Subtotal	Administration	Total
Depreciation (directly deducted from equity)	-	1,769,840	-	1,769,840	-	1,769,840
Estimated allowance for retirement benefits	-	-	-	-	1,569	1,569

## 14. Donation

Category	Received amount (Thousand yen)	Case	Memo
Research Unit	19,633	13	Donation of goods 11 case: 3,633 Thousands yen
Research Service	590	4	
Education	2,722	2	
Administration	12,163	22	
Total	35,109	41	

## 15. Sponsored research

(Unit: Thousand yen)

Category	Beginning Balance	Received Amount	Sponsored Research Revenue	Closing Balance
Research Unit	25,925	261,173	275,390	11,708
Research Service	-	-	-	-
Administration	-	-	-	-
Total	25,925	261,173	275,390	11,708



## 16. Joint research

(Unit: Thousand yen)

Category	Beginning Balance	Received Amount	Joint Research Revenue	Closing Balance
Research Unit	64,229	34,627	95,156	3,699
Total	64,229	34,627	95,156	3,699

17. Primary assets, liabilities, expenses, and revenues

(1) Cash and bank deposits

(Unit: Thousand Yen)

Category	Amount
Cash	207
Bank deposits	3,161,843
Total	3,162,050

(2) Grant-in-aid for scientific research

(Unit: Thousand Yen)

Category	Received Amount	Number	Memo
Scientific research (S)	( 8,000 ) 2,400	( 1 ) 1	
Scientific research (A)	( 13,700 ) 4,170	( 3 ) 2	
Scientific research (B)	( 32,192 ) 9,075	( 12 ) 10	
Scientific research (C)	( 30,242 ) 8,663	( 32 ) 30	
Challenging Exploratory research	( 3,000 ) 900	( 3 ) 3	
Young scientists (A)	( 2,700 ) 810	( 1 ) 1	
Young scientists (B)	( 10,224 ) 2,971	( 12 ) 11	
Young scientists	( 26,910 ) 8,073	( 18 ) 18	
JSPS Fellows	( 26,056 ) 1,320	( 32 ) 4	
Scientific Research on Innovative Areas (Research area proposed type)	( 45,393 ) 13,311	( 9 ) 9	
Research Support Allowance	( 1,367 ) -	( 4 ) -	
HFSP Grants	( 9,515 ) 951	( 1 ) 1	
Naito Memorial Specific Research Award	( 2,000 ) -	( 1 ) -	
Nakajima Foundation Grant	( 2,000 ) -	( 1 ) -	
Okigin-Furusato Promotion Fund	( 500 ) -	( 1 ) -	
Foreman Education Texts for University Staff	( 100 ) -	( 1 ) -	
International Joint Research for Accelerator	( 476 ) 142	( 1 ) 1	
Total	( 214,378 ) 52,789	( 133 ) 91	

Notes: 1. Received amount indicates the amount for administrative activities, and the amount for research activities are put in parenthesis, which is not included in each amount.

