

## **Terms of Bidding Kobe Parade Auction**

Customers participating in the "Kobe Parade Auction" ("Auction") must read and accept the following terms and conditions before registering and bidding. This auction is held by NDT Corporation Ltd, ONAGA Shoji Co Ltd, NORI Enterprise Co Ltd, and YANAGAWA Shoji Co Ltd. Hereinafter "Promoter" indicate these four companies and "either Promoter" indicates NDT Corporation Ltd, ONAGA Shoji Co Ltd, NORI Enterprise Co Ltd, and YANAGAWA Shoji Co Ltd. "Kobe Parade Auction Office" indicates the information desk where it is placed in NDT Corporation Ltd, ONAGA Shoji Co Ltd, NORI Enterprise Co Ltd, and YANAGAWA Shoji Co Ltd.

### **A. Terms of Bidding**

#### **A-1. Qualifications for Participating in the Auction**

##### **1. Application for registration**

Customers must register and become a member ("Member") before participating in the Auction. Application for registration is accepted at the KOBE AUCTION web site (<http://kobeauction.com>) ("Site"). Complete the registration form at the Site and submit the form. Upon approval of the registration, the Promoter will notify the Member of the Terms of Bidding (this document) and Bidding Procedures and issue a Bidder's Number ("BIDDER'S NO.") and a password ("Password").

##### **2. Registration**

(1) The Customers must accept the terms and conditions in this article before registering to become a Member and participate in the Auction. The customer who doesn't have any previous business relationships with either Promoter shall be examined for qualifications according to the Promoter's own criteria.

(2) The customer may be requested by either Promoter to pay a security deposit ("Security Deposit"). In such case, the customer must pay a Security Deposit of 500,000 Japanese Yen into the following bank account designated before the commencement date of the Auction. In case the customer makes no purchase at the Auction, the Security Deposit will be refunded to the bank account designated by the customer after deducting bank charges. In case the customer makes a purchase at the Auction, the Security Deposit shall be applied to the payment to be made by the customer.

##### Payment Account for the Security Deposit

\* Bank Account:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. KOBE BRANCH

ACCOUNT NO: 2583702

BENEFICIARY: yanagawa shoji co., ltd

\* The customer is requested to send a copy of the "Remittance Certificate" or the "Application for Remittance with the Bank Receipt" with your company name by fax to 81-78-304-7703 immediately after payment is made.

##### **3. Issuance of the BIDDER'S NO and the Password**

(1) Within two (2) working days after receipt of the Security Deposit, the Promoter will issue and notify the Member the BIDDER'S NO. and the password by e-mail. For Members with no requirement of the Security Deposit, the BIDDER'S NO. and the Password will be issued within two (2) working days of the registration date (Japan time) by email. In case the customer doesn't receive such confirmation e-mail, the customer should contact Kobe Parade Auction Office (81-78-304-7701).

(2) The Member shall assume full responsibility for the care and custody of the BIDDER'S NO. and the Password. All liability arising from and in connection with the loss and leakage of the BIDDER'S NO. or the Password shall be borne by the Member.

(3) The Promoter retains the right to invalidate the registration.

##### **4. Change of Registration Information**

The Member must promptly update the registration information (zip code, address, telephone number, fax number, department, title) by contacting Kobe Parade Auction Office (81-78-304-7701) if the information changes.

#### **A-2. The Member's Rights and Obligations**

##### **1. The Member's Right**

The Member may use the approved function of the Auction and may bid or purchase items listed on the Auction.

## 2. The Member's Obligation

All business related to the Auction, including the purchase of listed items, are managed by a computer system. The Member shall accept all results from the computer system and comply with all the terms and conditions hereof.

## 3. Prohibited Activities

The following actions are prohibited in the Auction. In case the Member commits one of the following actions, the Member shall be imposed penalties and/or be liable for damages.

- (1) Direct business negotiation without the auction of listed items between the consignor and the Bidder before and during the auction.
- (2) Bidding or purchasing by lending name, lending the BIDDER'S NO. or the Password.
- (3) Disturbing the Auction's operation by such methods as directing heavy traffic to the Site.
- (4) Violation of law, ordinance or other regulations of the government.

