



OIST

OKINAWA INSTITUTE  
OF SCIENCE AND TECHNOLOGY  
GRADUATE UNIVERSITY

沖縄科学技術大学院大学

May 29, 2013

To: Board of Governors and Board of Councilors,  
Okinawa Institute of Science and Technology School Corporation

From: *Osamu Kubota*  
Osamu Kubota, Auditor  
*Koji Matsuda*  
Koji Matsuda, Auditor

### FY 2012 Audit Report

This report contains the result of our periodical independent audit of Okinawa Institute of Science and Technology School Corporation's business and financial operation for FY2012, as provisioned in Section 3, Article 15 of Okinawa Institute of Science and Technology School Corporation Bylaw.

#### 1. Methods of Audit

- (1) For the operational audit, we attended Board of Governors as well as Board of Councilors; we also audited from the President, the Provost and others on the execution status of the business. We reviewed important kessai (decision making)-documents and coordinated with the Internal Audit Section to examine the adequacy of the business.
- (2) For the financial condition of the audit, we confirmed the accuracy of the statements with Ernst & Young Shin Nihon LLC.

#### 2. Audit Result

- (1) We did not find any significant violation of the laws and Bylaws, nor act of misconducts or frauds pertain to School Corporation's business administration and its properties.
- (2) We verified that the business report correctly reflects the condition of business operation.
- (3) We found that the financial statements match the contents of accounting records, and the School Corporation's status of assets and gain and loss are properly shown in compliance with laws and Okinawa Institute of Science and Technology Accounting Standard. Financial Closing Report was prepared according to the budget classification and properly reflected the status of closing.

FY2012 Audit Report and Auditors' Written Opinion is submitted separately as attached.

May 29, 2013

## FY2012 Audit Report and Auditor's Written Opinion

FY2012 was the first year that the Auditors actually audited OIST's operation for an entire year. A total of three periodical audits were conducted in October 2012, and in January and April 2013. This Audit Report is based upon the periodical audits and upon discussions with the President and other administrators before and after those audits.

The FY2012 Auditors' Audit focused on the following areas:

- 1) The condition of policies and rules that comprise the operational foundation of the School Corporation and the status of training given to employees.
- 2) Budget execution and management
- 3) Preparations for admission of students and academic and social conditions thereafter

### 1. Overall Condition

The PhD program opened in FY2012, making this OIST's first year as a university, in a practical sense. During this year, there were visits by the Emperor and Empress, Princess Takamado, and the Prime Minister. As a result, OIST received increased attention as an international university operated in Japan. This year did, in fact, become "a period to complete the foundation of the university and to prepare for its future development," as anticipated in the FY2012 Business Plan.

In September 2012, the first students started their academic careers at OIST. Course schedules were based upon OIST's core educational policies, such as interactive, lab-based programs, an interdisciplinary curriculum, and individualized programs. OIST's full graduate program, featuring small class sizes, was initiated smoothly.

OIST's cutting-edge research facility, outstanding faculty, and the financial aid provided to students, made it possible to attract exceptional students despite tough international competition. Other student support services are being developed as needs arise; however, support for physical and mental health should be enhanced to accommodate the needs of increasing numbers of students and young researchers.

In FY2012, Lab 2, the Auditorium, the Village Zone, and the Child Development Center, began operating, and were effectively utilized. Many cultural activities were held in the Auditorium, and public visitors are now accepted on campus throughout the year, including weekends. OIST has been exceptionally proactive in collaborating with local organizations to offer these programs.

Collaborative efforts with Okinawan organizations and subsequent press releases resulted in extensive publicity for OIST in national newspapers. There was also frequent media coverage of OIST locally, and nearly all of the coverage was extremely positive. Even though OIST Graduate University is still in its early development, these early successes have been achieved as a result of the university's efficient and careful operation and with strong leadership from President Dorfan, and the support of OIST's faculty and staff, who share the goal of increasing the university's scientific prominence.

On the other hand, collaborative relationships with other universities, research institutes, and corporations are under discussion and review, but it has proven difficult to implement collaborative efforts as quickly as desired, in part because research space at OIST is limited. Construction of Lab 3 will begin in FY2013, and it is expected that the new building will greatly facilitate international collaborations and joint research between the public and private sectors.

OIST's budget for educational and research activities has relied heavily on generous subsidies from the Japanese government, despite the difficult fiscal condition of the nation. OIST has yet to acquire sufficient external funding to enable sufficiently flexible operations, and in the future, OIST must take a more proactive approach to securing extramural funding. Given the financial exigency facing Japan, OIST must enhance operational efficiency and accountability. Adding new employees/positions will increase OIST's fixed expenses; therefore, it is critical to review and manage personnel costs carefully.

## 2. The Office of Graduate School

### 1) PhD Program

[Curriculum and course schedules]

In September 2012, the first students started their academic careers at OIST. Course schedules were based upon OIST's core educational policies, such as interactive, lab-based programs, an interdisciplinary curriculum, and individualized programs. OIST's full graduate program, featuring small class sizes, was initiated smoothly.

