Medium-term Objectives of the Okinawa Institute of Science and Technology Promotion Corporation

Based upon Article 29 of the General Principle Act for Independent Administrative Institutions, the Prime Minister and the Minister of Education, Culture, Sports, Science and Technology hereby set the medium-term objectives that the Okinawa Institute of Science and Technology Promotion Corporation (hereinafter referred to as "OIST PC" should pursue to achieve during the period starting April 1, 2009 and ending March 31, 2011.

(Preface)
The Okinawa Institute of Science and Technology (provisional name) (hereinafter referred to as "OIST" or "Institute") is the graduate university with the objective to create an international center for science and technology in Okinawa, by conducting education and research in natural science recognized as among the best in the world. Currently, the Japanese Government and OIST PC are making preparations for the opening of this institute scheduled for FY 2012.

Taking the advantage of Okinawa's geographical location and its regional characteristics, the Institute will seek to become a center of excellence open not only to the Asia and Pacific Region and but also to the rest of the world. The following effects are expected as it becomes such a center: 1) The Institute will contribute to academic advancement in science and technology on a global basis. 2) The Institute will promote the self-sustaining development of Okinawa as a core component of the knowledge-based society, where new knowledge provides an engine for economic growth and social development. This will be achieved by enhancement of scientific and technological activities in Okinawa, and in addition, by creation of a so-called "knowledge cluster," where universities, public and private research institutes, and private firms etc. are built up, around OIST.

To achieve this purpose, the Institute will have the five concepts of "Best in the World," "Flexible," "International," "Global Networking," and "Collaboration with Industry" as its guiding principles. The Institute will offer a truly international educational and research environment under flexible and highly independent operation. With outstanding researchers and students both from home and abroad, it will aim at conducting cross-disciplinary and advanced educational and research activities covering a wide range of academic fields, including Life Science, Physical Science and Applied Science.

Since its inception in September 2005, OIST PC, as a main implementer of the project, has been working to prepare for the establishment of OIST while conducting research on science and technology of international excellence on its own, to achieve the first-phase medium-term objectives, thereby facilitating development of a research base in Okinawa. The second phase of the project requires OIST PC to continue the preparatory work for the opening of OIST by FY2012, building on the achievements of the first phase, while pursuing higher levels of educational and research activities toward the opening of the world-class

university. This will be accomplished by, e.g., accepting an increasing number of outstanding students following the opening of part of the new campus in FY2009. At the same time, OIST PC should improve and maintain the quality of the administrative management as well. It should be at a level comparable to that of the world's leading universities to ensure that educational and research efforts are fully-supported. The Medium-term Objectives is set out based on this awareness. It is expected that achievement of these objectives will lead to the building of a foundation for the graduate university that is capable of conducting educational and research activities recognized as among the best in the world. Furthermore, it is also expected that achievements of the OIST PC will provide a meaningful model for other institutes also struggling with global competition for new knowledge.

The prospective features of OIST at the time of its opening, for which the Medium-term Objectives were developed, are as shown in the Attachment.

I.   Time period covered by the Medium-term Objectives

The time period covered by the Medium-term Objectives (second phase) shall be three years from April 2009 to March 2012.

II.   Enhancement of the quality of services offered to the public and other operational matters

1.   Research and development (R&D) on science and technology

(R&D activities)

- OIST PC will promote cutting-edge, creative R&D activities in cross-disciplinary fields based on free, innovative ideas stemming from individual research undertakings.

- If well-organized collaboration with external researchers is expected to bring about meaningful research results, OIST PC will encourage sharing of its facilities and equipment necessary for joint research with such external researchers.