## 4. Damage

- (1) The Promoter shall not be liable for any loss of business of the Member caused by such matters as cancellation and discontinuance of the Auction due to unavoidable circumstances.
- (2) The Promoter shall not be liable for any damage of the member caused by cancellation and discontinuance of the Auction due to such reasons as the failure of the computer system.
- (3) The Promoter shall not be liable for any reason whatsoever in the event bidding or other information from the Member fails to reach the Auction.

## 5. Termination

The Promoter may terminate the Member's membership without giving prior notice to the Member, in any of the following events below. In such case, the registration of the Member shall be cancelled at the time of the termination and the Member shall not make any objections.

- (1) When the Member fails to make the payment of the contract price.
- (2) When the Member files a petition for seizure, provisional seizure, interim order, bankruptcy procedure, corporate rehabilitation procedure, corporate reorganization procedure or other similar procedures, or such petition is filed against the Member.
- (3) When the bill issued by the Member is dishonored or the Member becomes subject to suspension of bank transaction.
- (4) When the Member damages the trust of the Auction in the society.
- (5) When the Member violates any terms and rules provided in the Auction.
- (6) Whenever the Promoter deems it necessary for the purpose of managing the Auction.

## A-3. Auction Rules

### 1. Listing of Items for Auction (Auction List)

The final version of the listing of items for the Auction may be checked at the Site at the time of the Auction.

### 2. Bidding and Successful Bid

The Member who bids the highest price shall be the purchaser (the "Successful Bidder"). The Member may not cancel nor change the bids whatever the circumstances.

### 3. Applicable Currency

All transactions shall be made in Japanese yen. Prices indicated on the Board do not include Japanese consumption tax (5%). Therefore in case of a domestic trade within Japan, 5% consumption tax will be charged to the Successful Bidder. In addition, dominated dollars in Kobe's site is only for a guide.

### 4. Terms of Transaction

All items sold in the Auction shall be delivered "as is" on "EX-YANASHO YARD (Japanese port and forwarder arranged by Promoter)" basis. The Promoter will act in accordance with the trade practice of the industry and in good faith, however the Promoter shall give no warranties whatsoever express or implied including without limitation any implied warranty of merchantability or fitness for any particular purpose. The Successful Bidder shall be fully responsible for complying with various regulations both inside and outside Japan (such as not limited to Emission Standards, Product Liability, Trade organization Regulation, Environment Regulation, Import Restriction, Vehicle Registration, etc.).

## A-4. Terms of Delivery (Transportation)

### 1. Item Price and Terms of Delivery (Transportation)

All prices are for delivery on "EX-YANASHO YARD (Japanese port and forwarder arranged by the Promoter)" basis. Any costs (such as Inland Transportation, Port Usage Charges, FOB Charges, etc.), except for those referred to in article A-4.2 below, shall be borne by the Successful Bidder.

### 2. Additional Expenses

Such services as special washing and disassembly will be arranged by either Promoter upon request and at the Successful Bidder's expense. For price information, please refer to "Service Charges" in the Site.

## A-5. Procedures After Successful Bid

### 1. Payment Method

(1) Payment shall be made in full by cash or by remittance to the bank account set out in A-5.2 below prior to delivery. Basically we will not accept L/C payment.

(2) Payment shall be made within ten (10) days from the date of the successful bid.

(3) An extension of the payment due date may be approved for a maximum of ten (10) days (twenty (20) days from the date of the successful bid) provided, however only if the Promoter approves such extension.

(4) In case of delay of payment, the purchase will be deemed as cancelled.

(5) In case the purchase is cancelled as a result of delayed payment, the Successful Bidder shall pay the higher of either 500,000 Japanese Yen (Amount equal to the Security Deposit) or 25% of the purchase price as a cancellation penalty to the Promoter. (If the amount of payment is under 500,000 Japanese Yen, it will forfeit from deposit) In such case the title of the purchased Item shall not be transferred to the Successful Bidder.

(6) The Promoter may announce information regarding the cancellation to the public at its sole discretion in case of the cancellation set out in (4) above.

### 2. Payment Account

This Auction is promoted by joint hosting of NDT Corporation Ltd, ONAGA Shoji Co Ltd, NORI Enterprise Co Ltd, and YANAGAWA Shoji Co Ltd. Therefore one of the Promoters will send confirmation sheet to successful bidder. Bank account is below.

