

Wine Auction Terms and Conditions

The auction of alcoholic beverages carried out by Top Lot Inc. (hereinafter referred to as “the Company”) shall be conducted in accordance with these terms and conditions. Those who conclude a sales contract with the Company for the purpose of selling and converting to cash at an auction, those who have concluded a sales contract, those who make a purchase offer (bid) to the Company and those who become purchasers through the auction and other related parties must acknowledge and comply with these terms and conditions. However, if a separate agreement has been made with the Company, that agreement will take precedence between the Company and the party who made that agreement.

Chapter 1: Goods (alcoholic beverages, etc. subject to auction)

(Alcoholic Beverages, etc. Subject to Auction)

Article 1: The Company shall sell wine and other alcoholic beverages, glasses, etc. (hereinafter collectively referred to as “goods”) through an auction.

(Condition)

Article 2: The goods shall be sold in their current state, and the Company shall not be liable for the quality, condition, stains, scratches, or other defects or flaws of the container of the goods, except as provided for in Article 19.

Furthermore, old wine is sold on the premise that there will naturally be changes in the condition of the wine, such as leakage, and natural changes and deterioration over time in the case, label, cork, etc.

(Preview)

Article 3: The Company will hold a preview before the auction and make the goods available for viewing to those who wish to purchase them.

② Those wishing to purchase may examine and inspect the goods at the preview (except where necessary and approved by the Company, the goods may not be touched. The same applies below), and those making offers to purchase must make their offers at their own discretion and responsibility with regard to the inherent quality and condition of the goods, including any defects or flaws.

③ The Company may request that those wishing to attend the preview provide their name and other personal details, and may request that they present identification documents. The Company may, at its discretion, refuse entry to the preview without giving a reason.

(Catalog)

Article 4: The Company shall prepare and distribute catalog of the goods for the reference

of prospective purchasers.

- ② The descriptions and explanations (brand name, producer, producing district, vintage, size, condition, etc.) in the catalog are provided solely for the reference of prospective buyers. The Company shall not be liable for any inaccuracies in these descriptions, or for any errors in descriptions of product defects or flaws, except in the cases provided for in Article 19.
- ③ The illustrations in the catalog are for reference only and do not accurately represent the color, shape, condition or quality of the goods. The Company shall in no way be responsible for any discrepancy between the illustrations contained in the catalogue and the actual objects.
- ④ The Company may include an valuation of the goods in the catalog. The valuation will be expressed in Japanese yen as an upper and lower limit (this evaluation does not include the Company's commission or consumption tax on the commission). However, the price at which the item is actually sold at auction is not bound by this valuation at all, and may exceed the upper limit or fall below the lower limit. However, the item will not be sold for a price below the reserve price stipulated in Article 20 (which is not announced and is not necessarily below the lower limit of the valuation).

(Changes to the Catalog)

Article 5: The descriptions and explanations in the catalog may be changed without notice. These changes will be made by written notice at the auction site or orally immediately before the auctioneer commences the auction of the relevant goods. If any changes are made, the auction shall be deemed to have been conducted in accordance with the changed details.

Chapter 2: Auction

(Registration)

Article 6: A person who wishes to become a person who may make a purchase offer shall, in advance, register with the Company his address and name (in the case of a person who wishes to make a purchase offer as a corporation, the name of the corporation and the name of the representative). If an agent or messenger (including those making a purchase offer on behalf of a corporation; hereinafter the same) is entering the premises, the agent or messenger must register the name and address of his principal and his own name and address, and submit a letter of attorney from his principal. (However, in the case of an agent or messenger, this shall be as stipulated in Article 8, Paragraph 5.) Registration shall be made in advance with

the Company.

- ② The Company will request that prospective registrants present identification documents, etc.
- ③ The Company may, at its discretion, refuse to register prospective registrants without stating a reason, or refuse to admit those who have already registered to the auction venue.
- ④ Those who have registered in advance must be confirmed at the reception desk on the day of the auction.

