

TERMS AND CONDITIONS

Article 1. Purpose

These TERMS AND CONDITIONS (hereinafter these "Terms and Conditions") govern all sales and service transactions and arrangements, deliveries, services, and offers made between the seller (hereinafter "Seller") and its contractual partner, the purchaser (hereinafter "Purchaser"). Seller and Purchaser are hereinafter referred to individually as a "Party" and collectively as the "Parties." Unless otherwise expressly agreed in writing by the Parties, these Terms and Conditions shall apply to all subsequent transactions and arrangements, deliveries, services, and offers between the Parties, without the need for repeated agreement.

Article 2. Product and Order

- 2.1 Seller agrees to sell the targeted product or provide the related service (hereinafter "Product") to Purchaser, and Purchaser agrees to purchase Product, as specified in the quotation provided by Seller (hereinafter the "Quotation"), in accordance with these Terms and Conditions. Purchaser shall be deemed to have expressly agreed to and accepted these Terms and Conditions by placing an order. All orders from Purchaser are subject to acceptance by order confirmation issued by Seller. The order accepted by Seller is hereinafter referred to as the "Contract."
- 2.2 In the event of any inconsistency or conflict between these Terms and Conditions and any other formal contracts and agreements expressly agreed to in writing and signed by Seller and Purchaser, including but not limited to any basic transaction agreements, long-term contracts, supply agreements, OEM agreements, ODM agreements, distributorship agreements or individual contracts under them between Seller and Purchaser (hereinafter collectively, the "Formal Agreements") or any other terms by Seller, including but not limited to any order confirmation issued by Seller or any instructions relating to Product by Seller (hereinafter collectively, the "Individual Terms"), the Formal Agreements or the Individual Terms shall prevail. In the event of any inconsistency or conflict between these Terms and Conditions and any other terms by Purchaser, including but not limited to any order issued by Purchaser or any requests relating to Product by Purchaser, these Terms and Conditions shall prevail.

Article 3. Payment

- 3.1 The price of Product (hereinafter the "Price") shall be as specified in the Quotation or a price list separately provided by Seller.
- 3.2 Purchaser shall pay the Price prior to delivery in accordance with the information stipulated in the relevant Seller's Quotation or invoice (hereinafter the "Invoice"). Seller shall have no obligation to deliver the Product until Seller has received full payment of the Price in cleared funds. Any fees occurred from payment made shall be borne by Purchaser. Time is of the essence with respect to such payment.
- 3.3 Installation and start-up services (including test run or operational test) are not included in the Price.
- 3.4 The Quotation shall remain valid for thirty (30) days from the date of the issuance of the Quotation.
- 3.5 The Price does not include taxes, duties, or packaging or freight charges.

Article 4. Delivery

- 4.1 Delivery date of Product and the trade terms be as specified in the Quotation.
- 4.2 The ownership of Product shall transfer to Purchaser upon completion of delivery. Upon such delivery, all risks associated with Product shall be borne by Purchaser.

Article 5. International Export Control

Purchaser acknowledges that Product, including any software, documentation, and any related technical data included with, or contained in, such Product, and any products utilizing or incorporating any such Products, software, documentation, or technical data may be subject to all US or Japan or other foreign laws related to export control, antiboycott, or economic and trade sanctions, including the Export Administration Regulations of US ("EAR"), the International Traffic in Arms Regulations of US ("ITAR"), the regulations of the Office of Foreign Assets Control of US, and the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949) ("FEFTA") (hereinafter collectively, "Export Control Laws"). Such Product, etc. that are subject to Export Control Laws are hereinafter referred to collectively as the "Controlled Products." Purchaser shall comply in all respects with Export Control Laws and shall not permit or authorize any third parties to, directly or indirectly, export, re-export, resell, transfer, lease or release any Controlled Products to any jurisdiction or party in violation of any Export Control Laws. Purchaser shall be responsible for any breach of this Article 5 by its, and its successors' and permitted assigns', affiliates, employees, officers, directors, shareholders, customers, agents, resellers, or vendors. Without limiting the generality of the foregoing, Purchaser shall complete all required undertakings (including obtaining any necessary export license or other governmental approval), prior to exporting, re-exporting, reselling, transferring, leasing or releasing any Controlled Products. Purchaser shall comply with all its undertakings described in Article 6 when exporting, re-exporting, reselling, transferring, or releasing the Controlled Products.

