

**Standard Terms and Conditions Concerning International Air Freight Forwarding
Business
("Conditions")**

(Notification by the Ministry of Transport No. 594, December 1, 1990 &
Notification by Ministry of Land, Infrastructure, Transport and Tourism
No. 908, December 17, 2019)

(Applicable from December 28, 2019)

This is a translation of the Standard Terms and Conditions Concerning International Air Freight Forwarding Business. It is intended for business purposes and should not be construed as an official text.

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Standard Terms and Conditions Concerning International Air Freight Forwarding Business

Section 1. General Provisions

(Category of Business)

Article 1. This Company is engaged in the following Air Freight Forwarding Business(es) relating to the International Carriage of Freight which is carried out by an air carrier (which means a person who operates the air transport services as provided in Paragraph 18 of Article 2 of the Civil Aeronautics Act (Act No. 231, 1952)) or relating to the International Carriage of Freight which is carried out by an Air Freight Forwarder by using said air carriage.

(1) First class consigned freight forwarding business (which means the business as provided in Paragraph 7 of Article 2 of the Consigned Freight Forwarding Business Act (Act No. 82, 1990)).

(2) Second class consigned freight forwarding business (which means the business as provided in Paragraph 8 of Article 2 of the Consigned Freight Forwarding Business Act).

(Definitions)

Article 2. The term "International Carriage" as used herein is subject to such definition as provided in the Convention if the Convention is applicable, or if it is not applicable shall mean carriage in which the place of departure and the place of destination under a contract of air carriage are respectively situated in this country and a foreign country. For this purpose, the term "country" shall include all territories which are under its sovereignty, suzerainty, mandate, authority or trusteeship.

2. The term "Carrier" as used herein means a person who issues an Air Waybill and carries out the non-actual transport of Freight, and includes its agents, employees and representatives with respect to the application of the provisions limiting liability provided in these Conditions or an Air Waybill.

3. The term "Air Waybill" as used herein means a document made out by or on behalf of a Shipper, which evidences a contract between a Shipper and a Carrier for International Carriage of Freight.

4. The term "Shipper" as used herein means a person whose name appears in an Air Waybill as a party contracting with a Carrier for International Carriage of Freight.

5. The term "Consignee" as used herein means a person whose name appears in an Air Waybill as a party to whom Freight is to be delivered by a Carrier.

6. The term "Freight" as used herein means one piece or several pieces of goods which is/are received by a Carrier from one Shipper at the same time at one place, handled as one lot, addressed to one Consignee at one destination and carried under one Air Waybill.

7. The term "Convention" as used herein means the "Convention for the Unification of Certain Rules relating to International Carriage by Air", signed at Warsaw on 12 October, 1929 (hereinafter called the

“Warsaw Convention”) or the Warsaw Convention as amended by the “Protocol to amend the Convention for the Unification of Certain Rules relating to International Carriage by Air signed at Warsaw on 12 October, 1929 (hereinafter called “Amended Warsaw Convention”), signed at the Hague on 28 September, 1955”, or the Warsaw Convention as amended by “Additional Protocol No. 4 to amend Convention for the Unification of Certain Rules relating to International Carriage by Air, signed at Warsaw on 12 October 1929, as amended by the Protocol done at the Hague on 28 September 1955, signed at Montreal on 25 September 1975” (hereinafter called “Montreal Protocol No. 4”), or the “Convention for the Unification of Certain Rules for International Carriage by Air” signed at Montreal on 28 May 1999 (hereinafter called the “Montreal Convention”), whichever may be applicable.

8. The term “Collection” as used herein means the carriage of Freight from the point of pick-up to the airport of departure.

9. The term “Delivery” as used herein means the carriage of Freight from the airport of destination to the address of the Consignee or that of his designated agent or the storage facility of a relevant government agency when required.

10. The term “SDR” as used herein means Special Drawing Rights as defined by the International Monetary Fund.

Section 2. Issuance of Air Waybill

(Preparation by Shipper)

Article 3. The Shipper shall deliver to the Carrier the Air Waybill which is made out in the form, manner and number of copies prescribed by the Carrier simultaneously with the Freight and-over. The fares, charges and other expenses for carriage, if fixed, shall be specified in the Air Waybill by the Carrier.