[Development of a computer system to manage student records, attendance, etc.]

Development of a computer system to manage student records was commenced in FY2012. Because there was no commercially available application that matched OIST's needs, an OIST programmer was assigned to develop the database. It was created and specific staff members were tasked with management of student records and compiled data. However, in its current state, the database cannot be readily used by faculty. To that end, a new bilingual interface with an appropriate security system will be developed in the near future so that faculty members will be able to access detailed, up-to-date student records at their convenience. In FY2013, OIST will welcome its second cohort of graduate students, which means that there will be more records to manage.

[Communicating with the students]

Communications with students occur electronically, in the classroom, or at the service window of the Graduate School, and other places. President Dorfan has invited groups of students for dinner to exchange opinions, and OIST's small class sizes facilitate communications with students. Nonetheless, despite vehicles now in place for students to communicate their concerns, we believe that anonymous, periodic, written surveys of all students should also be employed.

[Student support other than financial support]

With certain stipulations, graduate students were offered a support package that included a tuition exemption, a Research Assistantship, and housing at a discount rate. Beyond financial support, student requests were incorporated, and OIST also 1) provided translation service for obtaining a Japanese driver's license and for other bureaucratic procedures, 2) offered an on-campus health clinic, 3) planned and hosted international parties, inter-university parties, and other social events, 4) planned a Christmas party and a BBQ on campus, 5) promoted club activities (tennis, dance, etc.), in addition to providing rental cars and bus service. OIST recognizes that mental health and counseling services must be enhanced, and is working to have a full-time psychologist on campus.

[Safety training for students in labs]

General safety training for students was provided during orientation week, and in individual laboratories, training addressed safety issues specific to each laboratory. No accidents have been reported thus far; however, an adequate reporting system is not yet in place, and must be developed in the near future.

[Selection of 2013 intake of students]

The number of Japanese applicants was small last year, so recruitment activity for the second class of students was enhanced in Japan. An Undergraduate Poster Competition was hosted at OIST and Science

Cafés held in Tokyo and Osaka were examples of such efforts. After the first admission workshop was complete, OIST extended 30 offers to students selected from a pool of 272 applicants. A second workshop is planned for July. Attracting the best Japanese students and maintaining high selection standards continue to be challenges.

## 2) Scientific Research

### [Research support]

An X-ray Light Source was supposed to be purchased within the FY2012 special framework budget, but it was discovered that the compact light source that was initially selected did not have the resolution required by the research. Accordingly, an Environmental Transmission Electron Microscope (E-TEM), and a Scanning Electron Microscope (SEM) were purchased instead. Installing a detector developed by one of OIST's research units in the equipment, will make possible the analysis of living material at the atomic level. Experienced technical staff members were also recruited for the physics resource section to provide stronger research support.

In order to implement the Okinawa Coastal Ocean Observing System, which was funded by the FY2011 special framework budget, agreements with Woods Hole Oceanographic Institution, which supplied the equipment, and other organizations involved in installation of the system, were coordinated and concluded. Observation buoys have already been deployed at five locations around Okinawa, including Ishigaki island.

Proper operation of the aforementioned state-of-the-art research instrument was verified. Acquisition and utilization of each of these items moved OIST closer to its objective of becoming a world-class education and research university.

### [Open Technology Center]

The OIST Open Technology Center was introduced to promote the use of OIST's research equipment and facilities by external researchers. Operation of an equipment reservation system, linked to a research equipment database, began operation. A cost charging system for fair and efficient use of common research resources by both OIST and external researchers was also discussed and implemented for internal users as of FY2013. Some local entities have already begun using OIST equipment on a trial basis, and several requests have been received from those who wish to more fully use OIST equipment.

The Open Technology Center is one facet of OIST's contribution to the local community and plays a key role in transferring technologies to local industries. Thus OIST will actively promote use of its research equipment and capabilities both within and beyond Okinawa when necessary preparations have been made.

#### [Genome Sequencing Center]

During FY2012, the remainder of the Genome Sequencing Center was relocated smoothly from Uruma-shi and to the main OIST campus. This relocation minimized the physical distance between the Sequencing Center and researchers, improving communications and work flow. The relocation also increased the number of user requests.

#### [Management of the Library]

There has been a growing trend in libraries to transition from paper to digital; software for finding and obtaining articles is constantly changing, requiring upgrades and improvements. To be competitive with other university libraries, OIST should continue to seek updated information to provide effective library system. During the start-up period from the opening of the university until now, the Provost has served as head of the library and assigned a qualified manager to assist in its operation. The library strives to increase its collection, and with guidance from the Library Committee, a link service to electronic journals was implemented. This greatly enhanced utility of the library for researchers. However, to promote more efficient searching and viewing of electronic journals, it will also be important to provide ongoing training and information for researchers to familiarize them with the OIST system.

#### [Publication and communication of research and research results]

A database to track all of OIST's scientific productivity was created and data regarding OIST's scientific productivity are now being incorporated into it. In FY2013, some data in the database will be made accessible to the general public.