(Paddle)

Article 7: The Company shall issue a paddle (a numbered card) to each registered person at the reception desk of the auction venue on the day of the auction.

- ② The number on the paddle is used to identify the person who has made a purchase offer, and when the auctioneer asks the person who has made a purchase offer to raise their paddle so that it can be seen, they must immediately comply with this instruction.
- ③ Those making a purchase offer must be aware of the number of their paddle at all times and pay attention to the paddle numbers announced by the auctioneer from time to time.
- ④ Those who have been issued a paddle must notify our staff at the auction venue immediately if they lose their paddle, and must return their paddle to the Company at the end of the auction or when leaving the auction before the end.

(Method of Auction)

Article 8: The auction shall be conducted by having the person making a purchase offer raise the bid price for the purchase, under the supervision of the auctioneer designated by the Company, in accordance with the provisions of the following paragraphs. Furthermore, the amount of the purchase offer at the auction shall be made at a price that does not include the Company's commission and consumption tax on the commission, and the person making the purchase offer, in the event that a sale is concluded, agrees to pay the commission and consumption tax on the commission to the Company in accordance with the provisions of Article 12.

- ② In cases where a reserve price has been set in accordance with Article 20, the Company will not disclose the reserve price.
- ③ The auction will be conducted in the order of the item numbers (lot numbers) listed in the catalog, but the Company may withdraw the auction of a scheduled item (lot) without prior notice, or may auction off multiple items with the same number separately, or may auction off multiple items with different numbers

together.

- ④ The auction shall be conducted at the discretion of the auctioneer, and the opening bid shall be made at the discretion of the auctioneer, and the range of the bidding price is also determined at the discretion of the auctioneer. (If there is a reserve price set as stipulated in Article 20, the opening bid is not bound by this, and the amount may be below or above the reserve price.)
- ⑤ A person making a purchase offer shall be deemed to have made the purchase offer as the principal, unless the person has notified the Company in advance that he will make the purchase offer as an agent or messenger for another party and the Company has approved of this. Furthermore, multiple persons cannot make a single purchase offer in joint names.
- ⑥ A purchase offer is made by raising a paddle or making a gesture (gesture, hand-sign, nodding of the head, etc.). A person who has made a purchase offer must take action to immediately draw the auctioneer's attention if he judges that his purchase offer has not been recognized by the auctioneer.
- ⑦ A purchase offer may be made directly at the auction site by the offeror, or in writing or by other means. A purchase offer in writing or by other means shall be made in accordance with the provisions of Article 11.
- ⑧ In order to protect the reserve price stipulated in Article 20, the Company shall make a purchase offer until the reserve price is exceeded, and this purchase offer shall be made through the auctioneer or by other methods at the discretion of the Company.
- ⑨ The auctioneer has the freedom to reject any purchase offer without giving a reason.
- ⑩ A person who has made a purchase offer is bound by the amount of the offer until a higher purchase offer (including the Company's purchase offer in Paragraph 8) is made, the offeror will be bound by the amount of the offer and the offer will expire when the higher offer is made. However, if the higher offer is invalid, for example if it is rejected by the auctioneer, the offer will not expire and the offeror will remain bound by the amount of the offer.
- ⑪ In addition to the cases prescribed in the preceding paragraph, a purchase offer shall become invalid if the auctioneer rejects it, if the auction ends without reaching the reserve price, or if the auctioneer re-auctions the item.
- ⑫ The auctioneer shall strike the hammer after calling out the highest amount of the purchase offer that the auctioneer is aware of at least twice, and at the time of striking the hammer, the person who made the highest purchase offer shall be

deemed to be the prospective purchaser , and a reservation of one of the parties to the sale shall be made with the Company for the purchase price. The person determined to be the prospective purchaser in accordance with the above shall be referred to as “the successful bidder”, and the relevant price shall be referred to as “the hammer price”.