\* Bank Account:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. KOBE BRANCH

ACCOUNT NO: 2583702

BENEFICIARY: yanagawa shoji co., ltd

\*The Successful Bidder is requested to send a copy of the "Remittance Certificate" or the "Application for Remittance with the Bank Receipt" with your company name by fax to 81-78-304-7703 immediately after payment is made.

### 3. Acceptance of the Purchased Item

(1) The Successful Bidder shall arrange for acceptance and pickup of the purchased item within ten (10) Days of the successful bidding day [Japan time].

(2) In case of delay of acceptance, storage charges shall be charged to the Successful Bidder. The same shall apply to storage charges accrued due to shipping schedules. Storage charge is 1,000 Japanese yen per one day.

(3) The Successful Bidder may contact either Promoter within five (5) days from current day after receipt of notification of the successful bid from the Promoter, in order to request arrangements for shipment.

\*In case the purchased item is not accepted within ten (10) days of the final bidding day of the Auction:

(1) The Successful Bidder shall pay the higher of either 500,000 Japanese Yen (Amount equal to the Security Deposit) or 25% of the purchase price as a penalty to the Promoter.

(2) The Promoter may resell the purchased item at its sole discretion and after deducting the penalty above, storage charge mentioned in the "Service Charges" in the Site and all costs required for such resale, return the remainder, if any, to the Successful Bidder

(3) Even under the above circumstances, since the performance of the sales contract is deemed to be completed, the payment made for the purchased item by the Successful Bidder shall not be refunded.

## A-6. Delivery (Transportation)

1. Refer to the "Service Charges" in the Site for information about such matters as total service fee from the storage site to the FOB, storage fees, and customs and import duty.
2. In case of direct export to overseas, KOBE AUCTION or either of NDT Corporation Ltd, ONAGA Shoji Co Ltd, NORI Enterprise Co Ltd, and YANAGAWA Shoji Co Ltd. shall become the Shipper.

A-7. Special Terms and Conditions

1. Risk of Loss

The title to, and risk of loss of the purchased item shall pass to the Successful Bidder at the time when the Promoter notifies the Successful Bidder of confirmation of receipt of the payment.

2. Right to Change or Remove an Auction Item

The Promoter shall endeavor to ensure that the Auction will be a successful trade opportunity for those participating in the Auction. However the Promoter may make any bid void with due reasons (for example, to make a bid void as a result of a appearance of an innocent third party declaring legitimate title to the item for the Auction).

3. Truth and Accuracy of the Listing for the Auction on the Site

The "Listing of Items for Bidding" ("Auction List") prepared for the Auction is prepared only as a guide. The Member understands that such list cannot provide detailed and accurate information such as conditions (including stated year's type) of each item. The Promoter bears no responsibility regarding the discrepancies between the listing and the item.

4. Governing Law and Settlement of Dispute

This agreement and the Auction shall be governed in all aspects by the laws of Japan. Any dispute, controversy and/or difference between the Member (including the Successful Bidder) and the Promoter arising from or in connection with this agreement or the Auction, which cannot be settled by mutual accord without undue delay, shall be finally settled by arbitration in Tokyo, Japan in accordance with the rules of procedure of Japan Commercial Arbitration Association in which case the award thereof shall be final and binding on both parties.

5. Modification of Auction Terms or Official Documents

Terms and conditions of this agreement and/or official documents related to the Auction shall not be changed without prior consent of the Promoter. The Promoter also reserves the right to interpret such terms and conditions of this agreement and/or official documents in accordance with the laws of Japan, and such interpretation shall be final.

6. Prohibition of Purchasing Own Items

In case the Member has consigned an item to the Promoter for the Auction, such Member or his agent shall not bid for such item.

7. CE Mark

All of the machines prohibited in the auction do not clear CE Mark.

8. Claim

Auctioneer could not receive any claim, after 2 days from the consigned date.

9. Others

Contents of the terms and conditions may be changed or added without prior notice to the Member.

Date:     /     /     

Signature : \_\_\_\_\_

Company Name : \_\_\_\_\_