(Appearance and Condition of Freight)

Article 4. If the appearance of the Freight or packaging of the Freight is not in good condition, the Shipper shall specify such condition in the Air Waybill. Provided, however, that if the Shipper fails to specify such condition in the Air Waybill or such statement is inaccurate, the Carrier may specify or correct it in the Air Waybill.

(Preparation, Completion or Correction by Carrier)

Article 5. The Carrier may at the request of the Shipper issue the Air Waybill.

2. If the Air Waybill which has been handed over with Freight lacks any necessary particulars or contains any error, the Carrier may complete or correct it. Provided, however, that the Carrier shall not be obligated to do so.

(Liability for Particulars and Statements)

Article 6. The Shipper shall be liable to the Carrier for the correctness and completeness of the particulars and

statements which are specified in the Air Waybill by the Shipper or which are specified by the Carrier on behalf of the Shipper under a declaration by the Shipper.

If the Carrier completes or corrects the Air Waybill on behalf of the Shipper pursuant to the provisions of the preceding article, the Shipper shall be liable for all damages that may be suffered by the Carrier by reason of the inappropriateness, incorrectness or incompleteness of the particulars and statements in the Air Waybill.

Section 3. Offer and Acceptance for Carriage

(Declared Value for Carriage)

Article 7. The Shipper shall declare the value of all Freight for carriage on the face of the Air Waybill, whether or not any charges are imposed based upon the value. In this case, "No value declared" shall be also a kind of declaration of value.

2. If the declared value of the Freight for Carriage on the face of the Air Waybill exceeds US\$100,000 or the equivalent amount thereof, the Carrier shall not accept such Freight unless the Carrier agrees to special terms and conditions with the Shipper in advance.

(Inspection of Freight)

Article 8. The Carrier may inspect all contents of the Freight. Provided, however, that the Carrier shall not be obliged to do so.

(Method of Packaging and Marking)

Article 9. The Shipper shall pack Freight in a manner that it can be completely carried by handling with ordinary care, and does not harm any person or damage any other property.

2. The Shipper shall clearly and indelibly mark each package with the addresses and names of the Shipper and Consignee and marks to identify each packages.

3. In the case of packages which contain glass products, any other fragile goods or any kind of liquid, the Shipper shall clearly specify the nature of the contents of the packages in large print on the outside of the packages.

4. The Shipper shall sufficiently protect Freight which is easily damaged by high or low temperatures or atmospheric pressures or sudden variation thereof, with proper packaging and any other necessary measures.

5. If the packaging of the Freight is not sufficient, the Carrier may request the Shipper to take necessary packaging measures.

(Restrictions in acceptance of live animals)

Article 10. (Live Animals)

The Carrier may accept live animal consignment only in case the Shipper shall declare its Scientific Name, Attributes and other necessary items on the Air Waybill and the Shipper shall complete the Shipper's

Certification as described in the IATA Live Animals Regulations and also appropriate packaging and other necessary steps shall be made under the Live Animal Regulations. However, The Carrier shall not accept live animal consignments in case acceptance is prohibited under the Operator Variations (limited to the Air Carrier who is used by the Carrier concerned, hereinafter same) stipulated in said regulations.

2. (Restrictions in acceptance of Dangerous Goods)

The Carrier may accept the Dangerous Goods consignments listed in each of following Subparagraphs only in case the Shipper shall declare its Proper Shipping Name/Description, Attributes, all necessary items on the Air Waybill and the Shipper shall complete a Shipper's Declaration for Dangerous Goods as described in the IATA Dangerous Goods Regulations and also appropriate packaging and other necessary steps shall be made under Dangerous Goods Regulations. However, the Carrier shall not accept dangerous goods consignments in case acceptance is prohibited under the Operator Variations stipulated in said regulations.

- (1). Explosives;
- (2). Gas (high-pressurized gas, liquefied gas, dissolved gas, chilled gas);
- (3). Flammable liquids;
- (4). Combustible solids, substances with spontaneous ignition characteristics, substances which generate flammable gases in case of contact with water;
- (5). Oxidants, organic peroxide;
- (6). Poisons and substances which easily disseminate viruses;
- (7). Radioactive substances;
- (8). Corrosive substances; and
- (9). Other harmful materials (magnetic substances, liquids or solids with anesthetic, toxic or similar attributes, which cause passengers or flight crew to feel extreme discomfort).