⑬ If the person who has made the highest purchase offer withdraws his purchase offer before the auctioneer strikes the hammer, the auctioneer may nevertheless determine the person who made the highest purchase offer as the successful bidder, or, at the discretion of the auctioneer, the next-highest offeror may be determined as the successful bidder.

⑭ Disputes and controversies regarding the auction shall be arbitrated by the auctioneer at his discretion, and all parties concerned shall abide by the auctioneer's decision. In the event of a dispute or controversy, the auctioneer may, at his discretion, reject the purchase offer, determine the prospective purchaser, continue the auction and accept a new purchase offer, or declare all previous purchase offers for the relevant item null and void and put it up for re-auction.

⑮ Once the successful bidder has been determined and the auctioneer has begun the auction for the next item, no one may raise any objections.

(Confirmation of Successful Bid)

Article 9: The successful bidder shall, upon the request of the Company, confirm the lot number and the hammer price on the successful bid confirmation form, which shall be used as the application for purchase, and shall sign or affix his name and seal to the form. If the successful bidder is a corporation, the name of the corporation must be stated, and the agent or messenger must sign or affix his name and seal. However, the reservation of one of the parties to the sale is concluded at the time the auctioneer strikes the hammer, and the successful bid confirmation form is for recording purposes only.

② If the successful bidder does not sign or affix his name and seal immediately as described in the preceding paragraph, the auctioneer may, at their discretion, declare their intention not to complete the reservation of one of the parties to the sale at that time and re-auction the relevant goods. The provisions of Article 18, Paragraph 1, Item 4 shall apply mutatis mutandis in this case.

(Conclusion of Sales Contract)

Article 10: The right to complete the reservation for the reservation of one of the parties to the sale in Article 8, Paragraph 12 shall be held by the Company between the successful bidder and the Company, and the Company shall make a declaration of

intent to complete the reservation of one of the parties to the sale within two days after the day of the auction, and at that time, a sales contract for the sale of the goods with the successful bidder shall be concluded with the Company and the successful bidder, with the hammer price as the sales price. Hereinafter, the successful bidder after the sales contract has been concluded shall be referred to as “the purchaser”.

- ②After the sales contract has been concluded, the Company shall deliver an invoice and an exchange slip for the goods to the purchaser. The purchaser must deliver the exchange slip for the goods to the Company when collecting the goods, but the exchange slip for the goods is merely a certificate of exemption and does not have any further.

(Written Offer to Purchase (Order Bid))

Article 11: A purchase offer may be made in advance in writing or by fax, etc. (hereinafter referred to as a “written purchase offer”).

- ②Written purchase offers must be sent to the Company at least two business days before the auction date, and must include the address, name (in the case of a corporation, the name of the corporation and the name of the representative), lot number, and maximum purchase offer amount (the amount excluding the Company's commission and consumption tax on the commission. The same applies below.) and signed or stamped with a seal. Any offer that does not include a maximum purchase offer amount will be invalid.
- ③The Company will make a purchase offer on behalf of the purchaser who has made a written purchase offer, and the method of doing so will be through the auctioneer or by other methods at the discretion of the Company.
- ④If the maximum amount of a written purchase offer is higher than both the maximum amount of another purchase offer and the reserve price, the person who made the written purchase offer may become the successful bidder at the hammer price, which is the amount of the highest of the other purchase offers or the reserve price, plus an amount within a range that the auctioneer deems appropriate. In this case, the determination of the successful bidder shall be made in the same way as for offers to purchase at the auction venue, with the auctioneer determining the highest bidder and hammering the gavel to make a reservation of one of the parties to the sale.
- ⑤In the event that there are multiple written purchase offers for the same goods, with the same maximum bid amount, the written purchase offer that arrives at the Company first will take precedence. In the event that written purchase offers

arrive at the same time and the successful bidder can be determined according to the previous clause, the winner will be decided by lottery at a later date.

