

General Terms and Conditions

Effective October 19, 2018

The Customer shall read and understand these General Terms and Conditions (the “Terms”) before applying for purchase of FLIP ROSE Ver. 7 Series Academic Discount Version (the “Product”) or registration of the FLIP ROSE Ver. 7 Series Support Service Agreement (the “Support Service Agreement”). These Terms shall apply to any Customer who applies for purchase of the Product or registration of the Support Service Agreement. Also, the Customer shall read and understand the End User License Agreement (“EULA”) before applying for purchase of the Product and the Customer shall read and understand the Support Service Agreement before registering for the Support Service Agreement.

Article 1 Purchase Qualification

- (1) Any juridical person, organization, entity, or individual who has been duly recognized and qualified by the FLIP Consortium to use the Product as prescribed in the EULA may apply for purchase of the Product (the “Customer”).
- (2) The Customer is not permitted to apply for purchase of the Product for any purpose other than for use by the Customer. The Customer shall not be permitted to sell, lend, lease, let, or assign the Product to a third-party for any use or purpose whatsoever.
- (3) A third-party is not permitted to perform all or any part of the procedures related to application for purchase of the Product on behalf of the Customer.
- (4) For purchase of the Product, the Customer shall submit a copy of a current, valid faculty identification, together with corroborating evidence of employment at a qualified education or public research institution, or a current, valid student identification or other verification of the Customer’s academic status, originally issued in either English or Japanese, as requested by the FLIP Consortium. In the event that the Customer’s qualification for purchase cannot be satisfied by the documents submitted, the Customer hereby acknowledges and agrees that the FLIP Consortium may contact and confirm the Customer’s current employment or current enrollment status with the institution issuing the verification documents.

Article 2 Product

- (1) The “Product” shall mean the product as described and defined in the EULA.
- (2) The Customer shall select the language for the Product, in English or Japanese, when applying for purchase of the Product.

Article 3 Support Service

Support service for the Product will be provided to the Customer who has properly registered for the Support Service Agreement with the FLIP Consortium. The support service provided and the duration of the term shall be described and defined in the Support Service Agreement.

Article 4 Fees

(1) The Software License Fee, the Support Service Agreement Fee, the Reregistration Fee for the Support Service Agreement (the "Reregistration Fee") and any other costs related to the Product to be paid by the Customer shall be written in the quotation or invoice prepared by the FLIP Consortium, in the FLIP Consortium format.

(2) With regard to transactions with Customers located outside of Japan ("Foreign Transactions"), the prices written in the quotation or invoice for the Product shall not include import duties, taxes, withholding taxes, value added taxes, or other additional costs, if any (collectively, the "Foreign Transaction Costs"). The Customer hereby acknowledges and agrees that Foreign Transaction Costs may be assessed by customs or other regulatory or government officials during shipment of the Product or with respect to other services provided by the FLIP Consortium as provided in these Terms, the Support Service Agreement, or the EULA, and the FLIP Consortium is not able to confirm or calculate beforehand the actual Foreign Transaction Costs to be incurred. The Foreign Transaction Costs shall be paid for by the Customer.

(3) In Foreign Transactions, the Customer shall pay all costs for shipping and handling to the delivery address provided by the Customer in the Purchase Application Form (the "Customer's Delivery Address"). The charges for shipping and handling are determined by the FLIP Consortium and are set forth and defined in the 'Schedule of Shipping and Handling Charges'. The Shipping and Handling Charges shall include the FLIP Consortium's standard methods of packaging, shipping, and delivery methods from the FLIP Consortium's office to the Customer's Delivery Address. In some cases, however, the FLIP Consortium may bear the shipping and handling costs as provided in the provisions of Article 8 (3) of the EULA.

(4) The FLIP Consortium will bear the shipping costs (including, but not limited to, postage fees) for transactions with Customers located in Japan ("Domestic Transactions"), except for the cases described in Article 7 (1) or (3) of these Terms and in Article 8 (2) of the EULA.