3. (Restrictions in acceptance of other goods)

The Carrier may accept the consignments listed in each of following Subparagraphs only in case the Shipper shall declare and complete its correct Shipping Name, Attributes, all necessary items on the Air Waybill and also appropriate packaging and other necessary steps shall be made under IATA TACT rules. However, the Carrier shall not accept such goods in case acceptance is prohibited under the Operator Variations stipulated in said rules.

- (1) Valuables (which means goods included in any of the following articles):
 - a. Articles which have a declared value for carriage of not less than US\$1,000 per kilogram or the equivalent thereof;
 - b. Gold, platinum and other precious metals and any products thereof, which are defined as valuables in the Regulations of the International Air Transport Association (except products which are plated with gold or platinum);
 - c. Paper money, coins, marketable securities, traveler's checks, stamps and bank cards or credit cards which are in valid and usable condition;

d. Diamonds (including those for industrial use), rubies, emeralds, sapphires, opals, pearls (including cultured pearls) and ornaments and accessories made therefrom; and

e. Ornaments and accessories made of gold, silver or platinum.

(2) Letters or means of communication which are defined as letters under the laws in effect.

(3) Human remains and ashes.

(4) Goods which easily deteriorate or rot.

4. Unacceptable Goods

The Carrier shall not accept goods the carriage or exportation or importation of which is prohibited under the laws or regulations of the country of departure, country of destination, country of transit or country of passage, or any other goods which the Carrier recognizes as not acceptable for carriage.

(Liability for Failure to Comply with Conditions)

Article 11. In case the declaration or other obligations of the Shipper under Article 10, Article 10-2 or Article 10-3 are faithless, incorrect, or incomplete or if the Carrier accepts the Carriage of goods without being aware that such goods come under those listed in Article 10-4, the liability for such Freight shall vest in the Shipper and Consignee of such Freight, and they shall jointly and severally indemnify the Carrier against any loss, damage, delay, liability or penalty incurred by the Carrier arising out of such Freight.

Section 4. Fares, Charges, Etc.

(Fares, Charges, Etc. to be Received)

Article 12. The Carrier shall receive fares, charges and other expenses for carriage which are published in the tariff schedule thereof.

2. Fares, charges and other expenses for carriage for an individual (excepting cases where a person is a party to a carriage contract as a business or for business) shall be made known to the public at the main offices and other sales offices of the Carrier.

(Acceptance of Freight on a Collect Basis)

Article 13. The Carrier may accept Freight on condition that the fares, charges and other expenses for carriage shall be paid for on a collect basis.

2. Notwithstanding the provisions of the preceding Paragraph, the Carrier may not handle the carriage on a collect basis with respect to the Freight listed below.

(1) Freight which is addressed to a person who is under restraint of freedom.

(2) Freight which is addressed to a government agency (excepting cases where a government agency dispatches it upon presentation of proper certifying documentation).

(3) Freight the value of which is less than the amount of the fares and charges for carriage thereof.

(4) Freight which is addressed to a country of destination in which the regulation concerning currency or regulation concerning carriage by air does not permit the delivery of the Freight on a collect basis.

(5) Baggage shipped owing to a household move, luggage which is shipped as unaccompanied luggage and personal belongings.

(6) Other Freight for which the payment of the fares, charges and other expenses for carriage on a collect basis is deemed inadequate by the Carrier.

(Payment of fares, Charges, Etc.)

Article 14. Payment of the fares, charges and other expenses for carriage shall be made in the currency which is published in the tariff schedule. Provided, however, that if the fares, charges and other expenses for carriage are paid on a collect basis, the Carrier may select a different currency for payment.

2. Unless otherwise specifically agreed, all fares, charges and other expenses for carriage shall be paid to the Carrier in cash or by a payment means designated by the Carrier, in the case of prepayment, when the Carrier has received the Air Waybill concerned and Freight, or in case of payment on a collect basis, when the Carrier has delivered the Air Waybill concerned to the Consignee or the Consignee's designated agent.

