

Regulations on Ethics for Nagasaki University Employees

(Purpose)

Article 1 These Regulations shall, based on the provisions of Article 35 of the Rules of Employment for Nagasaki University Employees (Rule No. 44 of 2004) and Article 37 of the Rules of Employment for Nagasaki University Mariners (Rule No. 48 of 2004), provide for necessary matters to prevent acts that may arouse societal suspicion or disfavor regarding the fairness of the execution of services by taking necessary measures to maintain ethics pertaining to the duties of Employees of Nagasaki University (hereinafter, “University”) and thereby to secure the trust of society regarding the services of the University.

(Definition)

Article 2 In these Regulations, “Business Operators, etc.” mean corporations or other organizations or individuals who conduct business (who shall be limited to those individuals who engage in acts that are performed for the interest of the business in question). In this case, officers, employees, agents and other persons who engage in acts that are performed in the interest of the Business Operators, etc., shall be regarded as Business Operators, etc.

2 In these Regulations, “Stakeholders” mean the following persons:

- (1) Counterparties to parties involved in contracts that are the source of expenditure and revenue of the University or contracts of loan for use, assignment and acceptance of assignment of goods free of charge;
- (2) Students who are preparing for entrance examinations and those who are the subject of disciplinary actions and so on;
- (3) Stakeholders to jobs in which Employees shall have been engaged in the past three years;
- (4) Stakeholders to another Employee in the case where an Employee may secure interests by causing said other Employee to exercise the influence held by the Employee.

(Ethical Code of Conduct)

Article 3 Employees shall have pride in being an Employee of the University, recognize their mission, and behave themselves in compliance with the following

items as standards to maintain ethics pertaining their duties.

- (1) Employees must handle everything properly and in a non-discriminatory manner; for example, they must not handle information they come to know in connection with their duties in a way that constitutes partiality to some persons only. They shall execute their duties fairly on all occasions.
- (2) Employees must draw a clear line between their public and private affairs at all times, and must not utilize their duties or position for their own private interest or the interests of organizations to which they belong.
- (3) When exercising their authority given by laws and regulations or various rules of the University, Employees must not receive gifts, etc., from persons who are subject to their authority.
- (4) When executing their duties, Employees must aim to promote the public interest and devote all of their energy and resources to attaining such goal.
- (5) Even outside their prescribed working hours, Employees must always behave properly, recognizing that their behavior has an impact on the trust afforded to the University.

(Prohibited Acts)

Article 4 Employees must not engage in any of the following acts:

- (1) receiving offers of money, goods or real estate (including farewell gifts, congratulatory gifts of money, funeral gifts of money, funeral flowers or any other goods offered that are similar to those listed above) from Stakeholders;
- (2) receiving loans of money (in the case of financing conducted as a business, loans without interest or with substantially low interest rates) from Stakeholders;
- (3) accepting loans of goods or real estate free of charge from or at the expense of Stakeholders;
- (4) receiving offers of labor free of charge from or at the expense of Stakeholders;
- (5) accepting assignments of unlisted stocks (meaning stocks that are not listed on the financial instruments exchange provided for in paragraph 16 of Article 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948) and are not registered in the Registry of Over-the-Counter Traded Securities provided for in paragraph 1 of Article 67-11 of said Act) from Stakeholders;

- (6) accepting entertainment from Stakeholders;
- (7) eating or drinking with Stakeholders;
- (8) taking part in leisure activities, such as golf, with Stakeholders;
- (9) traveling with Stakeholders (excluding travel as part of duties);

2 Notwithstanding the provisions of the preceding paragraph, Employees may engage in the following acts:

- (1) receiving offers of promotional goods or commemorative gifts, which are widely and publicly distributed to the general public, from Stakeholders;
- (2) receiving offers of commemorative gifts at buffet-style parties at which many persons are present (parties at which food and beverages are served and which are held in buffet-style; the same applies hereinafter) from Stakeholders;
- (3) using goods provided by Stakeholders when visiting said Stakeholders as part of duties;
- (4) using (which shall be limited to cases where the use of the vehicle in question is deemed reasonable due to the traffic situation surrounding the office, etc., of the Stakeholder in question or other circumstances) vehicles (which shall be limited to those that the Stakeholder in question ordinarily uses in his/her own business) provided by Stakeholders when visiting said Stakeholders as part of duties;
- (5) receiving offers of refreshments from Stakeholders at conferences or other meetings at which the Employee is present as part of duties;
- (6) receiving offers of food or beverages from or eating or drinking with Stakeholders at buffet-style parties at which many persons are present;
- (7) receiving offers of frugal food or beverages from or frugal eating or drinking with Stakeholders at meetings at which the Employee is present as part of duties;
- (8) eating or drinking with Stakeholders, when the Employee pays his/her own expense; provided that, in case of food or beverages other than frugal food or beverages at conferences or other meetings at which the Employee is present as part of duties (which shall be limited to those taking place in the evening), such occasions shall be limited to those that the President recognizes and authorizes as not arousing societal suspicion or disfavor regarding the fairness of the execution of services.