(5) The initial term for the Support Service Agreement shall be provided free of charge to the Customer who properly registers for the Support Service Agreement with the FLIP Consortium at the time of purchase of the Product; however, at all other times, the Customer shall pay the Support Service Agreement Fee for registration of the Support Service Agreement.

Article 5 Payment

(1) The Customer shall pay the full amount shown on the invoice prepared by the FLIP Consortium, by the due date specified in the invoice, by means of bank or wire transfer to the account designated by the FLIP Consortium.

(2) In the event that the Customer desires to purchase the Product at the public's expense for an education institution or public research institution, with regard to Domestic Transactions only, the Customer may pay the Software License Fee to the FLIP Consortium on or before the last day of the month after the month the Product is delivered to the Customer.

(3) In the event that the Customer desires to pay the Support Service Agreement Fee or the Reregistration Fee at the public's expense for an education institution or public research institution, with regard to Domestic Transactions only, the Customer may pay the Support Service Agreement Fee or the Reregistration Fee on or before the last day of the month after the month the FLIP Consortium has issued to the Customer the Log-in ID and Password to the website designated for Support Service Members (the "Support Member Website").

(4) With regard to Sections (2) and (3) of this Article 5, in the event the FLIP Consortium is not able to confirm receipt of payment by the Customer of the full amount shown on the invoice within sixty (60) days after the payment due date, then the FLIP Consortium shall, in its sole and absolute discretion, (i) invalidate and terminate immediately the Customer's log-in ID and password to the Support Member Website, without any prior notice to the Customer and without any consent of the Customer being required, and (ii) if applicable, upon notice to the Customer by the FLIP Consortium, the Customer shall return to the FLIP Consortium the Product together with all Product related materials and components. The Customer shall bear all costs related to the return delivery of the Product to the FLIP Consortium.

(5) All bank or wire transfer fees shall be paid for by the Customer.

Article 6 Cancellation

(1) In the event the Customer wishes to cancel the application for purchase of the Product or cancel the registration for the Support Service Agreement, the Customer shall promptly notify the FLIP Consortium in writing or by e-mail of its desire to cancel the application or the registration and shall request the FLIP Consortium's consent to such cancellation. If the FLIP Consortium consents to the Customer's request for cancellation, the Customer will bear any costs which may be incurred in connection with the application for purchase or the registration and the cancellation.

(2) Cancellation of the application for purchase of the Product or cancellation of the registration for the Support Service Agreement shall not be permitted any time after the

Customer has made a bank or wire transfer for purchase of the Product, the Software License Fee, the Support Service Agreement Fee, or the Reregistration Fee, except for the cases described in Article 7 (1).

Article 7 Returns; Exchanges

(1) In the event a Customer who has purchased the Product as an individual consumer wishes to return the Product, the Customer shall notify the FLIP Consortium in writing or by e-mail of its desire to return within fourteen (14) days and further the Customer shall return the Product to the FLIP Consortium within thirty (30) days from the date the USB Protection Dongle Key for the Product (the "Protection Key") and the Notification indicating the Customer's log-in ID and password for the Support Member Website (the "ID/PW Notification") were delivered; provided, however, that the Protection Key is returned in its original packaging, unopened and intact, and, also provided that the Customer has not logged-in to the Support Member Website. The Customer shall bear the shipping costs for the return of any and all items and shall make sure the items are returned to the FLIP Consortium in the same condition as they were delivered. The Customer shall be responsible for any and all risks of loss with regard to the returned items until the same are received and accepted by the FLIP Consortium. After the returned items are received and accepted by the FLIP Consortium, the FLIP Consortium shall issue a refund of the purchase amount paid for the Software License Fee to the Customer's bank account, less any costs or expenses incurred by the FLIP Consortium with regard to the returned items. The FLIP Consortium reserves the right to refuse the return of the Product if the Protection Key or the ID/PW Notification has been opened, used, intentionally or unintentionally damaged or if all the items included in the original shipment to the Customer are not returned in satisfactory condition, as determined by the FLIP Consortium, in its sole and absolute discretion.