3. If the Consignee does not make payment with respect to the Freight the fares, Charges and other expenses for which are to be handled on a collect basis, the Shipper shall be liable to pay such fares, charges and other expenses for carriage, and the Carrier shall not deliver the Freight, unless such payment is made.

4. The Shipper shall guarantee to the Carrier the payment of all unpaid fares, charges and other expenses for carriage, money advanced by the Carrier and all costs, expenditures, fines, penalties, loss of time, damages and other losses paid or incurred by the Carrier due to the following events;

(1) Inclusion in Freight of goods, the Carriage of which is prohibited by laws and regulations;

(2) Illegality, incorrectness, or insufficiency of marks, numbers, addresses or indication of the Freight or packaging of the Freight;

(3) Insufficiency or delay of any export or import licenses or any required certificates or other documents;

(4) Improper declaration to customs authorities; and

(5) Incorrect indications of weight or volume of the Freight.

5. In any cases provided in the preceding Paragraph, the Carrier shall have a lien on the Freight, and if the payment of the fares, charges and other expenses for carriage, etc. is not made, the Carrier shall have the right to put the Freight up for public auction or voluntary sale, and the right to receive all or any part of said fares, etc. from the sales price thereof. Provided, however, that prior to putting it up for sale, the Carrier shall give notice thereof to the Shipper or Consignee at the address stated in the Air Waybill.

6. The sale provided in the preceding Paragraph shall not discharge the Shipper and Consignee from their obligation to pay any deficiency outstanding after a sale payment of the said fares, etc. from the sales price.

7. The right of the Carrier provided in Paragraph 5 shall not be affected, lost or prejudiced by the delivery of the Freight, waiver of possession thereof or confirmation of payment unless actually paid.

8. The fares, charges and other expenses for carriage, taxes and public dues, payments disbursed by the Carrier and other amounts payable to the Carrier shall be fully reimbursed, whether or not Freight is destroyed, lost, missing or damaged, or fails to arrive.

9. The Carrier shall not accept any claim for damages with respect to destruction, lost, missing or damaged Freight unless all fares, charges and other expenses for carriage are paid. Provided, however, that if no part of the Freight is delivered, the Carrier shall accept a claim for compensation for damages even if the fares, charges and other expenses for carriage are not paid.

10. The Shipper or Consignee may not deduct any amount of a claim for damages from the fares, charges and other expenses for carriage.

(Charges for Collect Payment)

Article 15. If the fares, charges and other expenses for carriage are paid on a collect basis, the Carrier shall receive such charges for collect payment as published in the tariff schedule.

(Valuation Charges)

Article 16. If the declared value for carriage furnished by the Shipper exceeds the value specified in the tariff schedule, the Carrier shall collect and receive such valuation charges as published in the tariff schedule.

(Air Waybill Preparation Charge)

Article 17. The Carrier shall collect an Air Waybill preparation charge for the issuance or supplement of the Air Waybill according to the tariff schedule.

(Incidental Charges, Etc.)

Article 18. If the Carrier undertakes the packaging and storage of the Freight, collection or advance payment of prices of the Freight which are carried out incidentally to the Air Freight Forwarding Business and other services which are usually incidental to the Air Freight Forwarding Business, the Carrier shall receive such incidental charges.

2. If the Carrier undertakes to conclude a carriage insurance contract, the Carrier shall receive a premium for such insurance.

(Application of Necessary Changes)

Article 18-2. The provisions in Paragraph 2 of Article 12 shall apply mutatis mutandis to the situations in Article 15 through Article 18.

Section 5. Freight under Carriage

(Compliance with Laws)

Article 19. The Shipper shall comply with the laws and regulations concerning the manner of packaging, carriage or delivery of the Freight, and all current laws of the countries of departure, destination, transit and air passage, including customs and other governmental regulations, and shall provide any information and documents necessary to comply with such laws and regulations or attach them to the Air Waybill.

2. The Carrier shall not be obliged to investigate the correctness and sufficiency of information or documents furnished by the Shipper, and if any loss or expenses arise due to non-compliance by the Shipper with the obligations provided in the preceding Paragraph, the Carrier shall not be liable for the same to the Shipper and other persons.

