

## Terms and Conditions for Participation in WIN Auction

This “Terms and Conditions for Participation in WIN Auction” (hereinafter these “Terms and Conditions”) regulates conditions for participation in WIN Auction (hereinafter the “Auction”) held by Wakita & Co., Ltd. (hereinafter the “Auctioneer”).

The customer who intends to bid at the Auction as a registered member (hereinafter the “Member”) is deemed to have agreed to these Terms and Conditions.

Auctioneer may revise these Terms and Conditions from time to time as necessary.

### 【Qualification】

#### 1. Qualifications

- ① The Auction is available only to the members who have been registered by Auctioneer prior to the participation in the Auction.
- ② The member who intend to conduct business subject to the Secondhand Articles Dealer Act through the Auction shall be required to submit its Secondhand Dealer License to Auctioneer to complete the registration as a member.

#### 2. Registration

- ① The applicant who intends to participate in the Auction must send the member registration request to Auctioneer through the Auction website. The applicants of the Auction shall have their qualifications examined by Auctioneer in accordance with its own standards. The Auctioneer will register only for approved applicants as members.
- ② The Member can participate in the Auction by using the Member ID and Login Password issued by Auctioneer, after the registration completed.
- ③ The Member shall assume full responsibility for the management of the Member ID and Login Password. The Member shall also accept liability for damages arising from, and in connection with theft, loss and leakage of the Login Password.
- ④ Bidding or purchasing by lending name, lending the Password are prohibited.
- ⑤ The Member shall immediately notify Auctioneer of any changes to the registration information.

#### 3. Deposit

- ① The Members that have no business relationships with the Auctioneer in the past shall pay a deposit at participation in the Auction.
- ② Exclusively for the professional machine traders (international or domestic), on consideration of the past performances and activities in the other auction, if the Auctioneer accept, the deposit will be exempt.
- ③ The amount of the deposit is JPY500,000. The Members shall pay the deposit before the opening of the Auction to the below account.

- ④ The Member shall bear the remittance charge.
- ⑤ No interest added to the deposit.
- ⑥ If a Member that has paid the deposit makes a successful bid for an item at the Auction, the Auctioneer shall offset the successful bid price against the deposit.
- ⑦ If a Member that has paid the deposit does not make a successful bid in the auction, the Auctioneer will refund the deposit after deducting the remittance charge into the bank account designated by the Member within one month from the Auction finished.
- ⑧ If there is outstanding amount the Member owes the Auctioneer, the auctioneer shall offset the outstanding against remaining deposit amount, at the refunding the deposit.

#### 4. Rights and Obligations of the Member

- ① The Member has a right to participate in the Auction and may bid and make successful bids for items listed on the Auction.
- ② The Member shall comply with all provisions set out in these Terms and Conditions and follow all results from the Auction system.
- ③ The Member shall be liable to compensate or indemnify the Auctioneer for any damages, losses or expenses incurred by the Auctioneer due to the Member's breach of obligations under these Terms and Conditions.

#### 5. Prohibition and Cancellation of Registration of the Member

The Auctioneer may suspend or cancel the registration of the Member without giving any prior notice to the Member in any of the following events, and the Member may not make any objections to the suspension or cancellation. The Auctioneer shall not be liable to compensate any unexpected damages incurred by the Member as a result of such suspension or cancellation of the registration.

- ① When any false or untrue statement is included in the Auction membership registration form.
- ② When the Member violated any part or parts of these Terms and Conditions.
- ③ When the Member neglected the payments related to the Auction.
- ④ When the Member interfered the Auction, or when the Member causes reputational damage to the social credibility of the Auction and the Auctioneer.
- ⑤ When the Auctioneer deems that the Member is belonging or related to the antisocial organization.
- ⑥ When the Member directly negotiated with the seller of the items listed on the Auction, before, after or during the Auction.
- ⑦ When the Member breach the laws and regulations, ordinances.
- ⑧ When the Auctioneer deems that the Member should be disqualified for any reasons other than the above.