(2) Notwithstanding the provisions of the preceding paragraph regarding returns by individual consumer Customers, Customers other than individual consumers, including, but not limited to, entities, institutions, and organizations, shall not be permitted to return the Product to the FLIP Consortium for any reason whatsoever following purchase and delivery of the Product to such Customer.

(3) In the event the Protection Key is delivered in an unusable condition or if the Customer finds any damage or defacement of the Protection Key during Customer's inspection made pursuant to Article 13 (2), then the FLIP Consortium will replace the damaged or unusable Protection Key with a new Protection Key free of charge; provided, however, that the Customer notifies the FLIP Consortium in writing or by e-mail of the fact within thirty (30) days following the date of delivery to the Customer. Further, in such case, the Customer shall pay the shipping costs for return delivery of the damaged or unusable Protection Key to the FLIP Consortium and the Customer shall pay the shipping and handling costs for replacement delivery of the Protection Key to the Customer. In no event, however, shall the

FLIP Consortium be obligated to replace free of charge the Protection Key, or any part thereof that is damaged due to the mishandling, improper use, or intentional or unintentional abuse or misuse of the Protection Key by the Customer.

(4) Any replacement of the Protection Key after the thirty (30) day return period specified in the preceding paragraph shall be separately prescribed and defined in the EULA.

(5) Notwithstanding anything to the contrary contained herein, in the event the Customer is not able to return the Protection Key to the FLIP Consortium, the FLIP Consortium shall not be required, obligated, or bound to re-issue the Protection Key to the Customer either for a fee or free of charge. In the event, however, the Protection Key is not available for return to the FLIP Consortium due to problems which occurred during shipment and delivery and not attributable to Customer, then the FLIP Consortium may, in its sole and absolute discretion, re-issue the Protection Key, either for a fee or free of charge; provided further, however, that the cause, trouble, and circumstances of the failed delivery are made clear to the FLIP Consortium by the delivery carrier. In such case, the Customer shall bear the shipping and handling costs for replacement of the Protection Key.

Article 8 Refund

(1) The Customer hereby acknowledges and agrees that the Software License Fee, the Support Service Agreement Fee, the Reregistration Fee and any other costs which have been paid by the Customer will not be refunded, except for the cases described in above Article 7 Returns; Exchange.

(2) In the event that the Support Service Agreement is cancelled by the Customer or is terminated for any reason within the term stated in the Support Service Agreement, the Support Service Agreement Fee paid by the Customer will not be refunded to the Customer.

Article 9 Delivery; Access Method

(1) The FLIP Consortium will deliver to the Customer the Protection Key for the Product and the ID/PW Notification to the Customer's Delivery Address, which address shall be subject to approval by the FLIP Consortium, and, if approved, delivered within fourteen (14) business days after the invoice amount has been paid in full by the Customer, except for the cases described in Article 5 (2).

(2) In the cases described in Article 5 (2), the FLIP Consortium will deliver to the Customer the Protection Key and the ID/PW Notification to the Customer's Delivery Address, which address shall be subject to approval by the FLIP Consortium, and if approved, delivered within fourteen (14) business days after the FLIP Consortium has issued the invoice to the Customer.

(3) The Product, not including the Protection Key, will be provided to the Customer in downloadable form from the Support Member Website.

(4) The Product may be downloaded by the Customer from the Support Member Website at any time during the effective date of the Support Service Agreement or within six (6) months from the date the FLIP Consortium has issued the ID/PW Notification for the Support Member Website following the Customer's purchase.

(5) The FLIP Consortium delivers the Protection Key to the Customer CPT (place of destination specified in the quotation and invoice), as the term is defined in the latest version of International Commercial Terms (INCOTERMS) published by the International Chamber of Commerce (ICC). The terms "Fees", "Risk of Loss and Damage" and "Title" are referred to and further defined in these General Terms and Conditions.