3. If the Carrier in good faith duly determines it necessary to refuse the carriage of the Freight by reason of his construction of current laws, regulations, orders, (governmental) demands or requests, and thereupon actually refuses the carriage of such Freight, the Carrier shall not be liable therefore in any way.

(Payment of Expenses and Customs Procedures)

Article 20. The Carrier may, without being under obligation to do so, advance or pay any taxes, public dues and other expenses. The Shipper and Consignee shall be jointly and severally liable to reimburse the Carrier for such expenses.

2. If the customs clearance procedure of the Freight is required, Freight shall be deemed to be addressed to the person who is indicated as the custom house broker in the Air Waybill, or if not indicated, to the Carrier or his designated custom house broker.

(Route, Carriage Schedule, Etc.)

Article 21. The time of commencement or completion of carriage or that of delivery of the Freight shall not be specified.

2. The Carrier shall not be obliged to carry the Freight by a specific aircraft or via a specific route or conform to a specific carriage schedule and make connections at a specific point, even if the above terms are specified in the Air Waybill.

3. The Carrier may carry the Freight by using carriage services other than those conducted by an Air Carrier with respect to a part of the carriage.

(Cancellation of Carriage)

Article 22. If considered reasonable and advisable by reason of any of the following events, the Carrier may cancel, cease, turn the course of, postpone or delay the Carriage of the Freight without giving prior notice thereof.

(1) Any circumstances beyond the control of the Carrier, whether they are actual, potential or based on information (including weather conditions, disaster, force majeure, strike, civil war, detention, requisition, war, hostilities, social unrest or unstable international circumstances) or delays, demands, conditions,

environment or orders which are directly or indirectly caused by said circumstances.

(2) Any circumstances which cannot be estimated, foreseen or forecasted.

(3) Any regulations, orders, demands or requests of government.

(4) Any shortage of labor, fuel and facilities or labor disputes of the Carrier or other persons.

2. If the Shipper refuses to pay all or any part of the fares and charges for carriage, which are invoiced by the Carrier, the Carrier may cancel the carriage without any liability whatsoever.

(Right of Carrier to Freight under Carriage)

Article 23. If the Carrier determines that it is necessary to retain the Freight, the Carrier shall give notice thereof to the Shipper or Consignee who is specified in the Air Waybill, and may keep the Freight in a warehouse, other adequate place or customs facility at the risk and expenses of the Shipper or Consignee, and may deliver the Freight to another transport Carrier for the Carriage thereafter to be addressed to the Consignee. In this case, the Shipper and Consignee shall be jointly and severally liable for the risk and expenses incurred by the Carrier as a result thereof and shall reimburse the Carrier for the same.

Section 6. Disposition Right of Shipper

(Exercise of Disposition Right)

Article 24. The Shipper or his designated agent may exercise a disposition right with respect to the Freight. In this case, such disposition right shall be exercised in respect of all Freight covered by a single Air Waybill.

2. A disposition right in respect of the Freight shall be exercised by the Shipper or his designated agent by presenting the Air Waybill which is delivered to the Shipper or his designated agent.

3. Any instruction for disposition shall be described and submitted in writing in form prescribed by the Carrier.

4. The Consignee who is substituted owing to the exercise of a disposition right, shall be deemed the Consignee in respect of the Air Waybill.

(Option of Shipper)

Article 25. Subject to performance of all obligations under the carriage contract and exercise of the disposition right in a manner so as not to harm the Carrier or other Shippers, the Shipper may dispose of the Freight in any of the following manners:

(1) To receive the return of the Freight at the airport of departure or airport of destination.

(2) To request the delivery of the Freight to a person other than the Consignee who is specified in the Air

Waybill at the place of destination.

(3) To request the return of the Freight to the airport of departure.

(Loss, Expenses, Etc. Due to Exercise of Disposition Right)

Article 26. The Shipper shall be liable for all losses and damages incurred by the Carrier as a result of his exercise of a disposition right and shall compensate for the same.

2. The Shipper shall pay to the Carrier any expenses which arise out of his exercise of a disposition right.

(Impossibility of Performance by Carrier)

Article 27. If the Carrier determines it impossible to follow the instructions of the Shipper due to a justifiable cause, the Carrier may refuse the exercise of such disposition right by the Shipper. In this case, the Carrier shall forthwith notify the Shipper thereof. In this case, any expenses necessary therefore shall be added to the charges.