#### **【Bidding】**

- ① Bidding shall be made only through the internet and only by the Member itself. The Auction can not accept the bidding by phone, fax or e-mail.
- ② The Auction is employing "Bid Up", "Tender" systems and "Buy Now" option. At "Bid up" Auction (including Special Auction), the Members shall compete with each other by offering the bid price for items

listed on the Auction or at the end of the automatically extended period of the Auction is the successful bidder. If “Buy Now” option is applied to the listed item on the Auction, the first bidder who selected this option is the successful bidder.

At “Tender Auction”, the highest bidder during the Auction period is the successful bidder.

- ③ All the transaction and payment in the Auction should be done only in Japanese Yen. Consumption tax is not included in the successful bid price. In the case of domestic transaction, the successful bidder shall pay consumption tax (10%) with the successful bid price.
- ④ The price of the item listed on the Auction is Ex-port Yard basis indicated by “Location” on the Auction page. The port and the forwarding agent are stated by the Auctioneer.
- ⑤ All the items listed on the Auction are second-hand and transaction shall be done on the basis of “As it is running condition”.
- ⑥ The Auctioneer will send the confirmation of the successful bid to the successful bidder by e-mail, after the Auction is closed.
- ⑦ The Auctioneer will issue the Confirmation of Successful Bid, Sales Contract & Invoice to the successful bidders. If the Member did not make conclusion of the sales contract, his right as a successful bidder will be forfeited and the Member shall pay the penalty to the Auctioneer, as per the article 【Payment】 , item 6.
- ⑧ The successful bidder can not cancel, change, suspend and etc. the successful bid for any reason.
- ⑨ The prices of the Auction shall not include costs and expenses for washing, radiation tests and any other inspection to be conducted by a public inspection institute in Japan
- ⑩ The Members are not allowed to bid for the item which they themselves exhibit at the Auction.

#### 【Terms and Conditions of Expenses and Delivery】

- ① The contract fee JPY10,000 will be required for each LOT by the successful bidders.
- ② The successful bid price is Ex-port Yard basis indicated by “Location” on the Auction page. The port and the forwarding agent are stated by the Auctioneer.
- ③ Any costs such as FOB charges, inland transportation, transportation from the stated forwarding agent, certification required for import/export, cleaning, inspection, VISA, delivery charges of the forwarding agent, port usage charges, etc. shall be borne by the Successful Bidder.

#### 【Payment】

- ① All transaction in the Auction shall be made in Japanese Yen. The successful bid price shall be fully paid into the bank account of the Auctioneer before the delivery of the item. Other payment methods such as promissory note, L/C and etc. shall not be accepted.
- ② The successful bidder shall bear the remittance charge.
- ③ Payment shall be made within 10 days from the date of receipt of the confirmation of successful bid.

BANK ACCOUNT:

SUMITOMO MITSUI BANKING CORPORATION

OSAKA-CHUO BRANCH

A/C. No. 8473409 (Exclusive for JPY)

WAKITA & CO., LTD.

- ④ If the Auctioneer can not confirm the payment by the deadline, the Auctioneer may claim for default

interest of 14% p.a. from the successful bidder for the number of days of delay in the payment.

- ⑤ If no payment of the price is made within 30 days after the date of the confirmation of successful bid, The Auctioneer may cancel the sales contract.
- ⑥ If the sales contract has been cancelled, the successful bidder shall pay the penalty to the Auctioneer. The penalty shall be higher of either the deposit amount JPY500,000 or 25% of the successful bid price.
- ⑦ The Auctioneer may announce information regarding the cancellation of the sales contract to the public at its sole discretion in case of the cancellation.

