

6. Bribes, Gift-Giving and Business Entertainment, etc.

(1) Business entertainment, gift-giving (including receiving business entertainment or gifts)

It is not allowed to provide business customers with business entertainment, money and goods, or other benefits, whether they are tangible or intangible, that will exceed the accepted business and social norms. In addition, employees must not receive money and goods, or other benefits whether they are tangible or intangible, by taking advantage of his/her position, and must not receive compensations or commissions personally in relation to business transactions conducted.

Further, if consultant, distributor, or partner of joint venture, etc. with whom we are engaging, commits these acts behind our back, then such company could be subject to punishment, so preliminary and comprehensive investigation must be performed before engagement or appointment and do not offer a bribe.

If a director, a corporate auditor, or a person to whom the authority of a specific matter has been delegated is engaged in such act, he/she will be charged with a crime of bribery prescribed in Article 967 of the Companies Act.

(2) Business entertainment or gift-giving to public officials

It is not allowed to offer business entertainment, money and goods, or other form of inappropriate benefits, whether they are tangible or intangible, to public officials, or to persons who are treated as being public officials (members of JBIC, JETRO, or JICA, etc.).

(3) Business entertainment or gift-giving to foreign public officials

Similar to the above (2), it is prohibited to offer business entertainment or gift giving to foreign public officials. It also applies to the case where an employee who is a Japanese resident is overseas on business.

Cases in which officers or employees who work at overseas subsidiaries, branches, or representative offices propose or offer bribes to foreign public officials are also subject to

[Related laws and regulations]

Companies Act, Penal Code, Unfair Competition Prevention Act, Convention on Combating Bribery of Foreign Public Officials in International Business Transactions,

Act on Punishment of Persons Holding Public Office Who Acquires Benefits by Exerting Influence (Act on intercession for gain)

The Organisation for Economic Co-operation and Development (OECD) “Convention on Combating Bribery of Foreign Public Officials in International Business Transactions” (OECD Anti-Bribery Convention)

UK Bribery Act (Bribery Act 2010)

US Foreign Corrupt Practices Act (FCPA)

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punishment.

Among the statutes of other countries, the OECD Anti-Bribery Convention, the Foreign Corrupt Practices Act (FCPA) and the Bribery Act (BA) require extra attention, and it requires attention that any acts by Japanese companies committed outside the United States or the United Kingdom are subject to punishment and the fine thereunder could be extremely high.

It should be noted that bribery of officers and employees of private companies is also punishable under the UK Bribery Act (BA) and is also regulated as an act of commercial bribery under China's Unfair Competition Law.

(4) Facilitation payment

In principle, it is prohibited to pay a small amount of gratuities to the officers, etc., in order to proceed office procedure smoothly at the customs, etc. (Facilitation payment). Besides, applicable regulations vary among industries, practices of countries, conventional wisdoms, or laws and regulations, so if you should face such situation, after consultation with the supervisor or the compliance representative, it requires attention to avoid violation of the law and regulation by confirming with local attorneys, as may be necessary.

(5) Political contributions/donations

For politics-related matters, you are required to strictly comply with all the laws and regulations. In particular, it is prohibited to make contributions to a political party or an individual and to purchase tickets to a political fundraising party or the equivalents.

[Related laws and regulations]

Companies Act, Penal Code, Unfair Competition Prevention Act, Convention on Combating Bribery of Foreign Public Officials in International Business Transactions,

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