

Fiscal 2016

Annual Operating Plans

March 30, 2016

Sophia School Corporation

Introduction

In April , 2016, a new Sophia School Corporation will be born from a corporate merger with the four Jesuit institutions of secondary education Eiko Gakuen, Rokko Gakuin, Hiroshima Gakuin, and Taisei Gakuen. The merger of these five corporate entities, which share the Jesuit educational spirit of “Men and Women for Others, with Others,” will result in closer coordination between secondary education and higher education, enabling cooperation toward the joint aims of furthering Jesuit education, creating broad networked learning in Japan and overseas, and fostering next-generation leaders responsible for sustainable global development.

This merger follows on the Grand Layout 2.0 announced as the future vision for Sophia School Corporation in 2013, on the occasion of the 100th anniversary of our founding. Under the concept of “Sophia — Bringing the World Together,” it also addresses the background of globalization, the IT Revolution, and the sharp decline in the population of 18-year-olds. Implementation of this vision started in fiscal 2014, and is now entering the third year.

By carrying out the following strategic operations, Sophia School Corporation is committed to helping solve issues on a global scale and to playing a leading role in the future society.

I. Annual Operating Plans

A. Plans concerning the management base of Sophia School Corporation

1. Overall plans

- (1) Reviewing decision-making processes in Sophia School Corporation as a whole, and aiming for stronger and quicker planning proposals
 - Select the next University President based on new selection criteria and screening methods.
 - Clarify the authority of each position and reorganize and consolidate committees/councils for quicker decision-making.
- (2) Establishing an effective Plan-Do-Check-Act cycle
 - Following the receipt of accreditation in accordance with the evaluation criteria of the Japan University Accreditation Association, continue to pursue reforms of the university as a whole.
 - By implementing a PDCA cycle able to respond to incidents, accidents and other serious risks, build up a school-wide management structure.
- (3) Establishing Institutional Research functions
 - Continually conduct student surveys for studies and analysis that will help to improve administration, education and research.
 - Promote information disclosure to stakeholders such as by publishing fact books.
- (4) Strengthening ties with stakeholders
 - Develop a stakeholder database to facilitate forming stronger ties with stakeholders.
 - Centralize public relations functions regarding nearby partners and community associations, endeavoring to strengthen information-gathering and ties.

- Increase opportunities for exchanges with support groups and other student guarantors, working to increase their membership.
- To strengthen ties with graduates and the Sophia University Alumni Association, hold events supported or co-hosted by the University.

2. Organization and human resource plans

(1) Restructuring the faculty and administration organizations

- Propose a plan for restructuring the faculty organization, including integration of undergraduate, graduate, and other departments and institutions in the same academic field.

(2) Introducing a faculty evaluation system

- Consider faculty assessment criteria and make trial introduction of a faculty evaluation system (individual).

(3) Reducing the personnel cost dependency ratio

- Reduce the personnel cost dependency ratio through appropriate assignment of university personnel.
- Implement measures for improving labor productivity of personnel, and outsource more work to service provider companies, toward appropriate spending on personnel costs throughout the school following the corporate merger.

(4) Developing diverse human resources and invigorating organizations

- Carry out project-based tasks across divisional boundaries, establish a school-wide collaboration structure, and further enhance cooperative projects among teaching and administrative personnel, thereby promoting innovation for further development of the School Corporation.
- Continue to implement measures promoting joint participation by men and women based on a multifaceted viewpoint, and devise measures for improving the percentage of female faculty members and female management personnel.
- Draw up criteria for special hiring of foreign nationals.

3. Financial plans

(1) Implementing measures for strengthening the financial base

- By making use of service provider companies, improve the services to students and university personnel, while returning the profits to the School Corporation and expanding learning support.

(2) Stably obtaining revenue sources

- Endeavor to enhance learning support and secure building and equipment funds through stable assets management revenue based on a high level of risk management.
- Boost donation appeals, mainly through the Sophia Fund for the Future, securing sources of funding for promoting education and research.

(3) Realizing effective spending

- Encourage the development of education and research through more spending for research and learning support funding.
- Establish a system enabling proper budget allocation based on performance assessment, and develop a finance system to provide data aiding administrative decisions.

