

Audit Report by Auditors

We audited the operations of Osaka University, a national university corporation, for the 15th fiscal period (from April 1, 2018 to March 31, 2019) in accordance with Article 11, Paragraph 4 of the National University Corporation Act and Article 1-2 of the Ordinance for Enforcement of the National University Corporation Act. Based on consultations, we have prepared this audit report. The details are as follows.

1. Audit method and details of audit

We attended meetings of the board of directors and other important meetings, received oral reports about the business from executives (except auditors, the same applies hereafter), etc., inspected important approved documents, etc., and examined the status of operation and property of the Administration Bureau, schools/faculty, university hospitals, and other main business sites in accordance with the Regulations on Osaka University Auditors and Auditor Audits, etc. We also secured communication and exchanged information with subsidiary corporations set forth in Article 1-4 of the Ordinance for Enforcement of the National University Corporation Act, organized a tripartite council regularly to strengthen cooperation with financial auditors and the Audit Office (internal audit department), received reports and explanations from financial auditors, and reviewed the financial statements (including consolidated financial statements).

2. Results of audit

- (1) We consider that operations are performed properly in accordance with laws and regulations, etc. and that operations are performed effectively and efficiently to steadily attain the mid-term goals.
- (2) We consider that the system for ensuring compliance with laws and regulations, etc. in the performance of duties by executives and the system for ensuring proper operation have been developed and operated appropriately based on our review of the statement on operating method, etc.
- (3) We did not find any misconduct or material facts in violation of laws and regulations, etc. in relation to the performance of duties of executives.
- (4) We consider that the financial statements (except for documents concerning the appropriation of profits [draft]) have been prepared in conformance with the national university corporation accounting standards and the accounting standards that are generally accepted as being fair and appropriate, and that the financial statements properly reflect the financial position and management status, etc. of the corporation.
- (5) We consider that the documents concerning the appropriation of profits (draft) comply with the laws and regulations.
- (6) We consider that the business report correctly presents the status of operation and management.
- (7) We consider that the statement of accounts correctly presents the status of settlement based on

the budget classification.

(8) We consider that the method and results of the audit by KPMG AZSA LLC (financial auditor) are appropriate.

(9) We consider that the changes in the statement on operating method related to the internal control systems and other development and operation of internal control systems are appropriate.

June 12, 2019

Hidehiko Nonomura, Auditor Seal/signature

Miyuki Sakurai, Auditor Seal/signature

National University Corporation Osaka University