

February 13th, 2020

To all staff

President Shimada

Regarding the Formation of a Market Research Team
~ for significant cost savings ~

As I have told you before, since the University of Yamanashi became an incorporated national university in 2004, our operating cost subsidy has been decreasing year by year, and it has been reduced by 10% so far. As a result, university management has become increasingly difficult. In response, we have decided not to replace retiring professors for two years and are trying to cut costs, but in 2017 we could not comply with the recommendation of the National Personnel Authority to increase the bonus. With this in mind, we launched a market research team in October last year with the aim of further reducing costs. The idea arose when we planned to renew 500 PCs at the university. The manager of the purchasing team, Mr. Mori, successfully reduced the purchase price significantly. By reviewing the renewal of the hands-free employment management system and so on, we were able to reduce costs by about 100 million yen. In addition, we have saved millions of yen by improving facilities such as lodging facilities and reinforcing waterproof sheets.

Regarding the purchase of medical equipment, medicines, and other goods at the affiliated hospital, I believed that they were operating properly because I succeeded in considerably reducing costs when I was the Director of the hospital. However, the Administration Department pointed out that in a comparison of medical expenses at national universities, for which I expected excellent results, our ranking was less than the median. The market research team then scrutinized the purchase price of core medical devices and found that we had been spending unnecessarily. In order to correct this, we are fundamentally reviewing the selection of retailers and purchasing method of medical equipment under medical field management. By doing so, we aim to reduce costs by several hundred million yen.

Our most recent good news is that progress has also been made on electricity bills. Since we established the General Incorporated Association University Alliance Yamanashi, we made an agreement to jointly purchase

electricity with Yamanashi Prefectural University, and we expect to save 18 million yen at our university. By the way, the Yamanashi Prefectural University will reduce costs by 4.5 million yen. This is one of the results of the establishment of this new corporation. The market research team plays a central role in all of this. At first, the only staff member was Mr. Mori, but now Mr. Natori from the Facility and Environment Department, and Ms. Fukami from the Medical Sector Management Division are also cooperating as members of this team. It was in anticipation of this cost reduction that we were able to pay the bonuses of all the staff members this time based on the recommendations of the National Personnel Authority.

In light of these circumstances, I would like each employee to have a thorough awareness of cost reduction as you perform your daily tasks. We appreciate your continued understanding and cooperation.