

Except as otherwise agreed between Seller and Buyer, the terms and conditions set forth hereinbelow shall apply to any and all purchase agreements (hereinafter referred to as "Agreements") which will become valid upon Seller's verbal, written or electronic acknowledgement of offer from Buyer, or Seller's initiation of performance for supply of a certain products or services (hereinafter referred to as "Products/Services") as specified in the firm order which will be issued from Buyer through its Sourcing system (hereinafter referred to as "Order").

1. No additional or conflicting term in any Seller acknowledgment, invoice, bid, proposal, or other documentation is binding on Buyer, unless Buyer specifically agreed to it in writing. All Products/Services will be delivered to Buyer in strict conformance with any packaging, product and/or service standards, specifications, and other requirements provided by Buyer or approved in writing Buyer 3M (the "Requirements").
2. Except as otherwise agreed in writing between the Parties hereto, loss, damage or deterioration of any Products which may occur before delivery or performance of the Products/Services to Buyer shall be borne by Seller.
3. Seller shall bear transportation fees, insurance fees, custody fees and other special cost which will be caused during the process of delivery and performance of the Products/Services.  
Unless otherwise stated in the Order, all goods will be shipped freight collect or freight prepaid; provided that goods shipped internationally are sold FCA (Incoterms 2010) destination. If Seller is responsible for shipping goods, Seller will ship goods via the most economical route and in a single shipment. Seller will make no charge for any packing, crating, storage, insurance, shipping, or delivery expense, unless authorized in the Order. Seller will pay any excess costs due to failure to follow 3M's shipping instructions. If Seller delivers any goods amount other than that stated in the Order without 3M's prior written consent, 3M may return any of that delivery, at Seller's expense. 3M's determination of the goods' count and weight is conclusive, unless Seller encloses a packing slip stating a different amount. TIME IS OF THE ESSENCE FOR ALL ORDERS.
4. Seller shall deliver or perform the Products/Services strictly in accordance with the terms and conditions as specified in the Order. In the event that Seller anticipates delay of delivery date or performance date, which will be described in the Order, of the Products/Services (hereinafter referred to as "Delivery Date") may occur, then Seller shall immediately notify 3M thereof and follow the instructions given by 3M.
5. To the extent permissible under the applicable law, 3M may, with a consent of Seller, cancel an Order, without cause, at any time by electronic or written notice to Seller, but Seller will be entitled to reimbursement for:
  - (a) if Goods, any unique raw materials that cannot be returned to Seller's supplier or sold to other Seller customer(s) and are necessary to provide those Goods due on that delivery date; or
  - (b) if Services, the fees for those Services completed prior to the termination and Seller's actual, out-of-pocket expenses paid to third parties that are not refundable and were reasonably necessary to provide those Services.
6. This Paragraph 6 shall apply if the delivery date shall be of the essence according to the applicable law. If the Delivery Date has been delayed in the Agreements where the time is of the essence, then such Agreements 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 is of the essence" as used in this section shall mean the Agreement where the original Buyer's purpose cannot be achieved if the Delivery Date is delayed. If the Agreement where the time if 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.
7. To the extent permissible under the applicable law, Buyer may change the terms and conditions set forth in the Order and/or the Agreements by giving written or electronic notice to Seller prior to shipment or performance of the applicable Products/Services. If any order change causes an adjustment in price or delivery date, the Parties will, through amicable discussion and negotiation, make an equitable adjustment and modify such order accordingly.
8. If requested by the Requirements, Seller may use a 3M trademark, tradename or corporate logo ("3M Mark") in order to perform its obligation under the Agreements. Seller will, at Buyer's direction, return to Buyer or destroy all materials containing a 3M Mark. Except as stated in this Paragraph 7, this firm order and/or Agreements in no way create or convey to Seller any license or permission to use any 3M Mark and it expressly prohibits the unauthorized use of any 3M Mark.
9. 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 charge to Seller (hereinafter referred to as "3M Supplies"). Seller shall store and control 3M Supplies with due care of good custodianship and shall take any and all reasonable steps to avoid confusing 3M Supplies with other materials in any manner whatsoever,

including, but not limited to, by separating 3M Supplies from other materials in the storage. Furthermore, Seller shall not use the 3M Supplies for any purpose whatsoever other than the implementation or performance of the Agreements or not assign or pledge them to any third party without obtaining the prior written consent of 3M. Seller shall, upon request of Buyer, submit a report about the situation of management and storage of 3M Supplies without delay by utilizing specific form designated by Buyer. Seller shall, upon request of Buyer, at its own cost and expense purchase a fire insurance policy and a damage insurance policy for 3M Supplies, details of which shall be negotiated and agreed between the parties hereto.