#### **【Receipt】**

- ① The bid machine can be delivered after the Auctioneer confirm to receive the payment of the successful bidder.
- ② The auction machines are basically stored at each auctioneer's stockyard.  
The successful bid machine will be delivered to the port forwarder's yard which is designated by the Auctioneer and released there to the successful bidder.  
This delivery port and forwarder's yard is shown on each machine information of the auction web page. If the successful bidder request to receive it at other place of the same port, the bidder shall advise to the auctioneer within 2 business days after receipt of the successful bid. The auctioneer will arrange to change the delivery place, but the port must be same port.  
Some machines are already stored at the auctioneer's designated port yard and the place cannot be changed.  
The auctioneer will not give any discount on the bid price even if the place is nearer to the auctioneer's stockyard than the designated port yard.  
The bid machine should be delivered to the designated port forwarder's yard in case of no advice from the successful bidder.
- ③ The auctioneer transfer the ownership of the bid machine to the successful bidder immediately after the confirmation of the successful bidder's payment. On and after the transfer date, any storage and carrying out fee at the yard shall be charged to the successful bidder by the designated port forwarder. If the domestic successful bidder does not have business relation with this designated port forwarder, the auctioneer shall add carrying out fee on the successful bid price and charge it together to the successful bidder. The successful bidder should carry out the bid machine as soon as possible after the payment.
- ④ In case the successful bidder request to carry out the bid machine, he should advise to the auctioneer at least before 2 business days prior to the carrying out.
- ⑤ Since the ownership of the bid machine is transferred to the successful bidder, any damage or risk on the bid machine should be on responsibility of the success bidder.
- ⑥ Overseas bidder shall be responsible for the payment of any other delivery charge of shipping, dismantling, washing charges, T.H.C ( Terminal handling charge), carrying out charge. In case the overseas bidder carry out the bid machine from the designated port yard as domestic sales, 10% consumption tax will be charged to the bidder. If it is done for combined shipment with other shipper, the export certificate of the bid machines is necessary to submit to the auctioneer when the shipment is done. The shipment shall be done within 3 weeks from the last day of the auction. After this period, the success bidder shall pay the designated storage fee to the auctioneer. And if the successful bidder will not arrange the shipment or will not carry out the bid machine within 3 months, the auctioneer deems

it as the successful bidder's breach of the sales contract and successful bidder shall pay the penalty to the auctioneer according to the article { Payment } item 6.

- ⑦ The successful bidder shall be liable for any injury or accident related to carrying out the bid machine.

#### **【Warranty】**

- ① All the items listed on the Auction is sold "As it is running condition".
- ② The Auctioneer does not provide any warranty for the items listed on the Auction. The Auctioneer accepts no claim from the Members concerning the performance, quality, defect or latent defect of the items listed on the Auction.
- ③ The Auctioneer shall not be liable to the accuracy of the information about the items listed on the Auction.
- ④ The Condition Report is prepared to provide information of the evaluation based on a standard established by the Auctioneer, and shall not guarantee any condition or quality of the items listed on the Auction.
- ⑤ If necessary, the Auctioneer may change the machine information and contents of inspection report even after the Auction started.
- ⑥ The Auctioneer shall not be liable to compensate any damages incurred by the Member caused by cancellation and discontinuance of the Auction due to such reasons as the failure of the computer system or the network system.
- ⑦ The successful bidder shall be fully responsible for complying with various regulations both inside and outside Japan.
- ⑧ All of the items exhibited in the Auction do not conform CE Marking certification standards.
- ⑨ The Auctioneer does not provide the "Unified Certification of Transferred Construction Machine" issued by "Japan Construction Equipment Manufacturers Association". If in need, the Member shall inquire the Auctioneer before opening the Auction.

#### **【Special Terms and Conditions】**

##### **1. Export Control**

- ① If the successful bidder uses the item in a foreign country or exports the item to a foreign country, the successful bidder shall be responsible for complying with the Foreign Exchange/Foreign Trade Law of Japan/the foreign country, the provisions concerning export control under the export control laws and regulations in Japan, and international trade rules, and shall be responsible for taking all necessary actions.
- ② The Auctioneer reserves the right to cancel the successful bid or terminate the sales contract at its sole discretion, if there is reason to believe an improper export in all applicable Security Trade Control Regulations may occur.
- ③ In the case if the Auctioneer had concern related with above ① and ②, and if the exhibitor made examination, investigation or survey, the delivery due date may be extended.