- ⑥The Company may reject a written purchase offer without giving a reason. If the Company's rejection notice does not reach the person who has made the purchase offer, the Company will not be held responsible for any problems that arise.
- ⑦Regardless of whether it is due to a mistake or for any other reason, if a written purchase offer is not executed at an auction (including cases where Article 8, Paragraph 3 applies and the Company does not execute the written purchase offer), the Company shall not be liable for any damages arising from this, except in cases where the Company is grossly negligent.
- ⑧If the descriptions or explanations in the catalog stipulated in Article 5 are changed, the written purchase offer shall be deemed to have been made in accordance with the changed descriptions or explanations. The Company will make every effort to notify the relevant changes, but if the relevant changes are not communicated to the person who made the written purchase offer, the Company shall not be liable for this.
- ⑨If the person who made a written purchase offer becomes the successful bidder, the Company will promptly notify the successful bidder to that effect, and the successful bidder must deliver a successful bid confirmation form to the Company, clearly stating the lot number, the hammer price, address, and name (in the case of a corporation, the corporate name and representative name), after confirming the lot number and the hammer price, and signing or affixing a seal to the form. However, a reservation of one of the parties to the sale is concluded at the time the auctioneer strikes the hammer, and the successful bid confirmation form is for recording purposes only.
- ⑩In the event that this article falls under Article 8 or Article 10 of the Consumer Contract Act, the provisions of the Consumer Contract Act shall be applied in accordance with Article 26 of these terms and conditions, with priority given to this article.

Chapter 3: Purchaser

(Purchase Price)

Article 12: In addition to the hammer price , the purchaser must also pay the Company a commission and consumption tax on the commission, in the amount equivalent to 16.5% of the hammer price (including consumption tax). Hereinafter, the hammer price and the Company's commission and consumption tax on the

commission shall be referred to as “the purchase price”.

(Payment Period for the Purchase Price)

Article 13: The purchaser shall pay the full amount of the purchase price to the Company within 10days (excluding Saturdays, Sundays and holidays stipulated in the Act on National Holidays. Hereinafter, this period shall be referred to as “the payment period.” Each day within this period shall be limited to the Company's business hours. Hereinafter, the same shall apply.) after the day of the conclusion of the sale contract in Japanese yen by bank transfer to the following bank accounts (payment must be received within the payment period).

Bank Name: Mizuho Bank Shinbashi Branch

Account Name: Top Lot Inc.

Account Number: Ordinary Account No. 4161155

(Delivery)

Article 14: The Company shall deliver the goods to the purchaser after the purchaser has completed payment of the purchase price. However, if the purchaser owes the Company other debts that have become due (including miscellaneous expenses prescribed in Article 16, Paragraph 3) in addition to the purchase price, the Company will not deliver the goods until the purchase price and all such obligations have been fulfilled. Hereinafter, the purchase price and all obligations to the Company that have reached the time of performance shall be referred to as “the total amount due”.

- ②After the purchaser has paid the total amount due in full, the purchaser must pick up the goods by the date of pick-up of the goods designated by the Company.
- ③The place of delivery of the goods shall be the storage location specified by the Company. The purchaser may inspect the goods upon collection, and regardless of whether the purchaser actually inspects the goods or not, from the time the Company delivers the goods to the purchaser (including agents, messengers, and carriers) (meaning the time the Company delivers the goods to the purchaser, its agent or messenger, or to the carrier pursuant to Paragraph 6 at the storage location specified by the Company.) the purchaser may not make any claims against the Company for non-conforming goods, damage, shortage, loss, leakage or other non-conforming goods prior to the time of delivery, or for non-conforming goods, contract cancellation, or any other claims based on non-conforming goods or contract non-conformance, except in the cases stipulated in Article 19 and in cases of intentional misconduct or gross negligence on the part of the Company. However, this does not prevent the purchaser from requesting

the return of the goods if the company mistakenly delivers different goods.