- The performance of researchers at OIST PC will be evaluated in concert with the OIST PC's objective to open a world-class graduate university. In particular, to evaluate research activities according to the highest international standard, the OIST PC will use an external committee made up of international scientists and use their knowledge and experience in the evaluation process. In addition, the OIST PC will implement research evaluations in an appropriate way in accordance with the National Guideline on the Evaluation for Governmental Research and Development (approved by the Prime

Minister on October 31, 2008). Through research evaluations stated above, OIST PC endeavors to ensure that distinguished scientific research is conducted effectively and efficiently.

(Recruitment of researchers)

- OIST PC will recruit researchers, who are competent enough to serve as the faculty of one of the world's best graduate universities, and capable of conducting cutting-edge, creative R&D activities in interdisciplinary fields based on free, innovative ideas. Recruitment will be conducted, in a well-planned manner, taking into consideration the age distribution as well as the prospective features of the OIST at its opening provided by the Attachment. Researchers employed will constitute the core members of the faculty of OIST and be expected to gain an international presence.

- In order to attract outstanding researchers and students from the world among international competitions, OIST PC is required to secure recognition as a research and educational institute open to the world by making efforts at encouraging diversity as well as gradually increasing the proportion of foreign researchers. In order to achieve it, while maintaining the ratio of foreign principal investigators which has already exceeded fifty percent, OIST PC will aim at having more than fifty percent of the faculty, including researchers other than PIs, to be non-Japanese at the time of the opening of OIST, by conducting international recruiting activities.

- Based on the OIST PC's mission to establish a world-class graduate university, and to recruit outstanding researchers from cross-disciplinary fields, OIST PC endeavors to establish a recruitment process that takes the originality and potential of researchers into account. OIST PC will make efforts at employing truly competent researchers by utilizing the global networks which OIST PC has developed through workshops etc organized by its core researchers in the previous medium-term period as well as by implementing open international recruitment procedures that take transparency and fairness into account.

2. **Publication of research results and promotion of their use**

- OIST PC will endeavor to make public its academic performance by various means, including submitting research papers and making oral presentations at international academic meetings, and demonstrate outstanding academic achievement to enhance its presence in the academic world, thereby ensuring OIST will have had certain name recognition at the time of its opening.

- OIST PC will seek protection of its intellectual properties by applying for patents as necessary. OIST PC will also make efforts to develop a mechanism for proper management of its research results, including protection and utilization of its intellectual properties, while encouraging cooperation with industry.

3. Training of researchers, enhancement of research skills and exchange of researchers

- Prior to the opening of OIST, it is important to accumulate accomplishments in education and training of researchers and to gain international recognition for this. Following the opening of part of the new campus scheduled for FY 2009, OIST PC will accept more graduate students through collaborative research programs with universities both at home and abroad, carefully taking account of the academic level of those students. When implementing such collaborative programs, OIST PC will make every effort to be competitive in attracting outstanding students both from at home and abroad.

- OIST PC will employ doctoral degree holders as main laboratory staff and have them conduct R&D activities under the guidance and support of principle investigators, thereby training first-class research personnel with the ability to conduct cutting-edge scientific and technological R&D activities on their own. OIST PC will host international workshops to discuss the latest cross-disciplinary research topics, intended mainly for graduate students, postdoctoral fellows, and young researchers.

- OIST PC will organize international symposiums on cross-disciplinary research topics from time to time. Also, OIST PC will encourage exchange among researchers and raise its international recognition by inviting researchers of other institutions while on sabbatical leave to join R&D programs at OIST PC and promoting joint R&D programs in various other ways, while accepting external researchers and dispatching its researchers to other institutions both on a long-term and short-term basis.

4. Preparations for establishment of OIST

- To apply for the establishment of the OIST as a degree granting institution by March 2011, based on the policy of endeavoring to open the graduate university by FY2012 (as so agreed by the relevant ministers on December 19, 2008), OIST PC will develop Institute's basic educational and research organizations (such as courses and majors), admission capacity, curricula, degree requirements and other matters necessary to receive approval of its establishment in a timely manner, taking into consideration deliberations of the Board of Governors of OIST PC. In doing so, OIST PC aims to open the OIST as outlined in the Attachment.