(Termination of Right to Exercise Disposition Right)

Article 28. A Disposition right of the Shipper shall terminate after the arrival of the Freight at the place of destination, when the Consignee obtains the Freight or the Air Waybill, or requests the delivery thereof, or expresses his intention to take delivery of the Freight. Provided, however, that if the Consignee refuses to receive the Air Waybill or the Freight, or if it is impossible to contact the Consignee, the disposition right shall remain with the Shipper.

Section 7. Delivery of Freight

(Arrival Notice)

Article 29. The Carrier shall give an arrival notice of the Freight in the usual manner to the Consignee or addressee who is specified in the Air Waybill.

2. The Carrier shall not be liable for failure of receipt of an arrival notice or delay of receipt thereof.

(Delivery of Freight to Consignee)

Article 30. Unless otherwise expressly specified in the Air Waybill, the Carrier shall deliver the Freight to the Consignee who is specified in the Air Waybill.

2. The delivery of the Freight shall be made in exchange for a receipt from the Consignee and in accordance with all applicable provisions of the Air Waybill and these Conditions.

3. In the event the Freight is delivered to the customs or other government authorities in accordance with laws

or customs regulations, the delivery of the Freight to the Consignee shall be deemed to have been completed when the Carrier provides to the Consignee a certificate necessary to discharge the Freight from storage and gives an arrival notice as provided in the preceding Article.

4. In the event an arrival notice under the preceding Article is received and the Consignee expresses its intention to receive the Freight, the Carrier shall have a right to store the Freight at the Consignee's expenses when the Consignee fails to take delivery of the Freight. In this case, the liability of the Carrier for the Freight shall terminate and any expenses necessary for storage there of shall be paid upon claim made by the Carrier.

(Delivery Place of Freight)

Article 31. The Consignee shall take delivery of the Freight at the airport of destination and accept the same. Provided, however, that this shall not apply to a case where the Carrier shall provide Delivery to an address of the Consignee under a contract with the Consignee.

(Impossibility of Receipt by Consignee)

Article 32. If, after the arrival at a place of destination specified in the Air Waybill, impossibility of delivery or refusal of taking delivery by the Consignee occurs, the Carrier shall conform to the instructions of the Shipper as specified in such Air Waybill.

2. When no instructions of the Shipper are specified or the Carrier cannot conform to the instructions due to a justifiable cause, if, after giving notice to the Shipper that delivery is impossible the Carrier demands the instructions of the Shipper and such instructions are not obtained within 30 days, the Carrier may dispose of the Freight by putting it collectively or by dividing it into several lots up for public auction or voluntary sale, or may destroy or discard the same. Provided, however, that prior to the sale, etc., the Carrier shall give notice thereof to the Shipper or Consignee at the address specified in the Air Waybill.

3. The Shipper shall be liable to pay all fares, charges and other expenses for carriage (including fares, charges, etc., for return of Freight) which are attributed to or related to the impossibility of receipt by the Consignee. If Freight is returned to the airport of departure pursuant to the instructions of the Shipper and the Shipper refuses or fails to pay the fares, charges and other expenses for carriage within 15 days after the return of the Freight, the Carrier may dispose of the Freight by putting it up for public auction or voluntary sale, or may destroy or discard the same. Provided, however, that prior to the sale, etc., the Carrier shall give notice thereof to the Shipper who is specified in the Air Waybill.

4. If the Freight is sold at a place of destination of the Freight or a point where the Freight is returned, the Carrier shall deduct from the proceeds of such sale all fares, charges and other expenses for carriage and sales expenses incurred by the Carrier itself or other Carriers. Provided, however, that the sale of the Freight shall not discharge the Shipper from his obligation to pay any deficiency. And any sales proceeds remaining shall be retained until instructions from the Shipper are given.

Section 8. Scope of Carriage, Etc.

(Carriage to Airport of Departure and Carriage from Airport of Destination)

Article 33. Freight shall be accepted for carriage from an airport office (including a city office) of the Carrier or a place designated by the Shipper to the airport of destination. If specifically agreed, Freight shall be accepted for carriage from an airport of destination to an address of the Consignee.