During FY 2012, information about OIST research was aggressively communicated through media outlets: 3 press conferences, 11 press releases, 39 web articles, 36 press announcements. Because media coverage about OIST in mainland Japan was previously limited, OIST held a press briefing in Tokyo (July 2012) to introduce OIST to science reporters. OIST also invited senior science editorial writers from mainland Japan to the Graduate School Opening Ceremony and coordinated a roundtable discussion with the President and the Provost. As a direct result, four media outlets carried coverage on OIST.

In addition, OIST's external website was created, boasting truly bilingual web content, and making it one-of-a-kind in Japan. With this development, the number of visitors accessing the website tripled compared to FY2011.

#### [Research evaluation and publication of results]

Because OIST is funded by government subsidies, it is crucial to implement rigorous

self-evaluation in order to bring the university to a higher level by enhancing the quality of research and faculty. OIST aims to become a world-class university, and to this end, it provides the best research environment possible, in which faculty are expected to produce outstanding research results.

The FY2012 audit verified that a fair and rigorous evaluation of the faculty was conducted; however, the results of the evaluation were not made available until FY2011, which was the final year of the five-year contract. This necessitated the offering of a one-year, interim contract, followed by a second, four-year contract. Future evaluations should be conducted in the fourth year, to keep contracts on schedule.

The manner of releasing evaluation results is currently under review; therefore results have not been disclosed. Research evaluations must be done by external committees, and OIST must consider how releasing the research evaluation may impact recruitment of evaluators. At the same time, evaluation results should be released in a timely manner.

### 3) Global Networking

[Enhance collaborative relationships with other universities]

Exchange agreements concerning course credit transfers, internships, and exchange opportunities with domestic and international universities and institutions were concluded. Cooperation agreements should be pursued when they are necessary and/or clearly beneficial to OIST. Greater consideration has been given to the merits and content of potential agreements than to the number of agreements. Agreements have been signed with the University of Tokyo, Osaka University, and Kyoto University, among others. Summer courses accepted students from established partners, such as Oxford and Harvard Universities. New summer programs with Tokyo University, in which students will shadow a post-doc and experience an international research or class environment, are also under development.

OIST is also accepting undergraduate interns, and due to an increased number of applicants, the number of acceptances has also increased. Collaborative relationships with other universities have been expanding smoothly, but with an increasing number of students and interns in the programs, OIST needs more office and classroom space, and reasonable accommodations for them. Pursuant to enhancing exchange programs with other universities and institutions, by the time Lab 3 is completed, OIST needs to have discussed how reasonable accommodations will be provided.

[International Courses/Workshops]

Top researchers from around the world were invited to give lectures to students and young researchers at 10 workshops hosted by OIST, during which 428 participants, including 321 from overseas attended. Such conferences augment OIST's efforts to build a network for education and research. As a result of networking with workshop staff from domestic and international universities and

research institutions, OIST succeeded in attracting external institutes to host international conferences (11 conferences/workshops either hosted by external institutes or co-hosted with OIST faculty). Tremendous effort was devoted to cutting the operational budget for each workshop so as to increase the number of workshops. Furthermore, the Workshop Section (CPR) has striven to expand the use of OIST's facilities for international conferences and workshops. To further promote OIST, the Workshop Section also participated in MICE, an event hosted by the Okinawa Convention Bureau to attract international conferences or conventions to Okinawa.

#### 4) Promotion of Collaboration with Industry

##### [Promotion of Research Exchange and Joint Research]

OIST has been building various collaborations with industrial partners. As a result, 10 joint research agreements and four Non-Disclosure Agreements (NDAs) have been finalized. Counterparts include 6 major pharmaceutical corporations, and discussions with another major company, which OIST met through one of the events, regarding a possible agreement have started. No joint research agreement has been signed yet, but that is currently under discussion. No rules have been established thus far for accepting industrial researchers to work at OIST, holding back researcher exchange programs. However, as a special exception, two researchers from industry are currently working at OIST. Rules for accepting researchers from industry must be developed expeditiously.

##### [Management of intellectual property]

A committee to review OIST in-house inventions and to discuss possible patents was established. Furthermore, a process was developed to minimize the waiting period required for filing patents in an effort to reduce its negative impact on research. In the past year, there were 16 in-house inventions. The committee met and filed patents on 14 of 16 inventions, a substantial increase compared to previous years. In addition, there was continuous and aggressive effort to increase awareness of the importance of acquisition and protection of intellectual property. Nevertheless, OIST's intellectual property is still small, so the challenge will not only be to patent inventions, but also to utilize the intellectual property produced by OIST's research. Moreover, in order to motivate OIST faculty and researchers to file patents, it will be necessary to discuss how obtaining intellectual property can be reflected in professional evaluations.