- ④The purchaser must hand over the exchange slip for the goods to the Company when collecting the goods. If the Company receives the exchange slip for the goods, even if there is an accident such as a person other than the purchaser collecting the goods, the Company will not be held responsible unless it is due to the company's intentional misconduct or gross negligence.
- ⑤The purchaser shall bear the cost of collecting the goods, and the Company shall not be liable for any accidents (including, but not limited to, destruction, damage, or leakage) that occur after the time of delivery, except in cases where such accidents are caused by the Company's intentional misconduct or gross negligence.
- ⑥The Company may, at the request of the purchaser, arrange for a shipping company to deliver the goods. If the Company arranges a shipping company, the arrangement is entirely at the Company's courtesy, and the purchaser should take out insurance, etc. by themselves. The Company will not be liable for any accidents (destruction, loss, theft, damage, soiling, or leakage) after the time of delivery, including the selection of the shipping company, unless they are due to the Company's intentional misconduct or gross negligence. In addition, the purchaser must use their own judgment and responsibility to pack the goods in a way that they consider appropriate. Although the Company may pack the goods when delivering it, the Company will only do so if the Company consider it appropriate as a favor to the purchaser, and the Company will not be responsible for any damage caused by the Company's packing, except in cases where it is due to the Company's intentional misconduct or gross negligence.
- ⑦In the event that this article falls under Article 8 or Article 10 of the Consumer Contract Act, the provisions of the Consumer Contract Act shall be applied in accordance with Article 26 of these terms and conditions, with priority given to this article.

(Risk and Transfer of Ownership)

Article 15: The purchaser shall bear the risk of the goods from the time of the conclusion of the sale contract (the time at which the Company exercises its right to complete the reservation and the sales contract for the goods is concluded) (the purchaser shall bear any destruction, loss, theft, damage, soiling, or leakage due to reasons not attributable to the Company.).

- ②The ownership of the goods will not be transferred to the purchaser until the purchaser has completed payment of the total amount due and the Company has delivered the goods to the purchaser. At that delivery, the ownership of the goods

shall transfer to the purchaser.

(Miscellaneous Expenses)

Article 16: The purchaser shall not be required to pay for storage or insurance charges until the date of pick-up of the goods designated by the Company (if the Company delivers the goods before the date of pick-up designated by the Company, the purchaser shall not be required to pay for storage or insurance charges until the time of delivery.).

②If the purchaser is unable to pick up the goods by the date of pick-up designated by the Company, he must pay the costs of storage and insurance charges from the date of pick-up designated by the Company until the time of pick-up. However, it is not the Company's obligation to provide insurance.

③The costs of storage and insurance charges to be borne by the purchaser are referred to as "miscellaneous expenses".

(Stolen Goods, Lost Property)

Article 17: If, before the Company delivers the goods to the purchaser, there is a demand for return of the goods from a person claiming to be the rightful owner of the goods as stolen or lost property, or if it is discovered that the goods are prohibited from being sold under the law (including prohibition of possession), the Company may express its intention not to complete the sales contract, or may cancel the sales contract without notice. In this case, if the Company has received payment of the total amount due from the purchaser, it shall return this without interest, and the purchaser may not make any other claims for compensation for damages, etc. against the Company.

②If the Superintendent General of the Metropolitan Police Department, the Chief of Prefectural Police Headquarters or the Chief of Police Station orders the Company to store the goods in accordance with Article 21 of the Secondhand Articles Dealer Act, and the end date of the storage period exceeds the 10th day following the date of conclusion of the sales contract, the Company will not deliver the goods until the end of the storage period, and when applying Article 13, the phrase "within 10 days after the day of the conclusion of the sale contract" shall be read as "within 3 days of the end date of the storage period ordered by the Superintendent General of the Metropolitan Police Department, the Chief of Prefectural Police Headquarters or the Chief of Police Station", and when applying Articles 14 and 16, "the date of pick-up of the goods designated by the Company" shall be read as the period read as above, and when applying Article 18, "the payment period" shall be read as the period read as above. Furthermore, even

if delivery is delayed for this reason, the Company will not be held responsible for any consequences arising from the delay.

