

TERMS AND CONDITIONS OF SALES

The Terms and Conditions of Sales ("Terms and Conditions") shall apply to all agreements entered into between Shinano Kenshi Co., Ltd. and/or its affiliates (the "Seller") with any customer and/or its affiliates ("Buyer") with regard to the sale of products manufactured and/or sold by the Seller as well as the performance of any services ("Products"). By placing a purchase order to the Seller, the Buyer is deemed to have accepted without reservation the Terms and Conditions. Unless they are specifically accepted by an individual of Seller having the title of vice President or higher in writing in advance, the Terms and Conditions apply to the exclusion of any other terms and conditions set out in the Buyer's purchase order, its terms and conditions of purchase or, more generally, in the Buyer's commercial documents, regardless of the date of such terms and conditions or documents. In no event shall the Seller's silence in response to any document containing the Buyer's terms and conditions be construed as an acceptance of any such terms or conditions.

1. Ordering and Inspection

The Buyer shall submit a purchase order in writing to the Seller in accordance with the lead time set by the Seller. An individual contract shall be effective when the Buyer receives a confirmation by the Seller's authorized representative. The individual contract shall be deemed to have been made if the Buyer doesn't receive a Seller's acknowledgment within seven (7) Seller's business days after the receipt of a purchase order by the Seller. The Products shall be deemed to have passed the incoming inspection by the Buyer unless the Seller is notified by the Buyer that the Product doesn't pass the incoming inspection within seven (7) days after the delivery of the Products. The criteria of the incoming inspection shall be agreed beforehand in writing. Any advice or recommendation given by the Seller or its employees or agents to the Buyer or its employees or agents as to the storage, application or use of the Products which is not confirmed in Writing by the Seller is followed or acted upon entirely at the Buyer's own risk, and accordingly the Seller shall not be liable for any such advice or recommendation which is not so confirmed. Any typographical, clerical, or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by the Seller shall be subject to correction without any liability on the part of the Seller. No order which has been accepted by the Seller may be cancelled, postponed and/or changed by the Buyer except with the agreement in writing by the authorized representative of the Seller and the Buyer shall indemnify the Seller in full against all loss (including loss of profit) costs (including the cost of all labor and materials used), damages, charges and expenses incurred by the Seller as a result of any cancellation, postponement, or change of its order.

2. Specifications

The Buyer shall be responsible to the Seller for ensuring the accuracy of the terms of any order (including any applicable specification) submitted by the Buyer and for giving the Seller any necessary information relating to the Products within a sufficient time to enable the Seller to perform the Contract in accordance with its terms. The quantity, quality and description of and any specification for the Products shall be those set out in accordance with agreement between Buyer and Seller. If the Products are to be manufactured or any process is to be applied to the Products by the Seller in accordance with a specification submitted by the Buyer, the Buyer shall indemnify the Seller against all loss damages, costs and expenses awarded against or incurred by the Seller in connection with or paid or agreed to be paid by the Seller in settlement of any claim of infringement of any patent, copyright, design, trade mark or other industrial or intellectual property rights of any other person which results from the Seller's use of the Buyer's specification. The Seller reserves the right to make any changes in the specification of the Products which are required to conform with any applicable safety or other statutory requirements or, where the Products are to be supplied to the Seller's specification, which do not materially affect their quality or performance.

3. Payment

The payment of the Buyer by telegraph transfer shall be made to the bank account designated by the Seller within fourteen (14) days counting from the shipment date or in advance of the shipment. If the Buyer fails to pay for the Products in time, the Seller is entitled to charge the delayed interest proportionally of annual fifteen (15) % rate.

4. Warranty

The Seller is responsible for the Product quality six (6) months after the shipment. And the Seller's liability shall be limited to replacement or repair of the defective Products. In the event of a Product recall, Buyer shall immediately cease using the Product. Seller's sole obligation in the event of a recall of any Product shall be to repair or replace such Products. For third party's products, Seller will pass through to Buyer any remedies available in the event of a recall of a third party's product. The foregoing shall be Seller's sole and exclusive remedies with respect to any Product recall issue.

5. Supplied Materials and Loaned Items

The Buyer may supply the Seller with materials and/or parts ("Supplied Materials") on chargeable basis provided that the Buyer is responsible for the quality of the Supplied Materials and shall defend, indemnify, and hold harmless the Seller from and against any loss, liability, claim or damage (including reasonable attorneys' fees and costs) relating to or arising from any inconformity or defects of the Supplied Materials. The same shall apply to materials and parts supplied by sub-suppliers designated by the Buyer to the Seller for the Product. The Buyer may lend tools and equipment ("Loaned Items") to the Buyer for the Product. The Buyer shall be responsible for all the costs and expenses for the Loaned Items including without limitation, manufacturing, purchase, transport, export, installation, tax, maintenance, storage, and/or insurance of the Loaned Items, and hold harmless the Seller from and against any loss, liability, claim or damage (including reasonable attorneys' fees and costs) relating to or arising from any inconformity or defects of the Loaned Items.