### 3. Governance and Administrative Transparency and Efficiency

#### 1) Governance and structure for business operations

##### [Basic structures for governance and business operations]



Regular BOG and BOC meetings were held according to the Business Plan, and governance of the OIST School Corporation functioned properly. BOG meetings were held three times; in May and September 2012 and February 2013 (telephone conference). BOC meetings were held twice, in May and February (telephone conference). They were appropriately conducted based on approved agendas. Attendance of the Councilors (total 35) was 82.2% (average of two meetings). However, because the Governors' attendance (total 17) was only 71.7% (average of three meetings), it is clear that this needs to improve. Meetings of BOG and BOC subcommittees were in principle held in conjunction with regular BOG and BOC meetings. Members, whose expertise made them valuable for the agendas items to be discussed, attended those subcommittee meetings.

## 2) Budget and its execution

[Approval processes using ERP for purchases of JPY 500 thousand and below; cases where the requestor and approver are the same person]

During the FY2011 audit conducted by external auditors, it was noted that some individuals are allowed to function in both requestor and approver roles when requesting budget execution using the ERP system. This is because in the OIST PRP, managers and above are assigned roles of both requestor and approver, and they are also able to delegate approval authority to subordinates. In these cases, managers are asked to avoid dual roles if possible, and to have subordinates serve as requestors. Nonetheless, due to limited personnel in some units or sections, some people can still serve as both requestor and approver.

Generally, requests and approval processes by one person should be avoided. While the procurement process is managed by the ERP system, it is possible for supervisors to check on order status. The ERP system contributes to preventing fraud or abuse caused by such delegation, so requests processed by single requestor should be accepted for now.

In order to rectify such loophole, ERP is currently being upgraded to send out an Email to the delegator, notifying him of items executed by the delegate, and it is at the final testing stage. Because the ERP system is the core of OIST's money processing, it must not be weak in preventing fraud. It was appropriate to proactively upgrade the system before problems occur.

[Contract Review Committee and the discussed items]

The Second and Third Contract Review Committees met in August 2012 and January, 2013. Various types of contracts were selected and reviewed by type from the total of 330 contracts processed from February 10 ~ June 30, 2012. The Contract Review Committee was formed by the Promotion Corporation and adopted by the School Corporation. Contract review and examination by a group of external experts is highly recommended for transparency and fairness in protecting public interests.

### 3) Efficiency of business operations

[Lease and procurement of research equipment and lease payment for the succeeding year]

During FY2012, leasing contracts were made to accommodate numerous requests from researchers for research equipment purchases, so that the limited budget could be used efficiently. Although it is roughly 10% more expensive to lease research equipment than to purchase it, leasing is reasonable in terms of utilizing a limited budget. According to the Vice President for Finance and Accounting, OIST is trying to limit lease payments in the coming year to 350 million JPY. This is a proper measure. Nonetheless, it is expected that the acquisition of operational subsidies will be difficult in the years ahead, so it is recommended that adequate consideration be paid to lease payments in subsequent years.

### 4) Personnel management

[Reduction of labor costs as response to the pay cut among national public employees]

Total cuts of 229.3 million JPY from the OIST budget were expected. Based on the budget for personnel expenditures, an average reduction of 7.8% was anticipated: 10% for managers and above, 8% for specialists and 5% for staff. Some 9.2 million JPY were to have come from salary cuts among executives, 95.1 million JPY from suspended promotions, and the remaining 125.0 million JPY were to be achieved through delayed recruitment (average of two months). Currently, personnel shortages resulting from delayed recruitment are being mitigated by hiring of temporary and part-time staff. Budget cuts are likely to continue, so it is important to carefully manage personnel issues.

[Increasing number of administrative staff excluding research units and the reason]

In January 2012, there were 372 employees, and in January 2013, that number had increased by 165, to 537 (+44%). When the number of students who were also classified as research assistants was excluded, the increase in administrative staff was 51, from 144 to 195 (35%).

Since the inauguration of OIST in November 2011, personnel were aggressively recruited in order to prepare for admission of the first class in September 2012. Many of the newly employed staff started work in April 2012. The extra personnel were necessary.

However, in order to reserve funds needed for education and research within the limited budget, hiring of new administrative staff should be minimized, except in sections where the workload is clearly increasing. OIST should not have to wait for CAO and MOF to make this observation.

OIST should consider cross-training current employees, through rotations to other sections, to broaden their expertise, so that they will be capable of handling different assignments. This will enable OIST to respond flexibly to increased workloads in various sections. When each employee's skill set is enhanced and experience is gained in other divisions, OIST will be able to manage variable temporary

needs and to secure long-term employees. OIST not only needs to improve efficiency and streamline administrative processes, but also to make more effective use of permanent employees.

[Overtime of administrative staff, excluding research units]

Average per capita monthly overtime from January to December 2012 was 23 hours, slightly higher than the 20-hour national average (of workers who are eligible for overtime payment). When compared among divisions, however, average overtime per person varied from 12 to 33 hours a month, depending on demand.

Management of overtime was proper, and no significant problems were found. However, there were some areas where workload was not balanced among either sections or employees. Therefore, sections with excessive overtime should constantly re-evaluate their workflow and transfer personnel, obtain temporary staff, etc.