(Default by the Purchaser)

Article 18: If the purchaser does not pay the full amount of the total amount due within the payment period, the following provisions shall apply;

- (1) The purchaser must pay the late payment charges at a rate of 18% per year (or 14.6% per year if the Consumer Contract Act applies) on the unpaid balance of the total amount due (excluding the consumption tax portion) from the day after the payment period ends until the total amount due (including miscellaneous expenses) is paid in full (or, if the contract is cancelled in accordance with item 3 hereof, until the day of cancellation).
- (2) After the payment period has ended, the goods will be stored in a manner deemed appropriate by the Company at its discretion. If the goods are destructed, lost, stolen, damaged, soiled, leaked before being collected by the purchaser, the Company will not be held responsible for this except in cases of intentional misconduct or gross negligence on the part of the Company, and the purchaser will not be exempt from their obligation to pay the total amount due. The Company is under no obligation to insure the relevant goods during this period.
- (3) If the purchaser does not pay the total amount due even after the Company has given notice to the purchaser to do so, the Company may cancel the sales contract. However, if the notice sent to the purchaser's registered or notified address is returned as the recipient being absent or unknown, or if the purchaser refuses to accept the notice, the notice may be does not reach the purchaser, the sales contract shall be deemed to have been cancelled at the time when the Company dispatches a cancellation notice to the purchaser's registered or notified address, and the purchaser hereby gives his prior consent to this.
- (4) If the sales contract is cancelled in accordance with the preceding item, the purchaser must pay the Company the amount equivalent to the Company's commission as stipulated in Article 12 that the purchaser must pay to the Company through this auction, and the late payment charges at the rate of 18% per year (14.6% per year if the Consumer Contract Act applies) from the date the sales contract has been concluded until the amount is paid in full.
- (5) In the event that the sales contract is cancelled in accordance with item 3, in addition to the provisions of the preceding item, the Company may sell the

goods to a third party through an auction or negotiated contract without setting a reserve price. In this case, if the total amount of the sales price through this auction or negotiated contract, the Company's commission as stipulated in Article 12, and the amount equivalent to the consumption tax on the Company's commission is less than the total amount due, the purchaser shall pay the Company the difference and the amount of the late payment charges at the rate of 18% per year (14.6% per year if the Consumer Contract Act applies) from the date of this auction or negotiated contract until the amount is paid in full. Conversely, if the amount exceeds the purchase price, the purchaser has no right to claim the difference.

②In the event that this article falls under Article 8 or Article 10 of the Consumer Contract Act, the provisions of the Consumer Contract Act shall be applied in accordance with Article 26 of these terms and conditions, with priority given to this article.

(No Warranty of Quality, etc. for Wine)

Article 19: The Company shall not be liable for any goods, including but not limited to the accuracy of descriptions or explanations of the producing district, producer, vintage, etc., defects or flaws of the goods (including those that cannot be identified without opening the bottle), unless such defects or flaws of the goods are caused by intentional misconduct or gross negligence on the part of the Company.

②In the event that a delivery company is arranged at the request of the purchaser in accordance with Article 14, Paragraph 6, and there is a shortage or leakage of the goods upon arrival, the Company will cancel the sales contract with the purchaser at the purchaser's request and refund the purchase price only in the event that any of the following conditions apply. However, even in this case, the Company has no obligation other than to refund the purchase price, and will not pay interest, compensation for damages, or compensation for direct or indirect damages.