## 2. Subsidized research subjects

Scientific research (S)	- Receptor signal transduction by the transient molecular complexes and its regulation by actin filaments as studied by single-molecule imaging
Scientific research (A)	- Monitoring of coral reef ecosystem by underwater biological sounds - Single electron manipulation using liquid helium surface and its application to quantum information processing
Scientific research (B)	- "Motivation" neural circuit for rehabilitation - Understanding mechanisms of establishment and maintenance of coral holobiont - Motivational neural circuits for motor rehabilitation - Elucidation of population maintenance system of coral reef organisms in the Kuroshio Sphere by seascape genomics approach - Molecular mechanisms of cell fate determination triggered by plasma membrane damage - Origins, spread and evolution of novel honey bee parasites and diseases - Comparative genome scientific analysis of the origin and evolution of chordates - Ultrasensitive spin resonance using superconducting quantum technology - Construction of a new model for coral recruitments considered with synchronous spawning and fertilization efficiency - Mathematical analysis of vortices specific to visco-elastic fluid
Scientific research (C)	- Brain activity of cephalopods during active and rest states. - Development of temperature-sensitive microfluidic tensiometer for precise interfacial tension measurements - Gauged U(1)' extended Standard Model with LHC Results and Cosmology Observations - Molecular basis of immortality-to-mortality switch in the life cycle of Cnidaria - Dysregulation of gene expression regulated by poly(A) tail length causes lethal hepatitis and lipodystrophy - Studies on high resolution MR micro imaging by QSI and DTI - Understanding the interactions and emerging new properties in two-dimensional heterostructures - Identification of genes responsible for shell whitening of Pinctada fucata and development of genome editing technology - Epigenomics of the symbiotic dinoflagellates in corals - Cell-free approach to design cellulose nanofibers - Elucidation of neural mechanism of patience controlled by serotonin system - Electron Holography Studies of Cadmium Telluride (CdTe) - One step antibacterial of silk fibers using fibroin binding peptide - Phylogenetic localization of fast-evolving species by nuclear genome analysis: A case study of Urochordata Appendicularia - Identification of information processing of spatio-temporal context in learning and memory - Replica in conformal bootstraps and critical exponents - Molecular bearing structure and formation mechanism of bacterial flagellar motor rotating at high speed - Stimuli-responsive polymers through new dynamic metal complexes - Molecular and cellular analysis of decision making in a small neural network of C. elegans - Optimal information processing in biophysical networks - ATP-dependent coupling of pre- and post-synaptic organelles movements at central synapses and its implication in synaptic plasticity and transmission - Elucidation of the reality and maintenance mechanism of the coral community in the coastal area of Japan by integrated approach - Exploration to locate home of tropical freshwater fish: dispersal mechanism of amphidromous fish larvae - The brain circuit mechanism for controlling the serotonin to promote the waiting behavior for future rewards : The verification by combination of calcium imaging and optogenetics. - Up-Scaling of Organic-Inorganic Hybrid Perovskite Solar Cells and Modules - Search for novel cancer stem cell markers for squamous cell carcinoma - Neural coding of song syllable sequence by history dependent modulation of the auditory responses - Analysis of molecular mechanisms of post-transcriptional regulation of glucose-responsive insulin secretion in pancreatic beta cells - Wagging the tail: Elasticity and flexible filaments in microscopic flows
Challenging Exploratory research	- Development of intelligent artificial cells responsive to histamine - Cholinergic mechanisms for control of motor habit - AR-navigated transcanal endoscopic inner ear surgery
Young scientists (A)	- Neural mechanisms underlying inhibition of habits
Young scientists (B)	- 21st Century monitoring tools to make Okinawa a natural laboratory for ecology and evolution - Behavior state related V1 layer 6 output - Carbon Xerogel based Hole Transport Layer for Hybrid Halide Perovskite solar cell - Deciphering the bacterial cell division machinery using advanced imaging methods - Novel terahertz sources based on antenna-coupled microcavities - Test of the universality class for the transition to turbulence in pipe flow - Toward a global, high resolution framework for ant biodiversity informatics - Functional analysis of Type IX secretion system using nano scale biomolecule imaging approach - Development of a novel bioluminescent probe and visualization of biomolecules - Derivation of a Standard Model in Superstring Theory-Brane Structure and Elementary Particle Symmetry- - Systematic molecular imaging of the dynamics of neurotransmitters in the mouse models of psychiatric disorders. - Discrimination of parents on artificial seeds of the corals, and their utility on estimation of stock efficiency
Young scientists	- Shedding light on genome evolution of a 220-million-year old's cockroach friend: Blattabacterium cuenoti - Molecular targets of volatile anesthetics isoflurane at the calyx of Held synapse. - Coenzyme engineering for the study of RNA methyltransferase - Significance of JunB phosphorylation in Th17 cells and elucidation of its control mechanism - The role of anti-predator defenses for the evolution of hyper-diversity in the ant genus Tetramorium - Qubit state readout using tunnel diodes for the realisation of a scalable quantum computer - Percolation-turbulent equilibrium / non-equilibrium phase transition: An approach from conformal field theory - What is the molecular basis of parasitic manipulation in fly-termite system? - Solving the mystery of Ross's gull migration. - Development of a high versatility olefin metathesis reaction with inexpensive and low toxic manganese catalyst - The role of Cnot7 in the pituitary gland to regulate anxiety-like behavior