[Promotion of diversity at the workplace]

As a first initiative to promote diversity, improvement of gender equality was addressed. Specifically, under the leadership of the President, the Committee for Gender Equality was established in March 2013 to develop a support system for female researchers and employees. Additionally, a Diversity Officer was selected from the Faculty Search Committee with the aim of promoting diversity in recruiting. A business travel support program for child-rearing employees and invited guests was also developed to enhance diversity in the workplace. The latter program allows the University to cover transportation expenses for children of child-rearing employees and invited guests, when they need to travel on business to participate in conferences and symposia, etc. to promote their professional development.

[Employee Training]

Various sections including Human Resources have offered training for employees. The Auditors' Office has collected data and compiled it in January (see attachment). We expect that the needs of employees and business demand should be incorporated and appropriate training opportunities, including new and updated versions of current ones, will continue to be offered.

## 5) Compliance

[Comparative survey of rules and procedures at other university]

The Administrative Compliance Division compared the status of OIST's rules and procedures with those of the Japan Advanced Institute of Technology, also known as JAIST. Important JAIST rules that apply to OIST were already largely covered in the OIST PRP. Some, however, such as rules on external employment, degree regulations, and rules on student disciplinary processes, were still being developed,

while rules about accepting researchers, etc. and rules on courses that are contributed or established from sources external to OIST, and research that is funded by private donations had not been established yet. Introduction and revision of rules and policies should be accomplished in a timely manner so as not to adversely impact institutional needs and operations.

#### [Compliance Training]

Mandatory Compliance Training was conducted during October and November 2012. Training was offered in 12 sessions, and attendance was high. Compliance Training was incorporated in orientation training for newly hired staff, and it has been offered every month since then. The evaluation by attendees was very favorable.

Compliance Training comprises basic knowledge that OIST employees should share despite their cultural diversity. Therefore this training should continue to be offered continuously on a timely basis, and such training should be expected to address additional issues in the future.

#### [Implementation of Internal Audit]

The internal audit section of the Administrative Compliance Division developed an internal audit plan for the fiscal year. As a result, there has been a steady implementation of FY2012-internal audits since September, and they were conducted fairly. Their continuous implementation is expected.

### 6) Information disclosure

#### [Regarding Information Disclosure]

Information required by law to be disclosed, such as “laws regarding disclosure of information that is held by Independent Administrative Institution (IAI),” is appropriately disclosed and readily located on the OIST external website. However, printed materials that are subject to the Information Access Act are generally stored in a shared cabinet in the administrative office and are not easily accessed by visitors. A Visitor Center is being planned, and it is recommended that there be a reference area for visitors to access these documents.

### 4. Finance

#### [Acquisition of external research funds]

In FY2012, external research funds totaling 410 million JPY were raised, about 100 million JPY increase from FY2011. External research funds including grants-in-aid for scientific research, (Kakenhi), on the other hand, amounted to approximately 300 million JPY, an increase of a little over 55 million JPY, and external funds from business development amounted to 93 million JPY, an increase of 39 million JPY, compared with FY2011.

Information concerning acquisition of competitive funds such as Kakenhi, in Japan and abroad was actively gathered and disseminated to researchers. Seminars on writing competitive grant proposals for each type of grant, including Kakenhi, were also held, and support for improving proposals was also provided.

Applications for competitive research grants increased from 56 in FY2011 to 97 in FY2012. In FY2011, 18 were awarded for a success rate of 20.2%, whereas in FY2012, 26 were awarded (26.8%). While this represents an improvement, when compared with other top universities in Japan, this level of success remains fairly low. The number of applications from non-Japanese researchers, who constitute the majority of OIST researchers, was still low. There were 24 applications from non-Japanese researchers in FY2011 and 26 in FY2012. Two were awarded in FY2011 (8%), and seven were awarded in FY2012 (18%).

OIST suffers some disadvantages that partly explain its disappointing performance, compared to other top Japanese universities. OIST is a young university, and is not as well recognized as other universities with longer histories. Many non-Japanese researchers are not familiar with the Japanese system of applying for national competitive funds, and perhaps more significantly, the English abilities of the grant reviewers are unknown. There may be some bias against proposals submitted in English. Nevertheless, OIST needs to constantly demonstrate high research standards to domestic scholars through acquisition of competitive funds. Continuous effort is expected in this matter.

## 5. Contribution to self-sustainable development of Okinawa

### [Collaboration with local entities]

Various activities were implemented to promote collaboration with the local community. Some examples are listed below. As a consequence, a deeper understanding of OIST's mission was conveyed to the community, and it led to increased coverage in local media, as well as in more visitors to the campus.

- 1) Number of visitors to the campus (FY2011: 7,553→ FY2012: 17,400)
- 2) Open Campus (visitors: 3,012→4,075)
- 3) Campus Visit Program of students (8 schools, 1,676 students→ 32 schools, 4,216 students)
- 4) Lectures by Nobel Prize laureates (including members of OIST's BOG), and other distinguished scientists (18 lectures)
- 5) Science school for local elementary school students called "The Children's School of Science" in collaboration with Onna-son (74 children participated in 4 classes)
- 6) Cultural events, such as concerts, including those held in the Auditorium (26 times)

7) Visitors to the OIST external homepage (number of unique visitors: 272,173→ 754,630)

Visitors from the general public are not allowed into labs due to safety concerns. To offset this situation, a Visitor Center will be opened in FY 2013 to introduce OIST's research facility and activities to the public.