(1) The purchaser must make a claim to the Company in writing within five days of the delivery of the goods, clearly stating the auction date, the lot number and the hammer price. However, only the purchaser (excluding the purchaser's general and specific successors) may make this claim, and the purchaser's right to do so may not be transferred to a third party or used as collateral.

(2) The defect or flaw is not mentioned in the catalog.

(3) The purchaser has full ownership of the goods, and is able to transfer full ownership of the goods to the Company and deliver the goods to the Company

in the same condition as it was at the time of the auction.

(Reserve Price)

Article 20: The Company may set a reserve price (minimum sale price). However, this price shall be in Japanese yen.

②If the Company sets a reserve price, it will not sell the goods for a price below the reserve price.

Chapter 4: Miscellaneous Provisions

(Changes to the Terms and Conditions)

Article 21: The Company may change these terms and conditions, and such changes shall be made by the auctioneer verbally stating that these terms and conditions will be changed immediately before the auctioneer commences the auction of the first item on the auction day, and such changes shall become effective from that time.

(Prohibition of Assignment of Claims, etc.)

Article 22: The rights and status of the Company under these terms and conditions may not be assigned or pledged as collateral.

(Limitation of Liability)

Article 23: The Company shall not be liable for any damages for any reason whatsoever if these terms and conditions stipulate that the Company is not liable.

②The Company shall not be liable for any damages whatsoever if the damage is caused by a natural disaster, a geological phenomenon, war, the use of foreign military force, revolution, the seizure of power, civil war, armed rebellion, riot, nuclear fuel materials, or radioactive contamination.

③If the Company is obligated to store goods for the purchaser, and if the goods are destructed, lost, stolen, damaged, soiled, leaked due to the Company's slight negligence, other than in the cases stipulated in the preceding paragraphs, the following provisions shall apply in relation to the purchaser.

(1) If the goods is destructed, lost, stolen, or seriously damaged, soiled, leaked, the sales contract for the goods will be automatically cancelled, and the purchaser will be exempt from paying the purchase price. If the Company has already received the purchase price, it will be returned without interest.

(2) The purchaser will bear the burden of proof for damage, soiling, or leakage.

(3) The amount of compensation for damages paid by the Company under this clause shall be covered by the insurance money paid based on the damage insurance contract concluded between the Company and the damage insurance company.

④The Company shall not be liable for any damages in any case other than those stipulated in the preceding paragraphs, except in cases of intentional misconduct or gross negligence on the part of the Company, and even in cases of intentional misconduct or gross negligence on the part of the Company, the range of compensation for damages shall be limited to ordinary damages and damages arising from circumstances that should have been foreseen at the time of intentional misconduct or gross negligence on the part of the Company.

(Restriction on Qualifications)

Article 24: The Company will not cooperate or do business with any person or entity of the type described in any of the following subparagraphs.

- (1) A person or entity that engages in or has the intent of engaging in any activity such as money laundering; or that engages in or has the intent of engaging in raising funds making use of illegal or improper methods, inappropriate pressure, or violence; or within the past five years has engaged in or has the intent of engaging in any conduct of an anti-social group or member, such groups or members include, but are not limited to: an organized crime group, a member or associate member of an organized crime group, a corporation related to an organized crime group, a group that engages in criminal activities under the pretext of conducting social campaigns or political activities, and a special intelligence organized crime group. (hereinafter referred to as an anti-social group or member.)
- (2) A person or entity that participates in an auction accompanied by an anti-social group or member, or that intends to let an anti-social group or member participate in an auction by introduction.
- (3) A corporation in which a director or auditor belongs to an anti-social group, or a corporation that is recognized as being controlled or substantially involved in the management of an anti-social group.
- (4) A person or entity that are deemed to be involved in providing funds or benefits to an anti-social group.
- (5) A person or entity that are deemed to be improperly using an anti-social group.
- (6) A person or entity that uses threatening behavior or violence with regard to business with the Company.
- (7) A person or entity that damages the Company's trust by spreading a false rumor; or uses trickery, deception, or inappropriate pressure; or interferes with the Company's activities in any way.
- (8) A person or entity that does not adhere to these terms and conditions or the

Company's rules.