4. Building and equipment plans

- (1) Making effective use of each campus and drawing up plans for improving buildings and equipment
 - Carry out construction work toward completion of Building No. 6 (Sophia Tower) in December (in use from April 2017) and refurbishment of Buildings Nos. 3, 4, 8, and 9, while promoting optimal usage of existing facilities.
 - Implement measures for environmental protection, energy conservation, disaster prevention, and safety.
 - Improve the junior high school and senior high school buildings and the rest of the education infrastructure.

5. Information and Communication Technology plans

- (1) Using information and communications technologies to create new value supporting education, research, and students
 - Take advantage of cloud services to reduce the overall maintenance and administration costs of computer systems, and build a library system with 24/365 availability and improved functions for users.
 - Make use of services such as Massive Open Online Courses and Open Courseware to further promote open education.
 - Lay the groundwork for introduction of a portal site for all members of the School Corporation.
- (2) Establishing a system auditing mechanism
 - Set up a structure for performing system auditing based on the information system policy.

B. Sophia University

1. Education and learning plans

- (1) Carrying out initiatives for ensuring quality of undergraduate education
 - While continuing to review the curriculum (reducing the number of subjects by 10% in the three years starting from the 2015 academic year), ensure highly concentrated classes and sufficient student study time.
 - Support globalization and systematically structure liberal arts education, while providing liberal arts subjects for upper-level classes that link specialized and liberal arts education.
 - Further strengthen the ability to provide education by conducting and analyzing questionnaire surveys and by accumulating Faculty Development training experience, and establish a PDCA cycle for educational programs.
- (2) Raising the level of graduate school education and restructuring the education organization

- Considering the division into functions and the distinctiveness and focus of graduate schools and departments, promote reorganization and joint education programs with other university graduate schools.

(3) Accelerating globalization

- To pursue globalization, carry out initiatives for building school systems and programs such as preparing for transition to a quarter system, creating a double degree program and other international student exchange programs, and developing internship programs at Japanese corporations and programs with enhanced Japanese language training for international students.
- Promote ties with overseas universities and international organizations, enabling students to be sent abroad and received from overseas.
- Implement measures aimed at building a stronger network of Catholic institutes of higher learning, including those overseas.
- Based on assessment by the Advisory Board of the achievement of globalization, validate and improve the content of efforts.
- Enhance the presence of the University overseas by streamlining and strengthening the functions of overseas locations and going ahead with preparations for planning new locations, and boosting strategic overseas public relations efforts.
- Carry out human resource development programs and improve the educational environment under leadership of the Human Resources Center for International Cooperation.

(4) Implementing entrance exam reforms

- Promote use of Test of English for Academic Purposes (4 skills) and the International Baccalaureate Diploma Program, and draw up multifaceted, comprehensive policies on selecting students for admission.

2. Research and academic exchange plans

(1) Carrying out priority research that is subject to international assessment

- Address the adopted subjects of the Sophia University Special Grant for Academic Research and carry on outreach activities.

(2) Encouraging academic exchanges

- By mapping research fields in the school, promote joint research projects within the school and with other institutions.

(3) Establishing a research structure and support structure by reorganizing research labs and centers

- Communicate the nature of research lab and center activities and their accomplishments, promote joint research, consider the best structure with a view to reorganization, and establish a research structure and support structure.

(4) Stably procuring research funding

- Carry out support efforts aimed at obtaining more outside funding.

(5) Encouraging industry-government-academia collaboration

- Actively publicize research accomplishments, and promote industry, government, and academia collaboration by strengthening coordination with the Sophia Science & Technology Liaison Office and effectively deploying coordinators.

3. Student learning support and daily life support plans

(1) Providing learning support

- Improve various student support services such as by enhancing amenity spaces with the construction of a new building, and extending the evening hours of the Center for Student Affairs and Center for Academic Affairs.
- Coordinate across relevant divisions to offer learning support to disabled students.

(2) Providing daily life support

- To support the everyday life of students, implement various measures toward improving and expanding scholarship programs, enhancing career guidance and job-seeking support for students including international students, enhancing career education subjects, and improving student dormitory management.

C. Sophia University Junior College Division

(1) Implementing medium- to long-term plans

- Carry out the medium- to long-term plans for improving the organization and educational structure.

(2) Implementing education and learning plans

- Strengthen human education based on the founding spirit, educational ideals, and Christian values.
- Draw up specific proposals for reorganizing the English language curriculum.
- For reform of education and learning overall, raise the quality of education and ensure that quality by establishing and continually implementing a PDCA cycle incorporating the standpoints of the Japan Association for College Accreditation assessment.