6. University community and facilities on campus

[Lab2]

The construction of Lab 2 created another world-class facility for researchers in Okinawa. OIST began its full research and education programs with some outstanding students who inaugurated their graduate studies in September. Efficient and appropriate use of the new facility is expected to further promote research and educational activities

[CDC]

The OIST Child Development Center (CDC), an indispensable facility for the recruitment of employees with children, opened in January under the name "Tedako," meaning children of the Sun, in the Okinawan dialect. All necessary paperwork was submitted, and the necessary teachers and staff were hired. With the inception of "Tedako," the work environment was greatly improved for many employees, and it is a valuable asset for OIST.

Fees were determined after considering both fees charged by local daycare providers and users' total household income. It was decided that OIST would cover two-thirds of the operational cost, while the remaining one-third would be covered by fees paid by parents of children attending CDC. Currently, the CDC Establishing Board is in the process of transitioning to become the CDC Governing Board. When all members are elected, the future income and expenditure plan will be reviewed.

[Housing facility on Campus]

The occupancy rate of housing units started at 61% in September 2012. It increased smoothly until it reached 90% at the end of March 2013. The occupancy rate for the Village Center (student housing) was 97%; however, the occupancy rate of the Hillside Faculty House (faculty housing) was 70%. All houses for faculty were completed nearly three months ago, but of the 23 houses, 6 remain vacant. Some measures to boost the occupancy rate of faculty housing are needed.

