

Terms and Conditions of R&K Products

(Effective on November 25, 2008)

1. General Terms and Conditions

1.1 Effect of Agreement

This Sales Agreement (hereinafter referred to as "Agreement") made and entered into by and between you and R&K Company Limited ("R&K") comes into effect at the earlier time when :

- (1) R&K provides you with a written confirmation or other acceptance notices of the Order Form you submitted to R&K (such Order Form must be in the proper form designated by R&K : hereinafter the same) ; or
- (2) seven (7) days have passed since R&K receives your Order Form without raising an objection to it.

1.2 Withdrawal of Order

Once R&K receives your Order Form, you may not withdraw, cancel or change all or any part of your order without consent of R&K for any reason whatsoever.

1.3 Payment

The payment for the products of R&K (hereinafter referred to as "Products") made by you under this Agreement will be in full in advance. You may choose and designate the payment method among those acceptable to R&K as described in the Order Form. Any necessary banking charges in the case of a payment to a bank account will be borne by you.

1.4 Taxes and Other Charges

Any and all the taxes including a consumption tax and customs duties, and other charges including transportation charges, insurance premiums, special packaging charges, onsite inspection charges etc., will be borne by you.

1.5 Additional Charges

In addition to the taxes and other charges pursuant to Section 1.4, you agree to bear the transportation or other charges increased or additionally incurred under unforeseeable circumstances within the period of time between the effective date of this Agreement and shipment of the Products, if any.

1.6 Shipment and Transportation

R&K will send out the Products promptly upon acceptance of your Order Form. In principle, the Products will be sent according to such method as designated in your Order Form. However, R&K may choose a different method of transportation when R&K finds such a different method more suitable, considering the specific characteristics of the Products to be sent or other factors.

1.7 Packaging

R&K will pack the Products according to standard business packaging procedures. For an extra fee, you may choose a different packaging method.

1.8 Title and Risk

The title to and ownership of the Products will be transferred from R&K to you at the time when you have fully paid the amount due. The risk of the Products including those of loss or damage to the Products will pass from R&K to you at the time of delivery to you (*i.e.*, at the time when the Products have been effectively delivered to you in the case of a domestic sale, and at the time pursuant to Section 2 hereof titled "Special Terms and Conditions of International Sale " in the case of an international sale).

1.9 Acceptance Inspection

You will be responsible for inspecting the Products for any deficiency in quantity and defect immediately after delivery thereof. You may make a complaint against R&K about the deficiency in quantity or defect found as a result of acceptance inspection within seven (7) days from delivery thereof. R&K will, at its sole discretion, address your complaint by :

- (a) repairing or replacing the Products, or the parts or components thereof;
- (b) making up for the deficiency ; or
- (c) refunding the money paid by you.

1.10 Warranty

R&K warrants for a period of two (2) years from delivery that the Products will meet the specifications of R&K (hereinafter referred to as "Specifications"). The warranty pursuant to this Section will be subject to the usage and storage directed by R&K.

R&K offers no warranty on the Products which are (i) in inappropriate use or storage, (ii) modified without consent of R&K, (iii) in use outside of standard conditions, (iv) involved in an accident, and (v) repaired by anyone other than R&K or those appointed by R&K.

1.11 Repair and Replacement

Only when R&K finds that the Products fail to meet the Specifications and, consequently, are defective after receipt of your notice in writing within the warranty period described in Section 1.10, R&K will, at its sole discretion, make a repair, replacement or refund.

1.12 Return of Products

In case of wishing to return the Products, you will without fail notify R&K to that effect in advance for R&K's prior approval of said return.

1.13 Disposal of Products

In case of wishing to dispose of the Products, you will without fail notify R&K to that effect in advance, and follow the directions of R&K regarding the disposal of the Products.

1.14 Confirmation of End Use of R&K Products

You hereby agree to submit to R&K the document titled "Confirmation of End Use of R&K Products" prior to or concurrently with the execution of this Agreement.

1.15 Intellectual Property

You hereby understand and agree that all the intellectual property in the Products solely belongs to R&K. In no event, any provision in this Agreement grants or will grant you the intellectual property in and license for the Products.

1.16 Limitation of Liability

In no event, R&K will be liable for any damages claimed for the Products falling under Sections 1.10 (i) through (v). In addition and for any reason whatsoever, R&K will not be liable for :

- (a) special, indirect and consequential damage ; and
- (b) loss of profit.

1.17 Force Majeure

R&K will not be liable for the delay or failure of performance of this Agreement, all or in part, due to acts of God ; war ; internal disturbances ; riots ; enactment, reform and abolition of internal and international laws and regulations ; orders and action of governmental authorities concerned ; labor disputes ; accidents in carriers and storage ; delay in going through the customs formalities and arriving in a port ; and other causes beyond the reasonable control of and not attributable to R&K.

1.18 Governing Law

This Agreement will be governed by, and interpreted in accordance with the laws of Japan.

1.19 Jurisdiction

Both parties hereto agree to the exclusive jurisdiction of the Tokyo District Court of Japan as a court of first instance with respect to any dispute arising out of this Agreement.

2. Special Terms and Conditions of International Sale

This Section 2 will be applicable only to the case where the Products are sent to a foreign country.

2.1 Trade Terms

The trade terms under this Agreement will be on the C.I.F. basis under INCOTERMS 2000.

2.2 Minimum Order

You are required to place an order equivalent to one hundred United States dollars (US\$100) at least.

2.3 Arbitration

Notwithstanding the provisions of Section 1.19, any dispute arising out of this Agreement will be finally settled by arbitration in Tokyo, Japan in the Japanese language in accordance with the Commercial Arbitration Rules of the Japan Commercial Arbitration Association.

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