

The NOVARTIS Foundation (Japan) for the Promotion of Science

Business Report & Financial Statements

FY 2017 (31st Term) April 17, 2017 – March 31, 2018

The foundation was firstly established on Sep 4, 1987 under authorization of Ministry of Education, Science, Sports and Culture and moved to a public interest incorporated foundation on Apr 1, 2012 under that of Cabinet Office. The foundation has been conducting public interest business since its establishment to report results for FY 2017 as follows.

**I. Business Affairs**

**1. The 31<sup>st</sup> Novartis Research Grant**

The grant is to promote creative research in life science related field in Japan. 669 directors in universities, institutes and hospitals in Japan, and the foundation's trustees and councilors were requested to nominate candidate for the grant to end up with 319 applications. The grantee selection committee screened the applications to select 41 grantee candidates (including the next two) then the Board of Trustees finally determined them with 7.8-fold magnification. One recipient will receive JPY 1 million and the total grants is JPY 41 million.

**2. Research Meeting Grant**

The grant is to promote international research meetings in the same field as above in Japan. From 28 open applications, the selection committee selected 5 candidates, then the Board of Trustees determined them as the grantees with 5.6-fold magnification. JPY 400,000 was subsidized to a grantee with total JPY 2 million.

**3. BioCamp cosponsored**

The camp is to promote global leader in biotechnology co-hosted with NPKK. It is used to be held in July, but it was not held in 2017. Because the International BioCamp by Basel headquarter was canceled suddenly in 2017, and we reconsidered of the ideal way of the camp even in Japan so that we decided not to do it last year. Many voices from outside the company want to resume the camp, as a result of examining the meaning of the camp as a company, it is scheduled to resume in 2018.

**4. Annual Report Publication**

Annual report was published by CD (120 copies) to communicate the foundation's activities including reports from grantees to the general society. The reports by recipients in 2016 fiscal year was cited on the foundation's web page for public access.

## **II. General Affairs**

### **1. Trustees, Auditors, Councilors and Selection Committee members**

The list of Trustees, Auditors, Councilors and Selection Committee members as of June 1, 2018 was attached. (Please see HP)

### **2. Meetings of the foundation**

#### **1) The 15<sup>th</sup> Meeting of Board of Trustees (June 2, 2017 Tokyo)**

Attendance (quorum 3): 5 Trustees and 2 Auditors

Subject-1: FY 2016 Business Report and Financial Statements (Approved)

Subject-2: 7 Retires, 7 Replaces and 7 Reappoints of Selection Committee Members (Approved)

Subject-3: Consideration of application form for research grant (Approved)

Subject-4: Change of travel expenses regulation (Approved)

Subject-5: Agenda of the 8th Meeting of the Board of Councilors (Approved)

Report: 1) Progress Report from the Representative Trustee.

Report: 2) Reports about research and research meeting received the grants.

#### **2) The 8<sup>th</sup> Meeting of Board of Councilors (June 19, 2017)**

Attendance (quorum 6): 8 Councilors

Subject-1: FY 2016 Business Report and Financial Statements (Approved)

Subject-2: Change of travel expenses regulation (Approved)

Subject-3: Signer to the Minutes (Approved)

Report: 1) Business plan and budget for 2017 FY.

Report: 2) Retire, Replacement of Selection Committee members.

Report: 3) Consideration of application form for research grant.

Report: 4) Reports about research and research meeting received the grants. (Acknowledgment)

#### **3) The 16<sup>th</sup> Meeting of Board of Trustees**

(Considers resolution through abridgement of resolution on August 1, 2017)

5 Trustees and 2 Auditors

Revised Accounting Procedure and Seal Management Regulations (Approved)

#### **4) The 12<sup>th</sup> Meeting of Board of Councilors**

(Considers resolution through abridgement of resolution on August 23, 2017)

10 Councilors and 2 Auditors

Revised Accounting Procedure and Seal Management Regulations (Approved)

### **5) The 6<sup>th</sup> Meeting of Grantee Selection Committee (December 25, 2017 Tokyo)**

Attendance (quorum 11): 14 Selection Committee members

Subject-1: Application status in 2016, selection of the 30<sup>th</sup> Novartis Research Grants (39 cases and 4 runner-up selected, Approved)

Subject-2: Selection of the 2017 Research Meeting Grants (5 cases and 1 runner-up selected, Approved)

Subject-3: Election of the next preselection committee chairperson and acting chairperson (Next Selection Committee chairperson: Takiguchi committee, Next term chairperson acting: Yano committee)

Subject-4: Election of minutes signatory (appointed Ogawa chairperson and Takiguchi committee)

### **6) The 7<sup>th</sup> Meeting of Board of Trustees (March 2, 2018 Tokyo)**

Attendance (quorum 3): 4 Trustees and 1 Auditor

Subject-1: Recipients for research grants and research meeting grants for 2017 (Approved)

Subject-2: FY2018 Business plan/Budget and asset management performance (Approved)

Subject-3: Considerations from the selection committee (Approved)

Subject-4: Requests from Novartis Development Division. -Application for inspection (continuation deliberation)

Report: 1) Progress Report from the Representative Trustee, 2) Report about outline of the 30<sup>th</sup> Anniversary ceremony

### **3. Donation**

JPY 40 million from NPKK, totally, JPY40.0 million.

### **4. On-site inspection by the Cabinet Office**

On the 29<sup>th</sup> of November 2017, the Cabinet Office conducted an on-site inspection concerning the Organization of the Foundation and the status of its business activities. In particular, preparation of the provisions the Foundation, the status of management of bank signs, etc. were confirmed.

There were no problems, but there are a few comments as followings.

- a) Clinical research subsidy for donation company
- b) Payment for the salaries of the Foundation secretariats is issued directly from Novartis.
- c) The project business in FY 2016 was a surplus of JPY 2.17 million.

## **5. The 30<sup>th</sup> anniversary commemoration ceremony**

About 100 people attended the ceremony at the Tokyo International Forum on March 9, 2018 and it was held grandly. Following the opening remarks, congratulatory letters, presentation ceremonies at the floor Hall D, two special lectures titled “immune Response Control by Regulatory T Cell” and “Amazing Lucky of Adjunctive immunity” presented held by Dr. Shimon Sakaguchi and by Dr. Tasuku Honjo, respectively. After that, acknowledgment, collective photography was done. The poster session was held at the 6<sup>th</sup> floor. All were well received.

## **III. Financial statement**

On the ordinary income, interest profits from basic funds and other properties were JPY 14.65 million and JPY 660 thousand respectively, and the total ordinary income was JPY 55.42 million when donated JPY 40.11 million was included.

On the ordinary expenses, project and administrative expenses were JPY 53.49 million and JPY 14.75 million, respectively, and the total ordinary expenses was JPY 68.24 million. Then, Project expense dominated the 78% of the ordinary expense, and grant cost of JPY 43.00 million dominated 80% of the project cost. The project cost was JPY 3.31 million in the red. Net total asset was JPY 1,161.15 million and was increased by JPY 2.79 million.

## **IV. Attached Documents**

Omitting