(Collection and Delivery of Freight)

Article 34. The Carrier may provide the Collection and the Delivery of the Freight at the fares and the charges published in the tariff schedule.

2. The Freight which cannot be delivered to a Consignee without the negligence of the Carrier upon the first attempt of the Delivery shall be taken back to an office of the Carrier and the Carrier shall give notice thereof to the Consignee. The Delivery thereafter shall be rendered only if the Consignee requests the Delivery, and the Carrier shall receive additional charges for each occasion the Delivery is rendered.

3. Fares, charges and other expenses for carriage for an individual (excepting cases where a person is a party to a carriage contract as a business or for business) shall be made known to the public at the main offices and other sales offices of the Carrier.

Section 9. Applicable Laws and Regulations and Liability

(Applicable Laws and Regulations)

Article 35. Except for carriage of the Freight where no Convention applies, the Carriage as performed by the Carrier shall be subject to regulations and limits of liabilities as set out in the Convention applicable to the said carriage, regardless of whether there are interruptions or reshipments during the Carriage.

2. Insofar as there is no conflict with the provision of the preceding paragraph, all carriage or other incidental services provided by the Carrier shall conform to the applicable laws, etc. listed in each of the following subparagraphs;

(1) Applicable laws (including domestic laws to implement the Convention or domestic laws under which the provisions of the Convention apply to carriage other than International Carriage as defined in the Convention) and regulations, orders or demands of the government;

(2) These Standard Terms and Conditions Concerning International Freight Forwarding Business, tariff schedules or regulations which are offered for viewing to the public at all offices of the Carrier.

(Liabilities)

Article 36. The Liabilities of the Carrier are defined from the following paragraph through to Paragraph 7 and in the following Article. However, this excludes the case when there are other provisions in the Convention or other

applicable laws, and in which the provisions of the following paragraph through to Paragraph 7 and the following Article are deemed invalid because they exempt the liability of the Carrier more than the provisions in said Convention or other applicable laws or because they stipulate a lower limit amount than the limit of liability stipulated in the Convention or other applicable laws.

2. Except for cases as defined from the following paragraph through to Paragraph 6, the Carrier shall be liable for damage sustained in the event of destruction or loss or damage to the Freight (hereinafter called "destruction damage") and damage due to delay (hereinafter called "delay damage"), which must be caused by the Carriage of the Freight or caused by other operations the Carrier conducts incidentally to such carriage, or caused in connection with these activities, upon condition only that the event which caused the damage so sustained took place during the Carriage of the Freight by Air. However, the Carrier shall not be liable for the damage, if the Carrier can prove that all necessary measures were taken to avoid the damage, or the Carrier can prove that it was not possible for it to take such measures.

3. When the Montreal Protocol No.4 applies to a Carriage, The Carrier shall be liable for any delay damage caused by the Carriage of the Freight, or caused by other operations the Carrier conducts incidentally to such carriage, or caused in connection with these activities, upon condition only that the event which caused the damage so sustained took place during the Carriage of the Freight by air. However, the Carrier shall not be liable for the delay damage, if the Carrier can prove that all necessary measures were taken to avoid the delay damage, or can prove that it was not possible for it to take such measures.

4. When the Montreal Protocol No.4 applies to a Carriage, The Carrier shall be liable for destruction damage caused by the Carriage of the Freight, or caused by other operations the Carrier conducts incidentally to such carriage, or caused in connection with these activities, upon condition only that the event which caused the damage so sustained took place during the Carriage by Air. However, the Carrier is not liable if and to the extent it can prove that the destruction damage was caused solely by one or more of the following.

- (1) Inherent defect, quality vice of the Freight
- (2) Defective packing of the Freight performed by a person other than the Carrier.
- (3) An act of war or armed conflict;
- (4) An act of a public authority carried out in connection with the import, or export or transit of the Freight.

5. When the Montreal Convention applies to a Carriage, The Carrier is liable for delay damage caused by the Carriage of the Freight, or caused by other operations the Carrier conducts incidentally to such carriage, or caused in connection with these activities, upon condition only that the event which caused the damage so sustained took place during the Carriage by Air. However, the Carrier is not liable, if it can prove that it took all measures that could reasonably be required to avoid the damage, or can prove it was not possible for it to take such measures.