10. Except as otherwise agreed in writing between Buyer and Seller, in the event that any inconformity of contract in light of the Requirement (hereinafter referred to as "Inconformity") has been found in any Products/Services within one (1) year (or another period if it is specified in the Requirements) after delivery or performance thereof by 3M, Seller shall, at Buyer's option, replace such defective Products/Services, refund its price/fee paid by Buyer for such Products/Services, or repair/reperform such Products/Services. However, this provision shall not apply to the Products/Services if such Inconformity is due to cause attributable to Buyer. Also, Buyer may seek from Seller compensation for damage Buyer incurs due to the Inconformity in any Products/Services, in lieu of or in addition to replacement, refund of price/fee paid by Buyer or repair/reperform of the Products/Services.
11. Notwithstanding the preceding Paragraph 10, the period set forth in the preceding Paragraph 10 shall be reduced to be "within six (6) months after delivery or performance of the Products/Services" if:
  - (1) The "Act against Delay in Payment of Subcontract Proceeds Etc. to Subcontractors" applies to transactions between Buyer and Seller with respect to the Products/Services; and
  - (2) Seller falls under the "Subcontractor" as defined in the "Act against Delay in Payment of Subcontract Proceeds Etc. to Subcontractors"; and
  - (3) Warranty period given to consumers with respect to products/services incorporating the Products/Services does not exceed six (6) months.
12. This Paragraph 12 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 necessary measures to prevent occurrence of damages caused by such defect, Seller shall compensate for damages and expenses incurred by 3M thereby. Seller shall take appropriate 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 shall, at its own cost and expense, take out products liability insurance and take other appropriate measures to be responsible for the obligations under this Paragraph 7.
13. In case of the preceding Paragraphs 10, 11 and 12, Buyer may, at its option and through negotiation with Seller, 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.
14. The term: (a) "products" as used in this Paragraph 12 means all products manufactured or sold by or for 3M or services performed for 3M, including the Products/ Services; and (b) "Buyer's Confidential Information" means information or tangible materials, whether or not designated by Buyer as confidential, pertaining to: (i) product development, design, formulations, composition, research and development, or specifications; (ii) product manufacturing techniques, rates or quantities; (iii) equipment used to make products; (iv) any other aspects of Buyer's business relating to products and services, including without limitation marketing, sales, customers and non-public financial data; (v) all Orders placed by Buyer; and (vi) the Parties' relationship. Seller shall keep Buyer's Confidential Information which Seller comes to know in supplying the Products/Services under the Agreement in confidence, and shall not disclose or divulge such Confidential Information to any other third party nor use the Buyer's Confidential Information for any purpose other than the purpose of implementing the Agreement. Buyer's Confidential Information does not include information that is:
  - (1) available to the public at the time of disclosure from Buyer, or become available to the public after disclosure from Buyer without fault of Seller;
  - (2) known to Seller prior to its receipt from 3M as evidenced by Seller's written records;
  - (3) available to Seller from another source without breach of any agreement or violation of law; or
  - (4) developed by Seller independently without any reference to Buyer's Confidential Information.
15. In the event that Seller has made an invention, idea or design production (hereinafter referred to as "Inventions"), Seller shall immediately notify Buyer thereof and shall negotiate with Buyer about ownership and handling of such Inventions. However, the Inventions developed based on the Buyer's Confidential Information and any 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.
16. 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 whose ownership belongs to Seller under the preceding Paragraph 10 for the manufacture or processing of the Products/Services, Seller shall notify Buyer in writing thereof in advance. This Paragraph 10 shall not apply to the Products/Services which can be regarded as consumables, equipment or electronic and information technology device to be used for Buyer and its officers, employees and others working on behalf of Buyer.
  17. In the event that the Products/Services is deliverables (including, without limitation, program, software, reports and records) which will be created independently by Seller or jointly created by Seller and Buyer (hereinafter referred to as "Deliverables"), then Seller shall deliver such Deliverables to 3M without delay after Provider creates the Deliverables and according to the delivery date as designated in this Agreement.  
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 translation right and adaptation rights in the Deliverables as set forth in Article 27 of the Copyright Law in Japan and its right with respect to secondary work of the Deliverables as set forth in Article 28 of the Copyright Law in Japan. Seller shall not enforce or have a third party enforce its moral right relating to the copyright assigned to Buyer under this Paragraph 12 to Buyer and another third party who will obtain or utilize such copyright through Buyer.  
If Seller utilizes copyrighted work in its possession prior to execution of this Agreement in the Products/Services, Seller hereby grants to Buyer or its designated third party a non-exclusive, fully paid-up, permanent, transferable, royalty-free license, with the right to sublicense, to use, have use such copyrighted work under the Copyright Law in Japan (i.e. the right to use copyrighted work, including without limitation duplicating, modifying or adapting under the Copyright Law in Japan). 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.
  18. Seller will comply with all applicable laws. In addition, Seller will comply with (a) the 3M Regulatory Requirements and (b) the 3M Supplier Responsibility Code, both of which are located at [www.3m.com/3M/en\\_US/suppliers-direct/supplier-requirements/contract-provisions](http://www.3m.com/3M/en_US/suppliers-direct/supplier-requirements/contract-provisions) and each incorporated by reference as in existence as of the date of the Agreements.
  19. Seller warrants that all Seller employees, agents, and subcontractors (hereinafter referred to as "Seller Personnel") performing any of Seller's obligations under the Order will have employment authorization that complies with all applicable laws. On Buyer's request, Seller will provide Buyer with all documentation and information Buyer requires to conduct an export control license assessment relating to Seller Personnel. If Buyers determines that an export license is needed for certain Seller Personnel, Buyer may, in its discretion, pursue that export license or instruct Seller not to use that Seller Personnel to perform Seller's obligations under the Order.
  20. Seller represents, warrants and covenants that a) it shall comply with all local, state, national, and international statutes, rulings, regulations, ordinances, and governmental directives, including, without limitation, those pertaining to anti-bribery (example: U.S. Foreign Corrupt Practices Act, U.K. Bribery Act), money laundering, competition, regulation of trade, the environment, transportation, safety, health, and employment that apply to supply of the Products/Services and performance of the Agreement, and b) the Products/Services satisfy any and all requirement under the laws, regulations and procedures etc. that shall be applicable to usage of the Products/Services by Buyer.
  21. Seller represents, warrants and covenants that it has not made, and will not make, authorize, or offer to make, either directly or indirectly, any loan, gift, donation or payment, or transfer of any other thing of value to any person or entity, intending to a) effect on actions or judgement of government official or employee of political party (including any candidate for these official or employee)(hereinafter referred to as "Government Official etc."), b) solicit Government Official etc. to take or not to take certain action against legal obligation they should comply with, c) solicit Government Official etc. to have their influence on domestic or foreign government or its relevant organization in order to ease Seller to fulfil its obligation under this Agreement.  
Also, Seller and its affiliates will maintain complete and accurate financial records on a consistent basis and ensure that financial records which will be submitted to Buyer from Seller with respect to the performance of obligations under this Agreement shall be complete and accurate.
  22. Buyer and Seller hereby represents and warrants that:
    - (1) it 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, rogue who masquerades as a social activist or an organized crime syndicate etc. (hereinafter collectively referred to as "Anti-social Force");
    - (2) in case where it is a corporation, its shareholders, executives, officers or others who has substantially controlling interest is not Anti-social Force;
    - (3) it was not, is not or will not be involved in any relationship with Anti-social Force by giving or offering to

