

【Draft Speech by Executive Vice President Egawa : Press Conference on Kavli IPMU (2012.2.8 11:00)】

My name is Masako Egawa. I am Executive Vice President in charge of the University of Tokyo Foundation and Public Relations.

The University of Tokyo Foundation was established in 2004 in response to a new mission of the university after corporatization, with the aim of securing stable financial resources with high degree of freedom, in order to ensure the competitiveness of education and research amidst the rising tide of globalization. We have set an ultimate long-term goal of "200 billion yen by 2020." Since the last fiscal year, as a new medium-term goal, we aim to accumulate 20 billion yen non-specified donations towards the realization of the President Hamada's action scenario "FOREST2015."

With such goals we have been working hard to strengthen our financial base through a variety of relations with the general public, yet sufficient results have not been obtained in comparison with universities in Europe and the United States.

We believe that awareness reform is first of all needed in Japan in regard to donation with which the society as a whole supports organizations engaged in public interests.

According to the 2011 White Paper on donations, which summarizes the current status of the donation in Japan, it is estimated that 84,570,000 people, a 76.4% of the population over the age of 15 in 2010, donated money and relief goods in relation to the Tohoku Earthquake last year. This number is more than twice compared to 34.0% in 2009. It is, therefore, confirmed from these numbers that triggered by the earthquake the donation increased. Conversely, however, it demonstrates the smallness of donation to the usual targets such as public works, public-interest and welfare facilities.

Also, according to the 2010 White Paper, Japan's total donation in fiscal 2009 was about 1 trillion yen. On the other hand, that of the United States was 21 trillion yen, about 20 times the amount of donation in Japan. Even compared in the ratio to the nominal GDP, Japan's total donation of 0.22% is much smaller than 1.87% of the United States and 0.87% of the United Kingdom.

I would like to make an additional remark about the current status of donations in national universities. An amount of donation of 81.8 billion yen in fiscal 2008 decreased by 14% in fiscal 2009 to 70.7 billion yen.

In order to reform the current situation like this, and to promote the donation to national universities, revision of the two laws is required.

The first is the revision of the current tax incentives. Income deductions are applied to donations to national university corporations, but tax credits are not available. In the last fiscal year, tax credits have been introduced to the donations to the private universities, but not to the donations to the national universities. Therefore, we wish introduction of tax credits in the same way as private universities. Introducing the system of tax credits will promote donations to national universities since the donors can choose the tax advantages depending on the situation of each individual.

The second is with respect to fund operation of the donations to the national universities. Currently, Article 47 of Act on General Rules for Independent Administrative Agency is applied mutatis mutandis, and investments of surplus funds of national universities are limited only to (1) acquisition of government bonds, municipal bonds, government-guaranteed bonds, and other securities designated by the competent minister, (2) saving deposits in banks and other financial institutions designated by the competent minister, or postal savings, (3) money trust to trust banks or trust companies. For this reason, sufficient investment income cannot be obtained, and the current expectation is only about 1%. Concerning the endowment of \$7.5M gift from the Kavli

Foundation, the University of Tokyo Foundation cannot expect more than about 1% return due to the restrictions I have mentioned and the economic conditions in Japan. This is why we requested that the Kavli Foundation manages the funds, and sends the return to us annually. This is a revolutionary new scheme for the University of Tokyo Foundation which the Kavli Foundation generously agreed to. Nonetheless, we would eventually like to manage our funds ourselves in the future, and therefore we would like to ask the revision of the Act on General Rules for Independent Administrative Agency so that our target of investment can be extended to corporate bonds and other financial instruments. It should be noted that if it is revised, the university will fully organize a system of risk management and attempt a safe fund operation.

As I said, the social and institutional environment surrounding the national university corporation's fund raising activity is not yet satisfactory. In such situation, the endowment donation from the Kavli Foundation will, of course, enrich the University of Tokyo Foundation, but also give us a good opportunity to appeal broadly to the interested parties and the public for building culture to support national university corporations by the general public, not by relying on the governmental budget.

Finally, I would like to ask your further cooperation toward awareness reform and system revision in regard to donation. Thank you for your attention.