1. Loss, damage or deterioration of any Products which may occur before delivery of the Products to Buyer shall be borne by Seller, except in a case where such loss, damage or deterioration is occurred due to causes attributable to Buyer.

2. Seller shall bear transportation fees, insurance fees, custody fees and other special cost which will be caused during the process of delivery and provision of the Products/Services.

3. Seller shall deliver the Products/Services strictly in accordance with the delivery date as specified in this purchase order (hereinafter referred to as “Delivery Date”), and shall not change such Delivery Date at its own discretion without prior consent of Buyer. In the event that Seller anticipates delay of delivery of the Products/Services, may occur, then Seller shall immediately notify 3M thereof and follow the instructions given by 3M.

4. If the Delivery Date has been delayed in the time of the occasion, then damages where in that case shall be deemed terminated forthwith upon passing over of such Delivery Date unless Seller may deliver the Products/Services promptly at that time, regardless whether or not the reason of such delay is attributable to Seller. For avoidance of any doubt, the term “Agreement where the time of the essence is used as in this section shall mean the Agreement wherein the original Buyer’s purpose cannot be achieved if the Delivery Date is delayed. If the Agreement where the time of the essence has been terminated due to passing over of the Delivery Date, Seller shall be responsible for any and all damages, losses, costs and expenses suffered by Buyer resulting from or in connection with such delay of the Delivery Date.

5. Buyer may, at its sole discretion, supply to Seller materials, equipment and devices etc. necessary for the implementation or performance of the Agreements with or without the prior written consent of Seller. Seller agrees and covenants that it will not make, authorize, or offer to make, either directly or indirectly, any loan, gift, donation or any other similar act of commercial bribery in connection with such materials, equipment and devices etc. that shall be supplied to Seller. The termination of this Agreement pursuant to the paragraph 16 shall not preclude the right to claim compensation for damages against Seller.

6. Seller shall be responsible for any and all damages suffered by Buyer due to the Products/Services, non-conformity of specification or sample, defect in quality or appearance, defacement, shortage of quantity, other defect, imperfect packing, intellectual property rights infringement, foreclosure and other reason which are attributable to Seller, even though Buyer has notified, even though Buyer may notify, such attributable reason to Seller.

7. This Paragraph 7 shall apply if Seller falls under the definition of “Manufacturer etc.” under the Product Liability Law in Japan. In the event that any defect in manufacture, design or indication of the Products/Services causes damages to life, body or property of a third party, or if 3M has taken hidden measures to prevent occurrence of such damages caused by the Products/Services by Seller, the Seller shall have full contractual responsibility for the occurrence of such hidden measures and for taking all steps including recall of the Products/Services at its own cost and expense in case where any damages due to defect of the Products/Services have been caused or supposed to be caused. Also, Seller, at its own cost and expense, take out products liability insurance and take other appropriate measures to be responsible for the damages under this Paragraph 7.

8. In the case of the preceding Paragraphs 6 and 7, Buyer may, at its option, terminate a whole or a part of this Agreement, or may seek from compensation for damage suffered by Buyer, in lieu of or in addition to repair, replacement of the Products/Services or reduce of price to be paid for the Products/Services, and Seller shall correspond to such claim and requirement from Buyer in good faith.

9. Seller shall maintain complete and accurate financial records on a consistent basis and ensure that financial records which will be submitted to Buyer and another third party who will obtain or utilize such copyright through Buyer.

10. Seller warrants to Buyer that it shall not enforce or have a third party enforce its moral right relating to the copyright granted Buyer to use under this Paragraph 12 to Buyer and another third party who will obtain or utilize such copyright through Buyer.

11. Except as requested by Buyer, in the event that Seller intends to use its intellectual property rights Seller has owned since before the Agreement and inventions to which Seller is entitled hereunder, Seller hereby agrees to assign its rights and interests, including all copyrights and proprietary rights in the Deliverables to Buyer. Seller also agree to assign its rights and interests thereto shall be owned by Buyer and details on handling such Inventions, rights and interests thereto will be negotiated between Buyer and Seller.

12. Seller hereby agrees to assign its rights and interests, including all copyrights and proprietary rights in the Deliverables to Buyer. Also, Seller agrees to assign its rights and interests thereto shall be owned by Buyer and its officers, employees and others working on behalf of Buyer.

13. Seller hereby assents to, and Seller further agrees to assign its rights and interests, including all copyrights and proprietary rights in the Deliverables to Buyer. Also, Seller agrees to assign its rights and interests thereto shall be owned by Buyer and its officers, employees and others working on behalf of Buyer.

14. Seller hereby represents and warrants to Buyer that:

(a) as a person, an organization, or a group, not to be included among the cases where the Company is a corporation, Seller’s shareholders, executives, officers or others who has substantially controlling interest is not Anti-social Force.

(b) Seller is not anti-social force, a member of anti-social force, a quasi-member of anti-social force, a company related to anti-social force, a corporate racketeer, a member of organized crime, a member of organized crime syndicate etc. (hereinafter collectively referred to as “Anti-social Force”;)

(c) in case where Seller is a corporation, Seller’s shareholders, executives, officers or others who has substantially controlling interest is not Anti-social Force;

(d) Seller is not, or never will be involved in any relationship with Anti-social Force by giving or offering to give any funds or other benefit to Anti-social Force;

(e) Seller has, does not or will not have any relationship with Anti-social Force which can expose his/her/its social or political position, or which can expose his/her/its social or political position;

(f) Seller is not anti-social force, a member of anti-social force, a quasi-member of anti-social force, a company related to anti-social force, a corporate racketeer, a member of organized crime, a member of organized crime syndicate etc. (hereinafter collectively referred to as “Anti-social Force”);
(4) Seller is subjected to a disposition for revocation or suspension of its business by a supervisory agency;
(5) A petition for bankruptcy, corporate arrangement, special liquidation, civil rehabilitation proceedings or corporate reorganization proceedings is filed by or against Seller;
(6) Seller has adopted a resolution for dissolution, incorporation, capital reduction, or transfer of all or part of its business; or
(7) It is deemed there is a fear that any of the aforesaid events or causes occurs to Seller.

17. If any of the events stated in the items of the preceding Paragraph 16 has occurred to Seller, all outstanding liabilities that Seller assumes against Buyer shall immediately become due and payable. In case Seller owes to Buyer any obligations, Buyer may offset the same against Seller's obligations to Buyer, regardless of due dates and without having obligation to return received bill and check.

18. Seller shall not assign or pledge to a third party, or cause a third party to assume, the rights and obligations under the Agreement, without the prior written consent of 3M.

19. Seller shall not be responsible for a whole or a part of delay or impossibility in performance of its obligations under this Agreement as a result of act of God, war, civil war, riot or other condition or cause beyond Seller’s reasonable control and not related to Seller’s fault or negligence. This Agreement shall be cancelled in whole or in part to the extent that the performance of Seller’s obligation is prevented or delayed thereby.

20. If Buyer and Seller executed any contract with respect to the subject matter hereunder and there is any difference or conflict between such contract and this Agreement, then the terms and conditions of such contract shall prevail.

21. This Agreement shall be governed and construed in accordance with the laws of Japan. Buyer and Seller hereby agree and understand that any conflict in relation to this Agreement shall be brought in the Tokyo District Court or the Tokyo Summary Court as the competent court in the first instance.

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