Article 6. Resale Obligations of Product

- 6.1 Purchaser shall not export, re-export, resell, transfer, lease, or release the Controlled Products:
 - (a) to any person other than a customer who has received prior written approval from Seller (hereinafter the "Customer");
 - (b) as a separate (or stand-alone) product under any circumstances, including with Seller's approval pursuant to item (a) above or to the Customer; or
 - (c) directly or indirectly destined to any person (including the Customer's buyer and end-user) who is or was involved in, or intends to use the Controlled Products for, the development or manufacturing of nuclear weapons, missiles, chemical weapons, biological weapons, or other weapons under any circumstances, including with Seller's approval pursuant to item (a) above or to the Customer.
- 6.2 Purchaser shall identify the end-user and confirm the intended end-use of the Controlled Products prior to exporting, re-exporting, reselling, transferring, leasing, or releasing of the Controlled Products in any case, including with Seller's approval pursuant to item (a) of paragraph 1 above or to the Customer.
- 6.3 Upon request from Seller, Purchaser shall, at its own cost, cooperate in good faith to assess compliance with paragraphs 1 and 2 above and disclose and provide all necessary information and documents for the assessment.
- 6.4 Purchaser shall impose obligations equivalent to those contained in paragraphs 1 through 3 above on any third party with whom Purchaser enters into a transaction in relation to the Controlled Products supplied under or in connection with the Contract, and shall ensure that such third parties comply with those obligations.
- 6.5 Seller may suspend, postpone, cancel, or terminate all or any part of the Contract under any of the following circumstances:
 - (a) in the event that Purchaser has breached any of its undertakings in paragraph 1, 2, or 4 above;
 - (b) if Seller reasonably determines that Purchaser has breached any of its undertakings in paragraph 1, 2, or 4 above;
 - (c) if a third party who bears the obligations under paragraph 4 has breached or is likely to breach any of those obligations; or
 - (d) in the event that Purchaser does not cooperate to assess compliance, or disclose or provide information or documents as required under paragraph 3 above.
- 6.6 Seller shall not be liable to Purchaser any results arising from the Seller's measures under paragraph 5, for any compensation or damages on account of present or prospective profits on sales or anticipated sales or on account of expenditures, investment, or commitments made in connection with the business of Purchaser in any manner.

Article 7. Limited Warranty

- 7.1 Seller warrants, for a period of twelve (12) months from delivery, that the purchased Product shall be free of defects in materials and workmanship under normal use and service, provided that the Product is maintained in accordance with Seller's instruction. Seller's sole obligation under this warranty is to either repair or replace the defective Product. Replacement of any Product's parts will be delivered on ex-works shipping point and Seller may require the return of allegedly defective Product's parts, freight pre-paid, to establish the warranty claim. Seller's obligations under the warranty are expressly conditioned upon timely receipt of all payments from Purchaser. During any period of payment delinquency by Purchaser, Seller shall have no obligation under the warranty, and the warranty period shall not be extended upon receipt of overdue payments.
- 7.2 In addition to the conditions set forth in the preceding paragraph 7.1, the warranty shall apply only if all of the following conditions are satisfied
 - (a) the defect occurred under normal use and service; and;
 - (b) the defect arose from faulty workmanship or materials; and;
 - (c) Product has been used for their intended purpose and maintained in accordance with the Seller's applicable operation and service manuals; and
 - (d) Purchaser notifies Seller in writing of the defect within ten (10) days of its discovery.
- 7.3 The warranty shall be void if any of the following conditions apply to Product:
 - (a) it was repaired or serviced by a service facility which was not authorized by Seller; or;
 - (b) replacement parts that are not manufactured or authorized in writing by Seller are used; or;
 - (c) it was modified in a manner that is not approved in writing by Seller.
- 7.4 Any descriptions, drawings, samples, or similar materials provided in connection with the sale of Product are for identification purposes only and shall not be construed as a warranty that Product will conform to such materials.
- 7.5 Notwithstanding the preceding paragraphs, Seller makes no warranties or representations of Product, its parts or accessories not manufactured or reconditioned by Seller; provided, however, that Seller shall assign to Purchaser the warranties obtained from the original manufacturer of such Product, parts or accessories if such warranties are assignable; and Seller makes no warranties or representations of any repair, whether under any Contract or under paragraph 7.1 above.
- 7.6 PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SELLER MAKES NO OTHER WARRANTIES OR REPRESENTATIONS, WHETHER EXPRESS OR IMPLIED. SELLER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Article 8. Confidentiality

- 8.1 "Confidential Information" means any non-public, proprietary, or confidential information, whether tangible or intangible, disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") in connection with these Terms and Conditions, the Formal Agreements, the Individual Terms, or the Contract. Such information includes, but is not limited to, trade secrets, technical data, business information, and any other information that is:
 - (a) marked as "confidential" or "proprietary" at the time of disclosure;
 - (b) identified as confidential at the time of oral or visual disclosure and summarized in writing within thirty (30) days; or
 - (c) reasonably understood to be confidential by its nature.
- 8.2 The Receiving Party shall keep the Confidential Information of the Disclosing Party confidential and shall not disclose it to any third party.
- 8.3 The Receiving Party shall use the Confidential Information of the Disclosing Party only for the purpose of performing its obligations under these Terms and Conditions, the Formal Agreements, the Individual Terms, or the Contract.
- 8.4 The obligations set forth in this Article shall survive for a period of ten (10) years from the date of disclosure of Confidential Information.

