

Public Interest Incorporated Foundation
The NOVARTIS Foundation (Japan) for the Promotion of Science
Business Report & Financial Statements
Fiscal 2020 (34rd fiscal year) (April 1, 2020 - March 31, 2021)

The Foundation was established on September 4, 1987 with the approval of the Minister of Education and Culture, and was converted to a public interest foundation on April 1, 2012 with the approval of the Cabinet Office. Since its establishment, the Foundation has been providing public service to the public, and the current status of its operations, general affairs and accounts for fiscal year 2020 (the 34rd fiscal year) are as follows

I. Business Situations

1. The 33rd Novartis Research Grant

The purpose of the grant is to support creative research conducted in Japan in the fields of biological and life sciences and related chemistry and information science. We requested nominations of candidates from 617 persons, including the heads of national, public and private universities, research institutes and affiliated hospitals, as well as trustees and councilors of the Foundation, and received 279 nominations. The Selection Committee selected 39 candidates (plus two runners-up), and the Board of Trustees made the decision. A total of 39 million yen will be awarded in April and May 2021, with each award amounting to 1 million yen. The ratio of adoption was 7.2 times.

2. Research Meeting Grant

The purpose of the grant is to support research meetings of international interest held in Japan in the fields of biological and life sciences and related chemistry and information science.

In the FY2020 meeting (Part 1), five projects (25 applications, 5.0 times the number of applications) were awarded 400,000 yen each, for a total of 2 million yen.

FY2020 Meeting (Part 2): Five candidates (one runner-up) were selected by the Selection Committee from 17 applications, and the decision was made by the Board of Directors (adoption ratio: 3.4 times). The recipients will receive 400,000 yen each, for a total of 2 million yen, in April or May 2021.

(Note) In FY2020, the gap between the research grant and the research meeting is eliminated, and both grants will be aligned with the "FY2020 (34th) Research Grant and Meeting Grant.

3. BioCamp cosponsored

The workshop was held jointly with Novartis Pharma K.K. in July every year for the purpose of fostering global human resources in the biotechnology field, but was not held in FY2020 due to the business plan of Novartis Pharma K.K., the organizer, and the impact of the new coronavirus.

4. Annual Report Publication

In order to broaden understanding and support for the Foundation's activities, 150 copies of the annual report were prepared in electronic media (CD) and distributed to grant recipients and related parties. The annual report included reports on the results of the 32nd (2018) research grant recipients, reports

on the 2018 research meetings, and the status of the Foundation's activities, and was also posted on the website for public access.

II. General Affairs Overview

1. Trustees, Auditors, Councilors and Selection Committee members

The list of Trustees, Auditors, Councilors and Selection Committee members as of May 1, 2021 is on a separate page.

2. Meetings of the Foundation (Board Meeting of Trustees, Board Meeting of Councilors and Grant Selection Committee)

(1) 24th Board of Trustees Meeting (May 17, 2020, Deemed Resolution)

Attendees (Quorum: 3): 5 Trustees, 2 Auditors

Agenda Item No. 1: Business Report and Settlement of Accounts for Fiscal 2019 (Approved in its original form)

Proposal 2: Resignation and Appointment of Selection Committee Members (4 resignations, 4 replacements, and 2 reappointments were resolved and approved)

Proposal No. 3: Review of Designated Recipients for Research Grant Applications

Agenda Item No. 4: Establishment of priority subjects for the 34th Novartis Research Grant (approved the original proposal)

Proposal 5: Holding of the 12th Meeting of the Board of Trustees (Approved the proposal)

Reports: Status report on the execution of duties (written report by the Representative Trustee), postponement of the date of the Research Meeting, results of the 32nd grant (for April 2019~March 2020)

(2) 12th Meeting of the Board of Councilors (June 17, 2020, Deemed Resolution)

Number of Trustees: 10 (Quorum: 6): Voting Trustees: 10

Agenda Item 1: Business Report and Accounts for FY2019 (Approved in draft)

Proposal 2: Election of Councilors (Approved in draft)

Proposal 3: Election of Directors (Approved in draft)

Proposal 4: Election of Auditors (Approved in draft)

Matters to be reported • Business plan and budget for FY2020 (approved), • Retirement and appointment of selection committee members (approved), • Key research areas for the 34th Novartis Research Grant (approved), Results of the 32nd grant (for the period from April 2019 to March 2020)

(3) 25th Meeting of the Board of Trustees (June 22, 2020, Deemed Resolution)

Attendees (Quorum: 3): 5 Trustees, 2 Auditors

Appointment of Representative Trustee (Kuniaki Takata, Trustee) (Approval of the original proposal)

(4) 26th Meeting of the Board of Trustees (Extraordinary) (November 19, 2020, Deemed Resolution)

Attendees (Quorum: 3): 5 Trustees, 2 Auditors

-The 13th Meeting of the Board of Councilors (Approval of the original proposal)

(5) 13th Meeting of the Board of Councilors (Extraordinary) (Deemed resolution on November 26, 2020)

Number of Councilors: 10 (Quorum: 6): Voting Councilors: 10

Proposal: Election of Director (Director Leo Lee) (Approved in principle)

(6) 9th Meeting of the Selection Committee (December 20, 2020, Deemed Resolution)

Number of Selection Committee Members: 20 (Quorum: 11): Voting Selection Committee Members: 20

Agenda Item 1: Selection of the 34th Novartis Research Grant (36 grants and 5 alternate grants selected)

Second Agenda Item: Selection of the Research Meeting Grant for FY2021 (5 projects and 1 runner-up selected)

(7) 9th Meeting of the Selection Committee (Addendum) (Deemed resolution of March 12, 2021)

Number of selection committee members: 20 (Quorum: 11): 20 voting selection committee members

Agenda Item 1: Election of Selection Committee Chair for FY2021 (Dr. Hiroshi Ito)

Agenda Item No. 2: Election of Acting Selection Committee Chairman for FY2021 (Dr. Toshiaki Ohteki)

(8) 27th Meeting of the Board of Trustees (Online meeting held on February 17, 2021)

Attendees (Quorum 3): 5 Trustees, 2 Auditors

Proposal 1: Determination of recipients of research incentive grants and meeting grants for fiscal 2020 (approved in draft)

Proposal 2: Business Plan and Budget for FY2021 (approved in draft)

Proposal 3: Nomination of Foundation Officials for Research Grant Applications

Proposal 4: Revision of "Selection Committee Operating Rules" (Remuneration, etc.) (Continued Discussion)

Proposal 5: Election Policy for Selection Committee Members for Fiscal 2009 (Approved in its original form)

Report on the Status of Duties (Representative Trustee's Report)

3. Matters related to donations

The Foundation received a general donation of 40 million yen from Novartis Pharma K.K., for a total of 40 million yen.

III. Financial statement (FY 2020)

Ordinary income was 15.09 million yen and 560,000 yen from the management of basic assets and other assets, respectively, and the total ordinary income was 55.98 million yen, including 40 million yen in donations. Ordinary expenses were 50.37 million yen for operating expenses and 3.59 million yen for administrative expenses, for a total of 53.96 million yen. The operating expenses accounted for 93.3% of the operating expenses, and the subsidy payment of 42.6 million yen accounted for 84.6% of the operating expenses. In addition, operating expenses were

917 in the black.

Total net assets for the fiscal year were 1,160.4 million yen, an increase of 1.69 million yen from the previous fiscal year.

IV. Attached Documents

Omitted here.

The Foundation did not raise funds (borrowing) or make any capital investments in fiscal 2020.