##### **2. Change of Ownership and Registration for Erasion of vehicle**

- ① For the vehicle with the vehicle inspection certificate (including vehicles with the license plate) subject to taxation, the successful bidder shall complete the registration for transfer of ownership or cancellation of ownership within 1 month after receiving the necessary documents, and send a copy of documents indicating the completion of the registration to the Auctioneer.

- ② If the successful bidder fails to complete the registration mentioned above within 1 month after receiving the necessary documents, the Auctioneer may claim for delay damages of JPY 5,000 per week from the successful bidder.
- ③ If it is necessary to replace the documents prepared by the Auctioneer due to the successful bidder's reason, the Auctioneer may claim a processing fee of JPY 15,000 per document from the successful bidder.
- ④ If the Auctioneer applies for the registration on behalf of the successful bidder, the Auctioneer may claim for an agency commission of JPY 10,000 with actual expenses from the successful bidder.
- ⑤ If the successful bidder of the vehicle request the agency of registration of erasure of the vehicle to the Auctioneer, the request shall be made earliest possible, right after the successful bid confirmed.

### 3. Recycle Deposit

- ① For a vehicle with recycle tickets, the successful bidder shall separately pay the recycle deposit to the Auctioneer.

### 4. Vehicle Tax

- ① For the vehicles with the vehicle inspection certificate (including vehicles with license plate) subject to taxation, the successful bidder shall separately pay to the Auctioneer the prepaid vehicle tax for the period from the second month after the month in which the Auction was held to the end of the year, based on the vehicle tax amount already paid by the seller. If the successful bidder intends to apply for the registration for cancellation of ownership for such vehicle, the successful bidder shall immediately notify the Auctioneer of the same.

### 5. Revision of these Terms and Conditions

The Auctioneer may revise these Terms and Conditions from time to time as necessary.

- 6. Any matter not stipulated in these Terms and Conditions, and any questions arising in connection with the interpretation of these Terms and Conditions shall be resolved through consultations between the Auctioneer and the Members in good faith.

### **【Elimination of Antisocial Organization】**

- 1. The following persons and organizations can not become a Member, presently or in the future.
  - an organized crime group (“Boryokudan”).
  - a member of a Boryokudan (“Boryokudanin”).
  - a former Boryokudanin who has withdrawn from a Boryokudan but less than 5 years have elapsed since.
  - a sub-member of a Boryokudan (“Boryokudan jyunkoseiin”).
  - a corporation related to a Boryokudan (“Boryokudan kanren gaisha”).
  - a racketeer attempting to extort money from a company by threatening to cause trouble at the general stockholders’ meeting (“Soukaiya”) or acting as if advocating legitimate social causes (“Shakai undou nado hyoubou goro”), or a special intelligence organized crime group (“Tokusyu chinou boryoku syudan”) like remittance fraud, etc.
  - a person or organization equivalent to any of the above howsoever described.
- 2. The Members undertake not to conduct, either in person or by engaging a third party, any of the following.
  - Claims made with forceful behavior and acts of violence.

- Unjust claims exceeding legal responsibilities.
- Use of threatening action or statements, or violent acts and behaviors in connection with any transaction.
- Acts and behaviors which may damage the credit or obstruct the business of the Auctioneer by spreading false rumors or the use of fraudulent means or by force.
- Other acts and behavior equivalent to the above howsoever described.

**【Governing Law and Jurisdiction】**

1. These Terms and Conditions shall be governed by the laws of Japan.
2. All disputes shall be submitted to The Osaka District Court as the court of first instance.

Wakita & Co., Ltd.  
International Trading Dept.