(3) Implementing student support

- Enhance the learning support, daily life support, and career path guidance offered by the Student Support Center.

D. Sophia School of Social Welfare

(1) Thinking about the future vision

- Conduct a detailed survey of persons enrolling in the school, review capacity needs, and propose reforms including course consolidation/abolishment.

(2) Implementing education and learning plans

- By fulfilling the Sophia mission, carry out education of human resources in the social welfare field who will be able to truly contribute to the advancement of society and human happiness.
- Strengthen explanatory sessions for high school students, offer skills development courses

for welfare workers without qualifications and awareness-raising courses regarding welfare work aimed at the general public, in such ways boosting the efforts for ensuring stable enrollment in the school.

- Introduce a new entrance exam system for a better rate of meeting admission goals.

(3) Implementing student support

- Strengthen support for national examinations to raise the pass rate above the previous academic year, while proposing measures for the mandatory national examination for certified care workers to be introduced in the 2017 fiscal year.

E. Seibo Nursing School

Note: Seibo Nursing School stopped accepting new students from the 2016 academic year.

- Carry out preparations for closing Seibo Nursing School.

F. Lifelong learning

- By restructuring the management organization, draft new policy for administering the programs and institute a review of existing programs.
- Plan courses that match the school's resources to needs, and with a more clearly defined target.

G. Secondary education

- Strengthen and further deepen the base built up by each school corporation since their founding as Jesuit educational institutions.
- Aim for establishment of a "Jesuit learning center" for the purposes of furthering Jesuit education and promoting research, and foster leaders in Jesuit education.
- Carry out the kind of global education expected of institutes of secondary education through collaboration between the University and four junior high and high schools.

II. Basic Approach in 2016 Budget

1. Proposing and properly implementing budgets in line with Annual Operating Plans
 - Draft appropriate budgets in line with operating plans and strengthen awareness of proper use of public funds.
 - Ensure rigorous transactions in budget implementation from standpoints of compliance, economy, and effectiveness.
2. Prioritizing the budget for important areas
 - Prioritize budget allocation to the focus areas in the Grand Layout 2.0 of Sophia School Corporation.
3. Achieving budgetary balance
 - Achieve a balance between income and expenditure by thoroughly reviewing operations for efficiency.
 - Consider specific measures regarding unprofitable operations based on an accurate accounting of income and expenditure.
 - Carry out revenue-increasing and cost-cutting measures regardless of the amounts involved.
4. Deriving maximum effectiveness from cost-cutting and a minimum budget
 - Carry out cost-cutting in existing education and research operations with no special exceptions.
 - Use limited funds effectively and cut recurring costs.
5. Reducing personnel cost dependency ratio
 - Rationalize operations and pursue efficiency by making use of human resources.
 - Reduce the personnel cost dependency ratio in the Sophia School Corporation operating income and expenditure statement.
6. Setting tuition and meeting admission goals
 - Set tuition and fees to a level that will maintain real purchasing power.
 - Devise a new entrance exam strategy for ensuring admission goals are met.
7. Making active efforts to obtain outside funding
 - Take the lead in obtaining the funding needed for activities including new initiatives.
 - Continue strengthening the base needed for soliciting donations.
 - Involve all university personnel in soliciting donations so as to enhance student support programs.
8. Introducing managerial accounting methods and promoting scrap-and-build
 - Allocate budget amounts per each business objective and reflect in medium- to long-term financial plans.
 - Properly track income and expenditure per operation and per segment (faculty, etc.), and promote scrap-and-build through a PDCA cycle.