- OIST PC will develop a salary and personnel system, including appropriate treatment of researchers, which are comparable to those of major overseas research universities, while taking other measures to develop competitive research and living environment.

- OIST PC will examine the personnel system to be introduced to OIST, including tenure and retirement policies, and measures required to promote the recruitment of outstanding students from home and abroad

- When Founders are appointed to take over the major responsibility for preparatory work for the establishment of OIST, including the tasks mentioned above, OIST PC will act as an administrative office of the Founders based on the relevant laws and undertake tasks necessary for their operation.

5. Effective public relations activities and transmission of information

- OIST PC will make clear explanations about its operation and the future plans of the OIST project to gain broad support and understanding from the public including people in the local communities by effective and efficient ways of press releases, PR magazines, open-house events and other means.

- OIST PC will strategically offer information to relevant organizations both at home and abroad to enhance international recognition of the plan for establishing OIST, in order to recruit outstanding researchers and students, and build collaborative and supportive relationships with other universities, research institutes and industries at home and abroad.

III. Enhancement of operational efficiency

1. Enhancement of efficiency of organizational management

- While OIST PC will have to take on a wider range of tasks in preparing for the opening of OIST as the stage proceeds, OIST PC should avoid becoming a bloated organization in order to allow for prompt decision making and consequently for efficient organizational management. With this awareness, OIST PC will endeavor to enhance the efficiency of its organizational management by performing staff assignment in a proper and flexible manner, clarifying where responsibilities lie, and encouraging outsourcing if it works effectively.

- Through the above-mentioned measures, OIST PC will work for reduction of the percentage of staff in the managerial sections in the entire personnel.

2. Appropriate and efficient budget enforcement

- In light of the size of the budget granted by the Government, OIST PC will ensure proper and efficient spending of the budget in a manner convincing to the public, while fully enhancing cost-awareness among the personnel and improving internal budgetary control.

- OIST PC will endeavor to disclose more details of its financial information, including segment-specific date, in order to enhance the transparency of its financial operations.

3. **Compliance with appropriate tendering and contracting processes and enhancement of procurement efficiency**

- OIST PC will make it a general rule to award contracts through open competitive tendering under the Plan for Restructuring and Streamlining Independent Administrative Institutions (hereinafter referred to as "IAIs Reform Plan") (approved by the Cabinet Meeting on December 24, 2007). If OIST PC awards a contract at its own discretion for any unavoidable reason, then OIST PC will set out audit items and conduct an internal audit of such items to verify the fairness of the contracting.

- To effectively cope with the growing complexity of the procurement procedures resulting from the increase of open competitive tenders, OIST PC will streamline the contracting process by concluding multi-year contracts whenever plausible, and digitizing the contracting procedures for greater efficiency and labor-saving.

4. **Adjustment of the salary level**

- OIST PC will review the salary level of its administrative personnel under the IAIs Reform Plan to see whether it is acceptable to the public or not, adjust the salary level if necessary and disclose the information on results of the review as well as measures for adjustment, if it is taken.

5. **Effective use of the assets**

- OIST PC will conduct periodic inspection and inventories of its facilities and equipment to make sure that those assets are used, maintained and managed in a well-planned manner. These facilities shall include the administrative and research buildings to be built during this Medium-term period. Specifically, OIST PC will develop concrete guidelines for use of Seaside House to ensure its effective use under the IAIs Reform Plan.

6. **Implementation of measures for greater operational efficiency**

- To ensure operational efficiency and effectiveness, OIST PC will continue efforts to enhance its internal control and governance by various means including improvement of auditing by Auditors under the IAIs Reform Plan. Auditors will strictly examine the adequacy of its tendering and contracting processes, salary level of administrative employees, and the usage of the assets in its possession etc.