- give any funds or other benefit to Anti-social Force;
- (4) it had, does not or will not have any relationship with Anti-social Force which can expose criticism socially;  
or
- (5) it did not, does not or will not, directly or independently through other third party, conduct any violent action, fraudulent or threatening actions or any other illegal actions.
23. Buyer and Seller (hereinafter referred to as "Terminating Party") may at any time terminate the Agreement without notice or procedure if any of the following events occurs to the other party (hereinafter referred to as "Non-terminating Party"). The termination of this Agreement pursuant to the provision of this Paragraph 20 shall not preclude the right to claim compensation for damages against the Non-terminating Party .
- (1) The Non-terminating Party commits material default or breach of its obligation under this Agreement, and such default or breach is not cured within thirty (30) days receiving notice of that default.
- (2) A bill or check issued by the Non-terminating Party is dishonored, or an event or cause under which the performance of obligations is deemed difficult has occurred to the Non-terminating Party;
- (3) A petition for provisional seizure, seizure, compulsory execution, or auction as exercise of security right, or a disposition for failure to pay tax and dues is filed against the Non-terminating Party by a third party;
- (4) The Non-terminating Party 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 the Non-terminating Party;
- (6) The Non-terminating Party has adopted a resolution for dissolution, incorporation, capital reduction, or transfer of all or part of its business; or
- (7) It is reasonably deemed there is a fear that any of the aforesaid events or causes occurs to the Non-terminating Party.
24. If any of the events stated in the items of the preceding Paragraph 20 has occurred to the Non-terminating Party, all outstanding liabilities that the Non-terminating Party assumes against the Terminating Party 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.
25. Except as otherwise attributable to Buyer, Seller will indemnify, defend, and hold harmless Buyer, its affiliates, and their successors, assigns, officers, directors, employees, and agents for, from and against any claim, liability, loss, damage, lien, judgment, duty, fine, civil penalty and cost, including attorneys' fees and litigation expenses, arising out of: (a) Seller's failure to comply with any of its obligations under the Agreements; and (b) claims arising out of handling, packaging, labeling, storage, treatment, removal, transportation, and disposal of any waste material at any Seller site or related to the Products/Services.
26. 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.
27. If a Party cannot perform its obligations, in whole or in part, under an Order as a result of civil or military authority, war, flood, fire, epidemic, or other condition or cause beyond its reasonable control and not related to its fault or negligence (an "Unavoidable Delay"), that Party will be excused from that performance during the Unavoidable Delay to the extent that performance is prevented or delayed. If Seller has an Unavoidable Delay, Buyer may modify or terminate the Agreements on notice to Seller without liability to Seller to the extent permissible under the applicable law. Unavoidable Delay will not include: (a) any labor dispute; (b) non-performance by Seller's supplier; or (c) any delay preventable by Seller moving the affected Goods to an alternate 3M-approved Seller facility.
28. 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.
29. This Agreement shall be interpreted, construed and governed by laws of Japan. 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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