Cashflow Statement

Income			
Item	FY2016	FY2015	Unit:1,000Yen
Tuition and other student fees	19,085,961	16,218,193	2,867,768
Entrance examination fees and other fees	1,185,322	1,247,869	△ 62,547
Donations	2,989,478	200,000	2,789,478
Grants	3,958,878	2,437,175	1,521,703
Income from the sales of assets	3,048,051	3,283,680	△ 235,629
Income from business activities	681,642	671,755	9,887
Interest and dividend	680,268	796,444	△ 116,176
Miscellaneous	1,140,023	930,122	209,901
Loans	0	2,600,000	△ 2,600,000
Prepaid tuition and other deferred credits	5,261,775	5,045,296	216,479
Other Income	14,941,414	13,667,081	1,274,333
Income-flow adjustment	△ 6,229,121	△ 6,914,857	685,736
Cash and equivalents carried over from previous year	4,997,674	5,045,376	△ 47,702
Total	51,741,365	45,228,134	6,513,231
Expenses			
Item	FY2016	FY2015	Unit:1,000Yen
Personnel expenses	15,753,356	12,307,650	3,445,706
Expenses for education and research	6,758,850	6,002,347	756,503
Expenses for institutional administration	1,716,786	1,586,206	130,580
Interest on loans	181,842	170,883	10,959
Repayment of loans	850,570	703,260	147,310
Payment for land, buildings, and other construction in progress	8,469,354	6,888,117	1,581,237
Payment for equipment, libraries, and other	1,462,932	848,412	614,520
Payment for asset management	9,005,217	9,000,000	5,217
Other Expenses	1,767,937	2,109,409	△ 341,472
Reserve fund	256,600	261,000	△ 4,400
Expenses-flow adjustment	△ 617,136	△ 273,318	△ 343,818
Cash and equivalents carried over to next year	6,135,057	5,624,168	510,889
Total	51,741,365	45,228,134	6,513,231

Statement of Revenue and Expenditure

	Item	FY2016	FY2015	Unit:1,000Yen	
		Educational activities			
Educational activities	Revenue	Tuition and other student fees	19,085,961	16,218,193	2,867,768
		Entrance examination fees and other fees	1,185,322	1,247,869	△ 62,547
		Donations	2,576,736	150,358	2,426,378
		Grants	3,515,723	2,378,355	1,137,368
		Income from business activities	681,642	671,755	9,887
		Miscellaneous	994,225	930,122	64,103
		total	28,039,609	21,596,652	6,442,957
		Expenditure	Personnel expenses	15,604,706	12,235,170
	Expenses for education and research		9,297,839	7,678,118	1,619,721
	Expenses for institutional administration		2,016,328	1,810,927	205,401
	total		26,918,873	21,724,215	5,194,658
	Balance of educational activities		1,120,736	△ 127,563	1,248,299
	Except educational activities				
	Except educational activities	Revenue	Interest and dividend	680,268	796,444
Others			0	0	0
total			680,268	796,444	△ 116,176
Expenditure		Interest on loans	181,842	170,883	10,959
		Others	0	42,135	△ 42,135
		total	181,842	213,018	△ 31,176
Balance of except educational activities		498,426	583,426	△ 85,000	
Ordinary balance		1,619,162	455,863	1,163,299	
Extraordinary revenue and expenditure					
Extraordinary revenue and expenditure	Revenue	Income from the sales of assets	0	0	0
		Others	981,712	228,777	752,935
		total	981,712	228,777	752,935
	Expenditure	Net loss on disposition	531,943	452,640	79,303
		Others	0	0	0
		total	531,943	452,640	79,303
Extraordinary balance		449,769	△ 223,863	673,632	
Reserve fund		226,600	231,000	△ 4,400	
Balance of current year before transfer to capital fund		1,842,331	1,000	1,841,331	
Transfer to capital fund		△ 5,319,978	△ 1,618,411	△ 3,701,567	
Balance of current year		△ 3,477,647	△ 1,617,411	△ 1,860,236	
Balance carried over from previous year		△ 15,258,007	△ 15,621,954	363,947	
Reduction of capital fund		2,847	0	2,847	
Balance carried forward to next year		△ 18,732,807	△ 17,239,365	△ 1,493,442	
(Reference)					
Total revenue		29,701,589	22,621,873	7,079,716	
Total expenditure		27,859,258	22,620,873	5,238,385	
Total balance		1,842,331	1,000	1,841,331	

Conclusion

The sincere desire of the new Sophia School Corporation born from the corporate merger of five schools, in fulfillment of the mission, “Sophia — Bringing the World Together,” is to continue on as a world-level University, transcending nationality, gender, age and other differences, and based on “evangelical justice and truth that sets us free.”

Never forgetting the educational spirit of “Men and Women for Others, with Others” while also adapting flexibly to the rapidly changing times, our aim is to fulfill the mission of the School Corporation through education, research, and contributions to society, drawing on the global network of Catholic institutions of learning.