- OIST PC will formulate a clear and concrete annual plan every fiscal year. Furthermore, OIST PC will develop a mechanism for organizational and periodical self-inspection and evaluation of its performance, drawing upon the cases of other universities, both domestic and foreign. Results of the self-inspection and evaluation, together with the feedback from the Evaluation Committee for Independent Administrative Institutions, will be considered in planning for improvement of the internal operation.

IV. Improvement of financial conditions

- OIST PC will take active measures to increase its revenue from outside research funds, including sponsored research, corporate donations, and competitive research grants for research organizations, by setting out concrete (numerical) targets. In addition, OIST PC will also encourage its researchers to apply for competitive research grants for individual researchers.

- Toward the opening of the graduate university, OIST PC will appoint a capable person(s) with necessary expertise, in order to advance the efforts stated above, taking account the necessity to develop an independent financial basis for OIST in the future. Regarding competitive research grants, OIST PC will also study and examine introduction of incentive programs, effective ways for the administrative office to support researchers and other means, and implement such measures as appropriate.

V. Other matters of importance relating to operation

1. Facilities and equipment

- OIST PC will prepare for the opening of part of the facilities at the Onna Campus scheduled for FY2009. Furthermore, OIST PC will proceed with the construction of educational and research infrastructure to be completed in time for the opening of OIST, with a view to creating an education and research environment attractive to excellent students and researchers around the world. During the construction of the campus, OIST PC will ensure that the natural environment is carefully preserved and that universal design principle is applied.

2. Personnel matters

- OIST PC will recruit administrative personnel in a planned manner and have appropriate job assignment in anticipation of the personnel needs at the time of the opening of OIST when administrative sections of OIST PC will be reorganized under the new institution.

- In view of necessity to have administrative personnel with international communication skills and highly specialized knowledge, OIST PC will endeavor to cultivate such personnel in a planned manner by implementing training etc. Moreover, OIST PC will conduct appropriate and fair evaluation of skills and performance of its personnel to ensure individual personnel can demonstrate their abilities to the fullest extent.

- To implement its business smoothly, OIST PC will promote personnel exchanges with other educational and research institutions, the central and local governments, and private companies for sharing of expertise, skills and experiences.

3. **Enhancement of the administrative structure**

- Creation of a graduate university capable of conducting the world-class educational and research activities requires management skills of the highest quality. Accordingly, OIST PC will develop administrative organization systematically in anticipation of the functions required at the time of the opening of OIST, taking into consideration the cases of competitive universities, both Japanese and foreign. At the same time, OIST PC will constantly review its organizational structure to ensure that business is conducted speedily and efficiently.

4. **Social responsibilities**

(Compliance with laws, regulations, and codes of ethical conduct)

- To earn the public trust, OIST PC will ensure full compliance with all applicable laws, regulations and codes of ethical conduct, by taking appropriate measures for document control, information disclosure and personal information protection, and preventing misconduct in research activities and misappropriation of research funds.

(Cooperation with the local community)

- In parallel with the establishment of OIST, the Plan for Environmental Improvement in the Vicinity of OIST, laid down by Okinawa Prefectural Government, is being carried out by various local stakeholders. OIST PC will proactively extend cooperation to this plan to foster deeper ties with the local community and endeavor to establish OIST as its integral component.

(Environmental consideration)

- OIST PC will take special precautions to minimize the environmental impacts of its activities and to promote effective energy use by means such as procurement of environment-friendly products pursuant to the Law concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities.

(Creation of safe and friendly work environment)

- OIST PC will promote safety measures for prevention of accidents and mitigation of disasters.

- OIST PC will work for creation of comfortable work environment where individual personnel can fully demonstrate their abilities and enjoy their work, by providing measures for both physical and mental health promotion, preventing power and sexual

harassment, and coping with all the other labor problems adequately. In addition, OIST PC will take various actions to achieve a better work-life balance of its employees, including implementing a system to help them continue their job at OIST PC while raising children.