	<ul style="list-style-type: none"> <li>- Investigating the sleep-like resting state and possible REM sleep in <i>Sepia latimanus</i> using an ontogenetic and neurodevelopment approach</li> <li>- Determinants and Implications of Global Protected Area Effectiveness</li> <li>- Transcriptional regulation of Treg development and function</li> <li>- Study of plankton community structure by environmental DNA metabarcoding under red soil pollution</li> <li>- Hydrodynamic behaviour of electrons on the surface of superfluid helium</li> <li>- Stable homotopy refinement of Seiberg-Witten theory in low-dimensional topology</li> <li>- Exploiting quantum phase transitions to improve the efficiency of quantum thermodynamic processes</li> </ul>
JSPS Fellows	<ul style="list-style-type: none"> <li>- Revealing evolutionary history of corals using whole genomes of five <i>Acropora</i> species</li> <li>- Elucidation of the role of monoamines in <i>C. elegans</i> decision making by reinforcement learning model</li> <li>- Cell entry of anthrax toxin by the coordinated action of actin and membrane nano-domains as studied by single-molecule imaging</li> <li>- Connectivity and phylogeography of <i>Galaxea</i> (Scleractinia) in the Indo-Pacific</li> <li>- Research on emergence properties from coral polyps to colonies</li> <li>- Investigating the role of the stress-responsive protein Tob in the brain</li> <li>- Superfluidity of matter-wave bright soliton and its control in dipolar Bose-Einstein condensates</li> <li>- Local structure determination of amorphous materials through parallel nano beam electron diffraction</li> <li>- Mechanism of small spatial scale adaptive dissipation exploring from comparative genomics of dicyemids</li> <li>- Controlling vortex rings in Bose-Einstein condensates</li> <li>- Role of intratentorial nerve in bilateral coordinated movement in rats</li> <li>- Search of oxidation catalyst and C-H bond activation catalyst with heterogeneous binuclear metal complex and transition metal complex in second coordination sphere</li> <li>- Research on bifunctionality of transcription factor group using TALE modulation of <i>Drosophila melanogaster</i></li> <li>- Genome and toxin biosynthesis of the symbiotic dinoflagellate <i>Amphidinium</i> sp.</li> <li>- Near-field polarization analysis for an optical nanofiber</li> <li>- The role of inhibition and the nucleus accumbens shell in the control of dopamine release during pavlovian conditioning</li> <li>- Flow instabilities in intersecting geometries</li> <li>- Understanding novel quantum spin liquids with high energy theory</li> <li>- Analysis of cell-stromal interaction and tumor plasticity using a three-dimensional pancreatic cancer model</li> <li>- Genomic and epigenomic analysis of mangrove under natural environment</li> <li>- Study of glioma infiltration in complex microenvironment on an automated microfluidic chip</li> <li>- Neural mechanisms underlying motivation for social play behavior</li> <li>- Investigation of the neural mechanisms of novelty-evoked motivations</li> <li>- Developing theoretical frameworks for ecosystem assessment</li> <li>- Population dynamics of neurons based on voluntary and willful behavior in the cerebral cortex</li> <li>- Tuning the master clock of the brain: Endocannabinoid modulation of the olivo-cerebellar system and animal behavior</li> <li>- Enhancement of neural plasticity by direct current brain stimulation</li> <li>- Role of serotonin in goal-directed behavior</li> <li>- Search and function analysis of novel genes controlling aging-associated motor diseases</li> <li>- The Acantharia-Phaeocystis symbiosis: an investigation of eukaryotic photosymbiosis and its ecological role in oligotrophic surface water</li> </ul>
Scientific Research on Innovative Areas (Research area proposed type)	<ul style="list-style-type: none"> <li>- Reproductive system of lincRNA/miR2118/phasiRNA in plant</li> <li>- Diamond-superconducting three-dimensional hybrid quantum meter</li> <li>- Non-invasive imaging technique for measuring neural circuit activity</li> <li>- Formation of international network of fusion research between artificial intelligence and brain science</li> <li>- Promotion of fusion research between artificial intelligence and brain science</li> <li>- Mathematical analysis of the role of mRNA degradation in mammalian circadian clock</li> <li>- Experience-dependent neural circuit of zebra finch song learning built by competing/integrating with the Innate circuit</li> <li>- Bioimaging Support Initiative</li> <li>- Elucidation of mathematical basis and neural mechanism of multi-layered expression learning</li> </ul>
Research Support Allowance	<ul style="list-style-type: none"> <li>- Attention-Deficit Hyperactivity Disorder in Okinawa: Biomedicine Situated in Local Contexts</li> <li>- Determining present and future impacts of invasive arthropods on ecological communities in Okinawa</li> <li>- Dynamic growth of RTK clusters by superresolution microscopy of live human carcinoma cells</li> <li>- Dynamics of Trap States in Passivated Halide Perovskite Films</li> </ul>
HFSP Grants	<ul style="list-style-type: none"> <li>- The physics of social behavior in the 3-dimensional shoaling of zebrafish, <i>Danio rerio</i></li> </ul>
Naito Memorial Specific Research Award	<ul style="list-style-type: none"> <li>- Naito Memorial Foundation Women Specific Research Scholarships</li> </ul>
Nakajima Foundation Grant	<ul style="list-style-type: none"> <li>- Quantum information transducer with spins in diamond</li> </ul>
Okigin-Furusato Promotion Fund	<ul style="list-style-type: none"> <li>- Okigin-Furusato Promotion Fund</li> </ul>
Foreman Education Texts for University Staff	<ul style="list-style-type: none"> <li>- Foreman Education Texts for University Staff</li> </ul>
International Joint Research for Accelerator	<ul style="list-style-type: none"> <li>- Diversification of feeding strategies and coexistence mechanism of fish genus cichlid in two ancient lakes of Africa</li> </ul>

## 18. Related Public Corporations

### FRIENDS OF OIST FOUNDATION, INC.

(1) The purpose of the Friends of OIST foundation is to:

- ① Promote science and technology to address global grand challenges through the support of research and educational activities conducted by the OIST and its collaborators and partners in the United States, Japan, and abroad.
- ② Promote the globalization of science and technology research and education originating in Japan by increasing awareness of OIST and its research programs in the United States, and by expanding its global impact.
- ③ Enable self-sustaining economic growth in Okinawa by fostering an environment that supports innovation, entrepreneurship, and the application of scientific and technological knowledge to meet the world's needs.

(2) Relationship between the Board of Directors and OIST

Jerome Friedman, one of OIST BOG members, is concurrently a Board of Directors of the Friends of OIST Foundation.

(3) Members of the Board of Directors:

- ① Jerome Friedman: Director
- ② Sachiko McAlinn: Director

(4) Status of Capital funds

There are no membership fees, contributions and etc., burdened by OIST to contribute to capital fund of the foundation, operating expenses, project costs and etc.

(5) Status of business transactions with OIST

Not applicable.