6. Force Majeure and Default

Neither Buyer nor Seller will be liable for failure or delay to perform obligations under the Terms and Conditions, which have become practicably impossible because of circumstances beyond the reasonable control of the applicable party. Such circumstances

include without limitation natural disasters or acts of God; acts of terrorism; labor disputes or stoppages; war; government acts or orders; epidemics, pandemics, or outbreak of communicable disease; quarantines; national or regional emergencies; material constraints; or any other cause, whether similar in kind to the foregoing or otherwise, beyond the party's reasonable control. Written notice of a party's failure or delay in performance due to force majeure must be given to the other party without undue delay following the force majeure event commencing, which notice shall describe the force majeure event and the actions taken to minimize the impact thereof. All delivery dates under the Terms and Conditions affected by force majeure shall be tolled for the duration of such force majeure. The parties hereby agree, when feasible, not to cancel but reschedule the pertinent obligations and deliverables for mutually agreed dates as soon as practicable after the force majeure condition ceases to exist.

7. Intellectual Property

Nothing herein contained shall be construed as transferring any patent, trademark, utility model, design, copy right, mask work or any other intellectual property rights in the Products, all such rights being expressly reserved to the true and lawful owners thereof. The Seller shall be neither responsible nor liable for any infringement or unauthorized use with regard to any patent, trademark, utility model, design, copyright, mask work or any other intellectual property rights.

8. Trade Term and Title

Unless otherwise agreed in writing between the Buyer and the Seller, the Products shall be delivered EXW in accordance with Incoterms. The title of the Product shall remain at the Seller until the sum of the price of the delivered Product is fully paid. In the Terms and Conditions, 'Incoterms' means the international rules for the interpretation of trade terms of the International Chamber of Commerce as in force at the date when the Contract is made. If there is any conflict between the provisions of Incoterms and the Terms and Conditions, the latter shall prevail. Where the Products are supplied for export from Seller or any affiliate of Seller, the provisions of this clause 8 shall (subject to any special terms agreed in writing between the Buyer and the Seller) apply, notwithstanding any other provisions of the Terms and Conditions. The Buyer shall be responsible for complying with any legislation or regulations governing the importation of the Products into the country of destination and notifying to the Seller the requirements of any such legislation or regulations requiring action on the part of the Seller and for the payment of any duties in connection with the Products.

9. Confidentiality

Neither the Buyer nor the Seller may, without prior written consent from the other party, disclose to any third party the confidential information received from the other party in the course of performance of the Terms and Conditions and/or the individual contracts.

10. Insolvency of Buyer

This clause applies if: (a) the Buyer makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise than for the purposes of amalgamation or reconstruction); or (b) an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Buyer; or (c) the Buyer ceases, or threatens to cease, to carry on business; or (d) the Seller reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly. If this clause applies, then, without prejudice to any other right or remedy available to the Seller, the Seller shall be entitled to cancel the Individual Contract or suspend any further deliveries under the Individual Contract without any liability to the Buyer, and if the Products have been delivered, but not paid for, the sum of the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

11. Limitation of Liability

TO THE MAXIMUM EXTENT PERMITTED BY THE APPLICABLE LAWS, THE SELLER SHALL NOT BE LIABLE TO THE BUYER FOR ANY LOSS BY REASON OF ANY REPRESENTATION, OR ANY IMPLIED WARRANTY, CONDITION OR OTHER TERM, OR ANY DUTY AT APPLICABLE LAWS, OR UNDER THE EXPRESS TERMS OF THE TERMS AND CONDITIONS EXCEPT FOR LOSSES CAUSED BY SELLER'S WILFUL MISCONDUCTS OR GROSS NEGLIGENCE. IN ANY EVENT SELLER SHALL NOT BE LIABLE TO BUYER FOR ANY AMOUNT IN EXCESS OF THE LESSER OF (A) THE PURCHASE PRICE FOR THE PRODUCT: (B) TOTAL PURCHASE PRICE BUYER HAS PAID TO SELLER FOR THE PRODUCT IN ONE YEAR IMMEDIATELY PRECEDING THE FIRST EVENT GIVING RISE TO ANY CLAIM FOR DAMAGES; OR (C) USD 100,000.

12. Severability

If any provision of the Terms and Conditions shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of the Terms and Conditions shall not be affected thereby, and the provisions found to be invalid or unenforceable shall have effect to the maximum extent permitted by law, or, if not so permitted, shall be deemed deleted.

13. No waiver

If either Buyer or Seller at any time fails to require performance by the other of any provision of the Terms and Conditions such failure in no way affects the right to require such performance at any time thereafter, nor shall the waiver by either Buyer or Seller of a breach or default under any provision of the Terms and Conditions be construed to be a waiver of any subsequent breach or default under that provision or any other provision of the Terms and Conditions.

14. Governing Laws and Arbitration

The Terms and Conditions shall not be governed by the provisions of the Convention on Contract for the International Sale of Products, instead, the Terms and Conditions shall be governed by, construed in accordance with the laws of Japan without regard to conflicts of laws principles thereof. All disputes, controversies or differences arising out of or in connection with the Terms and Conditions and/or individual contracts thereunder shall be submitted to the Japan Commercial Arbitration Association (the "JCAA") and shall be finally settled by arbitration in accordance with the Commercial Arbitration Rules of the JCAA. The place of the arbitration shall be Tokyo, Japan. The language of arbitration shall be Japanese.