Article 9. Limitation of Liability, Indemnity and Remedies

9.1 Seller shall not be liable for any delay damages or for any consequential, incidental, indirect, exemplary, punitive, or special damages arising from:

- (a) any breach of these Terms and Conditions, the Formal Agreements, the Individual Terms, or the Contract, or any sales or service transactions or arrangements, deliveries, services, or offers between Purchaser and Seller; or
 - (b) any other cause, including but not limited to any claim under indemnity, strict liability, negligence, or any other legal or equitable theory.
- 9.2 Seller shall not be liable for any damages to property or for injury or death to any person arising from the purchase, use, operation, or maintenance of Product, or any infringement of any patent, trademark, utility model, design, copyright, or any other intellectual property rights.
- 9.3 Seller shall not be liable for any labor subcontracted or performed by Purchaser for installation, start-up, removal, packaging, or any other work not expressly agreed to in writing by Seller including but not limited to any work related to the return of Product to Seller's facility or preparation for field repair or replacement.
- 9.4 Notwithstanding anything to the contrary herein, Seller's total liability under these Terms and Conditions, the Formal Agreements, the Individual Terms, or the Contract, or under any sales or service transactions or arrangements, deliveries, services, or offers between Purchaser and Seller, regardless of the legal theory upon which the claim is based, shall be limited to the amount paid by Purchaser for Product, its parts, or accessories that caused the claim.
- 9.5 Purchaser shall hold harmless, defend, and indemnify Seller from and against any and all claims, controversies, damages, liabilities, costs, and expenses arising out of or resulting from any breach of these Terms and Conditions, the Formal Agreements, the Individual Terms, or the Contract, or any sales or service transactions or arrangements, deliveries, services, or offers between Purchaser and Seller, the negligence or other legal fault of Purchaser, any damages to property or for injury or death to any person arising from the purchase, use, operation, or maintenance of Product, or any infringement of any patent, trademark, utility model, design, copyright, or any other intellectual property rights.

Article 10. Termination

Seller may suspend, postpone, cancel, or terminate all or any part of any Contract immediately upon written notice to Purchaser if any of the following events occurs:

- (a) Purchaser breaches any of its obligations under these Terms and Conditions, the Formal Agreements, the Individual Terms, or any Contract and fails to cure such breach within thirty (30) days after receiving written notice from Seller requesting cure;
- (b) Purchaser breaches any material obligation under these Terms and Conditions, the Formal Agreements, the Individual Terms, or any Contract, or commits any act of bad faith in connection with these Terms and Conditions, the Formal Agreements, the Individual Terms, or any Contract;
- (c) all or a substantial part of Purchaser's obligations under these Terms and Conditions, the Formal Agreements, the Individual Terms, or any Contract become impossible to perform; provided, however, that if only a part of the obligations becomes impossible, these Terms and Conditions, the Formal Agreements, the Individual Terms, or any Contract may be terminated only with respect to such part;
- (d) a competent authority issues a decision to revoke or suspend Purchaser's business operations;
- (e) Purchaser's payments are suspended or cannot be processed, or Purchaser's bank transactions are suspended;
- (f) any proceeding is filed or commenced against Purchaser for seizure, provisional seizure, provisional disposition, compulsory execution, auction by exercise of security, tax delinquency, or any similar proceeding;
- (g) any proceeding is filed or commenced against Purchaser for bankruptcy, rehabilitation, reorganization, insolvency, liquidation, or any similar procedure;
- (h) Purchaser adopts a resolution for merger, company split (demerger), transfer of business, or dissolution;
- (i) any other event similar to the above, or any material event occurs that makes it difficult for Seller to continue selling Product under these Terms and Conditions, the Formal Agreements, the Individual Terms, or any Contract.