FY2012 OIST Training Record

| Date            | Duration | Section     | Topic                                  | Lang | Target Employees              | Attend | Mandatory?  | Remarks   |
|-----------------|----------|-------------|--|------|-------------------------------|--------|-------------|---|
| 4/3/12          | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 5/9/12          | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 6/22/12         | 1        | Procurement | Briefing for administrative staff      | Jpn  | Administrative staff          |        |             | Hosted by DFA   |
| 7/5/12          | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 8/15/12         | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 9/20/12         | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 10/11/12        | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 11/7/12         | 1        | Procurement | Briefing for administrative staff      | Jpn  | Administrative staff          |        |             | Hosted by DFA   |
| 11/8/12         | 1        | Procurement | Briefing for administrative staff      | Jpn  | Administrative staff          |        |             | Hosted by DFA   |
| 11/8/12         | 1        | Procurement | Briefing for research staff            | Eng  | Econom Unit                   |        |             |   |
| 11/8/12         | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 12/7/12         | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 1/21/13         | 1        | Procurement | Briefing for administrative staff      | Jpn  | Administrative staff          |        |             | Hosted by DFA   |
| 1/22/13         | 1        | Procurement | Briefing for administrative staff      | Jpn  | Administrative staff          |        |             | Hosted by DFA   |
| 1/25/13         | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 2/5/13          | 1        | Procurement | Orientation for new employees          | Jpn  | New employees                 |        |             | Hosted by HR  |
| 2/6/13          | 1        | Procurement | Orientation for new employees          | Eng  | New employees                 |        |             | Hosted by HR  |
| S1: 9/1-12/21   | 2hr/wk   | Language    | Basic Japanese 1-A                     | J/E  | Nonnative Japanese speakers   |        | Optional    | New Japanese beginners courses starting in May and September 2013 |
| S2: 1/7-4/19    | 2hr/wk   | Language    | Basic Japanese 1-A                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S3: 5/7-8/14    | 2hr/wk   | Language    | Basic Japanese 1-A                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S1: 9/1-12/21   | 2hr/wk   | Language    | Basic Japanese 1-B                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S2: 1/7-4/19    | 2hr/wk   | Language    | Basic Japanese 1-B                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S3: 5/7-8/14    | 2hr/wk   | Language    | Basic Japanese 1-B                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S1: 9/1-12/21   | 2hr/wk   | Language    | Basic Japanese 1-C                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S2: 1/7-4/19    | 2hr/wk   | Language    | Basic Japanese 1-C                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S3: 5/7-8/14    | 2hr/wk   | Language    | Basic Japanese 1-C                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S1: 9/1-12/21   | 2hr/wk   | Language    | Basic Japanese 1-D                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S2: 1/7-4/19    | 2hr/wk   | Language    | Basic Japanese 1-D                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S3: 5/7-8/14    | 2hr/wk   | Language    | Basic Japanese 1-D                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S1: 9/1-12/21   | 2hr/wk   | Language    | Basic Japanese 1-E                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S2: 1/7-4/19    | 2hr/wk   | Language    | Basic Japanese 1-E                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S3: 5/7-8/14    | 2hr/wk   | Language    | Basic Japanese 1-E                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S1: 9/1-12/21   | 2hr/wk   | Language    | Basic Japanese 1-2                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S2: 1/7-4/19    | 2hr/wk   | Language    | Basic Japanese 1-2                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S3: 5/7-8/14    | 2hr/wk   | Language    | Basic Japanese 1-2                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S1: 9/1-12/21   | 2hr/wk   | Language    | Basic Japanese 1-2+                    | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S2: 1/7-4/19    | 2hr/wk   | Language    | Basic Japanese 1-2+                    | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S3: 5/7-8/14    | 2hr/wk   | Language    | Basic Japanese 1-2+                    | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S1: 9/1-12/21   | 2hr/wk   | Language    | Basic Japanese 1-3                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S2: 1/7-4/19    | 2hr/wk   | Language    | Basic Japanese 1-3                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S3: 5/7-8/14    | 2hr/wk   | Language    | Basic Japanese 1-3                     | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S1: 9/1-12/21   | 2hr/wk   | Language    | Intermediate Japanese                  | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S2: 1/7-4/19    | 2hr/wk   | Language    | Intermediate Japanese                  | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| S3: 5/7-8/14    | 2hr/wk   | Language    | Intermediate Japanese                  | J/E  | Nonnative Japanese speakers   |        | Optional    |   |
| 10/5 & 10/12/12 | 2hr x2   | Language/HR | Effective Email Writing Workshop       | Eng  | Administrative Staffs (25cap) | 20     | Optional    |   |
| 11/2/2012       | 2hr      | Language/HR | Minute Taking Workshop                 | Eng  | All Employees (30cap)         | 28     | Optional    |   |
| 11/9/2012       | 2hr      | Language/HR | Minute Taking Workshop (Additional)    | Eng  | All Employees (30cap)         | 15     | Optional    |   |
| 1/25 & 2/1/13   | 2hr x2   | Language/HR | Effective Email Writing Workshop II    | Eng  | All Employees (50cap)         |        | Optional    |   |
| 5/7-7/27        |          | Language    | English as a Foreign Lang 1            | Eng  | 15                            |        | 15 Optional |   |
| 9/10-12/21      |          | Language    | English as a Foreign Lang 1            | Eng  | 15                            |        | 15 Optional |   |
| 1/14-4/19       |          | Language    | English as a Foreign Lang 1            | Eng  | 15                            |        | 15 Optional | next training: 5/7-8/16/13  |
| 5/7-7/27        |          | Language    | English as a Foreign Lang 2            | Eng  | 15                            |        | 15 Optional |   |
| 9/10-12/21      |          | Language    | English as a Foreign Lang 2            | Eng  | 15                            |        | 15 Optional |   |
| 1/14-4/19       |          | Language    | English as a Foreign Lang 2            | Eng  | 15                            |        | 15 Optional | next training: 5/7-8/16/13  |
| 9/10-12/21      |          | Language    | English for Office Staff               | Eng  | 15                            |        | 15 Optional |   |
| 1/14-4/19       |          | Language    | English for Office Staff               | Eng  | 15                            |        | 15 Optional | next training: 5/7-8/16/13  |
| 5/7-7/27        |          | Language    | English for Office Staff 2             | Eng  | 15                            |        | 15 Optional |   |
| 9/1-12/21       |          | Language    | English for Academic Presentations     | Eng  | 10                            |        | 10 Optional | next training: 5/7-8/16/13  |
| 5/7-7/27        |          | Language    | English for Professional Presentations | Eng  | 10                            |        | 6 Optional  |   |
| 1/14-4/19       |          | Language    | English for Professional Presentations | Eng  | 10                            |        | 10 Optional |   |
| 5/7-7/27        |          | Language    | English for Security Staff             | Eng  | 10                            |        | 10 Optional |   |