- ②If the Company determines that there are unavoidable circumstances similar to those listed in the preceding paragraph, it may cancel transactions with the person(s) concerned and may refuse to conduct any further transactions with them.

(Applicable Law)

Article 25: These terms and conditions shall be governed by and interpreted under the laws of Japan, and any matters not provided for herein shall be subject to the laws of Japan.

(Consumer Contract Act)

Article 26: Where applicable, the Consumer Contract Act takes precedence over these terms and conditions. In addition, these terms and conditions shall be read and applied in accordance with other civil laws of Japan.

(Jurisdiction)

Article 27: Any lawsuit arising under these terms and conditions shall be brought exclusively in the Tokyo District Court and the Tokyo Summary Court of Japan.

(Language)

Article 28: This English translation of the original document in Japanese is provided for the convenience of customers; however, in the case of any discrepancy between the English and Japanese versions or any question of interpretation, the Japanese document shall control.

(Special Provisions for Purchase offer thorough Live Bid)

Bids(Purchase offers) may be made through the Company's designated internet system (hereinafter referred to as "Live Bid").

- ②A person who wishes to make purchase offers through Live Bid must register with the Company at least two business days prior to the day of the auction. The Company may, at its discretion, refuse to register a prospective registrant without stating a reason.
- ③A person who has registered as described in the preceding paragraph may set an ID and password for making a purchase offer through Live Bid. However, a person who intends to make a purchase offer through Live Bid must acknowledge in advance that it will take a considerable amount of time for the Company to approve the ID and password, and that the Company may, at its discretion, refuse to approve the set ID and password without stating a reason. Furthermore, the Company shall not be held liable for any damages resulting from delays in approving IDs and passwords.
- ④The Company may reject a purchase offer through Live Bid without giving a reason. If the Company's rejection notice does not reach the person making the purchase offer through Live Bid, the Company shall not be held liable for this.
- ⑤If a purchase offer made through Live Bid is not executed at an auction, regardless of the reason, including any defect, malfunction, or failure of the equipment, system, or communication line used by the person making a purchase offer or the Company, unauthorized access to or alteration of data sent or received, or any error, (including cases where Article 8, Paragraph 3 applies and the Company does not execute the purchase offer made through Live Bid), the Company shall not be liable for any such failure.
- ⑥If the descriptions or explanations in the catalog as provided for in Article 5 are changed, the purchase offer through Live Bid shall be deemed to have been made in accordance with the changed descriptions or explanations. The Company will make every effort to notify the relevant changes, but if such changes are not communicated to the person who made the purchase offer through Live Bid in advance, the Company shall not be liable for any such failure.
- ⑦If any defects, malfunctions, or problems occur in the equipment, systems, or communication lines used by the person making a purchase offer through Live Bid, or if there is unauthorized access to or alteration of the data being sent or received, the Company will not be held responsible for any of the above.

- ⑧If the person making a purchase offer through Live Bid loses his ID and password, or if his ID and password are leaked to a third party, and a purchase offer is made by someone other than the person himself, and the ID and password are used illegally by a third party, the person being made the purchase offer by someone else will be deemed to be the person making the purchase offer in relation to the Company.
- ⑨If the successful bidder is the person who made the purchase offer through Live Bid, the successful bidder must immediately deliver a successful bid confirmation form to the Company, with the lot number, the hammer price, address, and name (or, in the case of a corporation, the name of the corporation and the name of the representative) clearly written on it, and the successful bidder must sign or affix his name and seal to the form after confirming the lot number and the hammer price. However, the reservation of one of the parties to the sale is concluded when the auctioneer strikes the hammer, and the successful bid confirmation form is for recording purposes only.