Article 11. Elimination of Anti-Social Forces

11.1 Each Party represents and warrants that it does not fall under any of the following categories, presently and in the future:

- (a) it or, its officer or director, is a gang, an organized crime syndicate, a member of a gang or an organized crime syndicate, an individual for whom five (5) years have not passed since the individual ceased to be a member of a gang or an organized crime syndicate, a quasi-member of a gang or an organized crime syndicate, an affiliate of a gang or an organized crime syndicate, a corporate racketeer, or any other persons or groups that perform acts hindering the rule of law or disturbing public order (hereinafter "Anti-Social Forces");
- (b) it has relationships in which Anti-Social Forces are recognized to control its management;
- (c) it has relationships in which Anti-Social Forces are found to be substantially involved in its management;
- (d) it has relationships in which it is found to be improperly using Anti-Social Forces; for example, for the purpose of acquiring an unfair gain for itself or a third party, or for the purpose of inflicting damage on a third party;
- (e) it provides funds or other benefits to Anti-Social Forces; or
- (f) its officer, director or person substantially involved in its management has socially reprehensible relationships with Anti-Social Forces.

11.2 If either Party breaches the preceding paragraph 11.1, the other Party may terminate any Contract without any notice in addition to Article 10 and may claim damages caused thereby against the breaching Party, regardless of any fault on the part of the breaching Party.

11.3 The breaching Party set forth in the preceding paragraph may not claim any compensation for the damages caused by the termination of the Contract.

Article 12. Entire Agreement and Modification

These Terms and Conditions, the Formal Agreements, the Individual Terms, and the Contract contain the final and entire agreement of the Parties with respect to the Contract, and any sales and service transactions, arrangements, deliveries, services and offers between Purchaser and Seller, and superseded all prior or contemporaneous discussions, negotiations, agreements, or understandings, whether written or oral, between the Parties relating to the subject matter hereof. These Terms and Conditions, the Formal Agreements, the Individual Terms, or the Contract shall not be modified, amended, or superseded by any documentation issued by Purchaser, including but not limited to purchase orders, bills of sale, or any other terms or conditions contained in Purchaser's documentation. All such terms are hereby expressly rejected by Seller, unless any changes are expressly agreed to in writing and signed by an authorized representative of Seller. Acceptance by Seller is expressly limited to the terms and conditions set forth in these Terms and Conditions, the Formal Agreements, the Individual Terms, and the Contract.

Article 13. Severability

If any provision or part of a provision of these Terms and Conditions is determined to be invalid or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions of these Terms and Conditions, which shall remain in full force and effect.

Article 14. Force Majeure

Notwithstanding anything to the contrary herein, neither Seller nor Purchaser shall be liable for any failure to perform its obligations under these Terms and Conditions, the Formal Agreements, the Individual Terms, or any Contract other than the payment of money if such failure is caused by an event beyond its reasonable control, including but not limited to riot, epidemic, pandemic, power or communication outage, war (declared or undeclared), terrorist act, fire, flood, tidal wave, earthquake, other natural disasters, nuclear accident, strike, lockout, labor disputes, acts or omissions of any governmental authority, or any other similar event. If either Party intends to invoke this provision, it shall promptly notify the other Party in writing of the nature of the force majeure event and the specific obligations affected. The Party invoking this clause shall use its best efforts to mitigate the impact of the force majeure event and resume performance as soon as reasonably possible.

Article 15. Governing Law and Jurisdiction

15.1 These Terms and Conditions, the Formal Agreements, the Individual Terms, the Contract, and any sales and service transactions, arrangements, deliveries, services, and offers between Purchaser and Seller, shall be governed by and construed in accordance with the laws of Japan. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

15.2 Any and all disputes, controversies, or differences arising out of or in connection with these Terms and Conditions, the Formal Agreements, the Individual Terms, the Contract, or any sales or service transactions, arrangements, deliveries, services, or offers between Purchaser and Seller shall be finally settled by arbitration in accordance with the Commercial Arbitration Rules of the Japan Commercial Arbitration Association (JCAA). The seat of arbitration shall be Osaka, Japan. The arbitration shall be conducted in English. The arbitral award shall be final and binding on both parties.

Article 16. Language

These Terms and Conditions, the Formal Agreements, the Individual Terms, and the Contract shall be original in English, and any translation of other language other than English shall only be made for reference. The English version shall prevail and be paramount in the event of any difference, question, or dispute concerning the meaning, validity, or interpretation of these Terms and Conditions, the Formal Agreements, the Individual Terms, or the Contract.

Article 17. No Assignment

Neither Party shall transfer or assign its rights or obligations under these Terms and Conditions, the Formal Agreements, the Individual Terms, or the Contract, or any sales or service transactions, arrangements, deliveries, services, or offers between Purchaser and Seller.