6. When the Montreal Convention applies to a Carriage, The Carrier is liable for destruction damage caused by the Carriage of Freight, or caused by other operations the Carrier conducts incidentally to such carriage, or caused in connection with these activities, upon condition only that the event which caused the damage so

sustained took place during the Carriage by Air. However, the Carrier is not liable if and to the extent it can prove that the destruction damage was caused solely by one or more of the following.

- (1) Inherent defect, quality or vice of the Freight,
- (2) Defective packing of the Freight performed by a person other than the Carrier;
- (3) An act of war or armed conflict;
- (4) An act of a public authority carried out in connection with the import, or export or transit of the Freight.

7. The Shipper and Consignee shall compensate the Carrier for all losses and expenses incurred by the Carrier if Freight of the Shipper and/or Consignee caused damage to any other Freight or Carrier's assets under any circumstances. The Carrier may discard or destroy any Freight which threatens to harm persons, aircraft or any other goods, without prior notice, and shall not be in any way liable therefore.

Article 37. The liability of the Carrier shall be limited to the value declared by the Shipper which is specified in the Air Waybill if Declared value for Carriage is declared, or 22 Special Drawing Rights per kilogram of damaged Freight if the Shipper does not declare the value. However, for carriage of Freight to which the Warsaw Convention or the Amended Warsaw Convention applies, this limit shall not apply if it can be proven that the damage resulted from an act or omission of the Carrier done with the intent to cause damage or recklessly and with the knowledge that damage would probably result.

2. In the case in the preceding paragraph, the conversion of the amounts presented in terms of Special Drawing Rights into a national currency shall, in case of a lawsuit, be made according to the conversion rate in effect at the date of conclusion of final oral proceedings and shall, in case of damages compensation other than a lawsuit, be made according to the conversion rate in effect at the date that the amount of the damages compensation is finalized.

3. All claims for damages based on the cases in the preceding two paragraphs shall be subject to proof of the value thereof.

4. If only a part of the Freight is delivered to the Consignee or other persons who are entitled to take delivery of the Freight, or if a part of the Cargo is damaged, the liability of the Carrier for such part not delivered or damaged shall be limited to a prorated amount based on weight regardless of the value of such part of the Freight or the contents thereof. In this case, for determining the maximum value of the Carrier liability, the only weight value to be considered is the total weight of the relevant Freight. However, if damage to part of the Freight or to the goods contained in the Freight affects the value of other Freight listed in the same Air Waybill, the weight of this other Freight may be considered in the calculation of the limits of the liability.

Article 38. Notwithstanding the provisions of Article 36 and Paragraph 1 through Paragraph 3 of the preceding Article, if it is proven that the damage arose in the course of the Collection or Delivery inside Japan, the Carrier shall be liable for the damage in accordance with the laws which mandatorily apply to such carriage or such conditions as provided by the government.

(Time Limitation of Claim for Damages and Commencement of a Lawsuit)

Article 39. If a person who is entitled to take delivery of goods receives the Freight without making any complaint, such Freight shall be presumed to be delivered in good condition and delivered in accordance with the contract of carriage.

2. Unless a document which expressly specifies the approximate time when the destruction, damage, or loss of such Freight occurred and states the particulars of the claim for compensation is submitted to an office of the Carrier, within 14 days from the date of delivery of Freight if such Freight is destroyed or damaged, within 21 days from the date a person who is entitled to take delivery of the Freight could dispose of such Freight if the Freight is delayed, or within 120 days from the date of issuing of the Air Waybill if the Freight is lost or missing (including impossibility of delivery), the liability of the Carrier shall expire. Provided, however, that this shall not apply if the Carrier has demonstrated bad faith in connection therewith.

3. The right to claim for damage against the Carrier shall expire unless a lawsuit is instituted within 2 years, reckoned from the date of arrival at the destination, or from the date on which the aircraft ought to have arrived, or from the date on which the carriage was stopped.

(Conflict with Convention, Mandatory Laws, Etc.)

Article 40. If the provisions of these Conditions or an Air Waybill are contrary to the Convention, mandatory laws, regulations, orders or demands of a government, the former shall be applicable insofar as the former does not conflict with the latter.

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