# FY2012 OIST Training Record

| Date   | Duration  | Section         | Topic   | Lang | Target Employees   | Attend   | Mandatory? | Remarks  |
|--|-----------|-----------------|---|------|--|----------|------------|--|
| 9/10-12/21                                     |           | Language        | English for Security Staff                              | Eng  | 10   | 10       | Optional   |  |
| 1/14-4/19                                      |           | Language        | English for Security Staff                              | Eng  | 10   | 10       | Optional   |  |
|  |           | Research Safety | Training on updates                                     |      | All faculty and students (341)                                     | 59       |            |  |
|  |           | Research Safety | Human Subjects  |      | All faculty and students (341)                                     | 27       |            |  |
|  |           | Research Safety | Chemical materials                                      |      | related unit   | 90       |            |  |
|  |           | Research Safety | Radioisotope (introduction)                             |      | All faculty and students (341)                                     | 52       |            |  |
| 4/3/12   | 2hr       | HR              | Business manner training                                | J/E  | Newly graduates and new employees (4)                              | 4        | Optional   |  |
| 4中   | 1hr       | HR              | Orientation   | J/E  | New employees (9)  | 9        | Mandatory  |  |
| 5中   | 1hr       | HR              | Orientation   | J/E  | New employees (3)  | 3        | Mandatory  |  |
| 5/10/12  | 2hr       | HR              | Specified Orientation                                   | Eng  | Busch/Nic Chormaic/Shannon (20)                                    | 20       | Mandatory  |  |
| 6中   | 1hr       | HR              | Orientation   | J/E  | New employees (10)   | 10       | Mandatory  |  |
| 7中   | 1hr       | HR              | Orientation   | J/E  | New employees (7)  | 7        | Mandatory  |  |
| 8中   | 1hr       | HR              | Orientation   | J/E  | New employees (4)  | 4        | Mandatory  |  |
| 9/5/12   | 3hr       | HR              | Harrasment prevention training (pilot)                  | Eng  | Executives (16)  | 15       |            | External instructor  |
| 9中   | 1hr       | HR              | Orientation   | J/E  | New employees (4)  | 4        | Mandatory  |  |
| 10中  | 1hr       | HR              | Orientation   | J/E  | New employees (20)   | 20       | Mandatory  |  |
| 11中  | 1hr       | HR              | Orientation   | J/E  | New employees (10)   | 10       | Mandatory  |  |
| 11/26-30                                       | 3hr       | HR              | Harrasment prevention training                          | J/E  | All employees (515)  | 452      | Mandatory  | External instructor  |
| 1中   | 1hr       | HR              | Orientation   | J/E  | New employees (15)   | 15       | Mandatory  |  |
| 2/4/13   | 1day      | HR              | MS Project Management                                   | Japn | Procurement (10)   | 10       |            | External instructor  |
| 2/5/13   | 1.5hr     | HR              | Seminar on filing national income tax                   | J/E  | All employees (24)   | 24       | Optional   | External instructor  |
|  | 1hr       | HR              | Orientation   | J/E  | New employees (5)  | 5        | Mandatory  | planned for mid Feb  |
|  | 2hr       | HR              | Training on telephone manner                            | Jpn  | DCPR (10)  | 10       |            | planned for mid Feb  |
|  | 3hr       | HR              | Harrasment prevention training (additional)             | J/E  | New employees after Dec and absentees from previous trainings (85) | 73       | Mandatory  | scheduled 3/7~9  |
|  | 2hr       | HR              | Safety on driving                                       | Eng  | Non-Japanese employees and students                                |          | Optional   | planned for mid Mar  |
|  | 1hr       | HR              | Orientation   | J/E  | New employees (5)  | 5        | Mandatory  | planned for mid Mar  |
| 8/31/12  | 1hrx2     | External Fund   | KAKENHI Seminar I                                       | Eng  |  | 28       | Optional   |  |
| 10/2/12  | 1.5hr     | External Fund   | KAKENHI Seminar II                                      | Eng  |  | 36       | Optional   |  |
| 10/3/12<br>10/3/12<br>10/5/12                  | 0.75hr ea | External Fund   | Use of KAKENHI Seminar FY2012 administrative procedures | Jpn  |  | 18       | Mandatory  |  |
| 10/13/12                                       | 1hr       | External Fund   | KAKENHI application (OUTLINE) improving workshop        | Eng  |  | 6        | Optional   |  |
| 10/25-11/22/12 total 12 (Jpn/Eng 6 times each) |           | VPAC            | Compliance training                                     | J/E  | All employees  | 440      | Mandatory  | As part of new employees' orientation starting Dec 2012            |
| 12/27/12                                       |           | CDC             | Pediatric first aid and CPR training                    | J/E  | CDC employees  | 5        | Mandatory  | External instructor: certificate issued from Medic First Aid Japan |
| 1/4/13   |           | CDC             | Fire and safety training                                | J/E  | CDC employees  | 7        | Mandatory  |  |
| 6/22/12  | 1hr       | Finance         | Rules and briefing on FA matters                        | Jpn  | Administrative staff, secretaries                                  | 80 or so | Optional   |  |
| 11/6-11/7/12                                   | 1.5hr     | Finance         | Finance and ERP Updates Seminar (Procurement&DFA)       | Jpn  | Administrative staff, secretaries                                  | 80 or so | Optional   |  |
| 12/13-12/14/12                                 | 0.5hr     | Finance         | Briefing on domestic travel arrangements                | Jpn  | those who arrange domestic travels                                 | 80 or so | Optional   |  |
| 1/21-1/22/13                                   | 1hr       | Finance         | Briefing on FY2012 Closing                              | Jpn  | Administrative staff, secretaries                                  | 80 or so | Optional   |  |
| 9月 (第1回)                                       |           | Facility        | Comprehensive Fire Drill                                | J/E  | All OIST staff   | 460      | Mandatory  |  |
| 4月・8月・12月 (第3回)                                |           | Facility        | Fire Drill for Teams                                    | Jpn  | Fire Defense Organization (50名)                                    |          | Mandatory  | planned for FY2013   |
| more than 5 times                              | 0.5hr     | ERP             | Orientation   |      | Administrative staff, secretaries                                  |          |            | Hosted by HR   |
| about 3 times                                  | 0.25hr    | ERP             | Update on ERP, etc.                                     |      | Administrative staff, secretaries                                  |          |            | Hosted by DFA  |
| Undecided                                      |           | ERP             | Training for new faculty and section managers           |      | New faculty, section managers                                      |          |            | planned  |
| Undecided                                      |           | ERP             | Web (video) training                                    |      |  |          |            | planned  |