3 When applying paragraph 1, in cases where, if an Employee purchases goods or real estate, accepts the loan of goods or real estate, or receives the provision of services from a Stakeholder, the price of such items is substantially lower than their fair market value at the time of such purchase, loan or provision, the Employee shall be deemed to have received an offer of money from said Stakeholder in the amount equal to the difference between the price in question and the fair market value in question.

(Exceptions to Prohibited Acts)

Article 5 Notwithstanding the provisions of paragraph 1 of the preceding Article, an Employee may engage in acts listed in any item of said paragraph with a person with whom said Employee has a private relationship (meaning a relationship not related to their status as a Employee: the same applies hereinafter) and who falls under the category of Stakeholders, only in the case where it is considered that such acts by said Employee are unlikely to arouse societal suspicion or disfavor regarding the fairness of the execution of services in the light of the situation of interests relating to their duties, the background and present status of the private relationship, the manner of conduct of such acts, and so on.

2 If an Employee is unable to judge whether or not such acts by him/her would arouse societal suspicion or disfavor regarding the fairness of the execution of services as set forth in the preceding paragraph, said Employee shall consult with the President and comply with his/her instructions.

3 With respect to eating and drinking with a person with whom an Employee has a relationship from having worked together in the same division, etc., or having attended a seminar held by the University or a seminar to which he/she was dispatched by the University at the same time, and when said person falls under the category of Stakeholders, said Employee may engage in such eating and drinking, notwithstanding the provisions of item 7 of paragraph 1 of the preceding Article only if the gathering, etc., in question is an occasion at which many participants including persons other than the Stakeholder are present, and the Employee pays his/her own expense for eating and drinking.

(Prohibited Acts with Persons other than Stakeholders)

Article 6 Even in case of Business Operators, etc., who do not fall under the category of Stakeholders, Employees must not receive entertainment or offers of economic interest that exceeding ordinary and common levels of social association: for example, entertainment from specific Business Operators, etc., on repeated occasions.

2 With respect to the price for the purchase or loan of goods or real estate or receipt of services by an Employee, said Employee must not have a Business Operator, etc., who is not present at the site of such act pay such price as said Business Operator's own expense, whether or not the Business Operator falls under the category of Stakeholders.

(Regulations on Lectures, etc.)

Article 7 If an Employee accepts a request from a Stakeholder to provide, with remuneration, a lecture, discussion, guidance or teaching, writing, training, supervising or editing of knowledge in training or a seminar, or appearance in a program broadcast on radio or television (excluding those that are carried out with an authorization for concurrent services obtained; hereinafter, "Lectures, etc."), said Employee shall obtain the approval of the President in advance.

2 If the President determines that the amount of the remuneration under the preceding paragraph that the Employee receives from the Stakeholder is likely to arouse societal suspicion or disfavor regarding the fairness of the execution of services in the light of the type or content of the services of the Employee, the President shall not approve the Lectures, etc., in question.

(Authorization or Approval of Applications by Employees)

Article 8 If an Employee desires to obtain authorization pursuant to the provisions of item 8 of paragraph 2 of Article 4 or approval pursuant to the provisions of the preceding Article, he/she shall submit an application for the authorization of eating and drinking or for the approval of the Lectures, etc., respectively, to the President.

(Report of Gifts, etc.)

Article 9 If an Employee who is paid a managers' allowance set forth in Article 11 of the Regulations on Salaries for Nagasaki University Employees (Regulation No. 47 of 2004) receives an offer of money, goods or other economic interests or entertainment from a Stakeholder (hereinafter, "Gifts, etc.") (which shall be limited to cases where

the gain received from the Gifts, etc., in question exceeds 5,000 yen per case), said Employee shall submit a written report on the Gifts, etc., to the President in each case.

(Consultation with the President)

Article 10 If an Employee is unable to judge whether or not the counterparty of his/her act falls under the category of Stakeholders or whether or not an act carried out with a Stakeholder falls under the acts listed in any item of paragraph 1 of Article 4, said Employee shall consult with the President and comply with his/her instructions.

(Supplementary Rules)

Article 11 Matters that are necessary to enforce these Regulations may be specified separately by the President.