(6) The FLIP Consortium will deliver the Protection Key and the ID/PW Notification to the Customer using the FLIP Consortium's standard methods of packaging, shipping, and delivery.

(7) In the event the Customer renews the Support Service Agreement, the renewed ID/PW Notification for the Support Member Website shall be sent to the e-mail address of the Contact Person registered by the Customer within the period defined in the Support Service Agreement.

(8) In the event the Customer applies for re-registration of the Support Service Agreement, the ID/PW Notification for the Support Member Website shall be sent to the e-mail address of the Contact Person registered by the Customer within fourteen (14) business days after completion of the re-registration procedures, as defined in the Support Service Agreement.

(9) In the event the Customer fails or refuses to accept delivery of the Protection Key or the ID/PW Notification which have been delivered to the Customer's Delivery Address or if the FLIP Consortium is unable to deliver the Protection Key and the ID/PW Notification to the Customer's Delivery Address because the Customer has failed to provide adequate instructions or authorizations, then: (i) the Protection Key and the ID/PW Notification will be deemed to have been delivered to the Customer; and (ii) the FLIP Consortium may, at its discretion, store the Protection Key and the ID/PW Notification on the Customer's behalf, until the Customer agrees to take possession, at which time the Customer shall be liable for any additional handling, storage, or delivery costs and expenses incurred by the FLIP Consortium.

(10) In the event the Customer has renewed or re-registered for the Support Service Agreement, the Customer's new log-in ID and password will be deemed to have been delivered to the Customer when the FLIP Consortium has confirmed the normal transmission of the ID/PW Notification to the e-mail address of the Contact Person registered by the Customer.

Article 10 False Statements on Application; Liquidated Damages

(1) In the event a false statement is made or disclosed in the application for purchase of the Product with regard to the Customer's faculty identification, student identification, or other

verification materials submitted by or on behalf of the Customer, the FLIP Consortium may in its sole and absolute discretion, terminate the EULA and the Support Service Agreement immediately, without any prior notice to the Customer and without any consent of the Customer being required.

(2) In the event that the Customer has received the Product under false pretenses as described herein, upon notice and instructions from the FLIP Consortium, the Customer shall stop use of the Product immediately, uninstall and delete the Product software from the Customer's computer or device, and shall return to the FLIP Consortium the Protection Key, together with all Product related materials and components. Or, if instructed by the FLIP Consortium, the Customer shall uninstall and delete the Product software from the Customer's computer or device, and destroy and dispose of the Protection Key and any and all related Product materials and components. Further, the Customer hereby agrees that all fees related to the Product including, without limitation, the Purchase Price, the Support Service Agreement Fee, Reregistration Fee, and any other costs paid by the Customer will not be returned to the Customer, and will be retained by the FLIP Consortium as liquidated damages.

(3) Further, if the Customer has received the Product under false pretenses as described herein, in the event that the Customer has already registered for the Support Service Agreement, the Customer hereby acknowledges and agrees that the FLIP Consortium will invalidate and terminate immediately the Customer's log-in ID and password to the Support Member Website, without any prior notice to the Customer and without any consent of the Customer being required.

Article 11 Risk of Loss and Damage

(1) Any and all risks of loss or damage to the Protection Key or the ID/PW Notification shall transfer to the Customer when the FLIP Consortium has handed-over the Protection Key or the ID/PW Notification to a carrier at its offices for delivery to the Customer.

(2) In the event that the Customer has renewed or re-registered the Support Service Agreement, any and all risks of loss or damage to the log-in ID and password for the Support Member Website shall be transferred to the Customer once the FLIP Consortium has confirmed the normal transmission of the log-in ID and password information to the e-mail address of the Contact Person registered by the Customer.

Article 12 Title

The title to the Protection Key and the ID/PW Notification shall pass to the Customer when the Customer has paid the full amount shown on the invoice to the FLIP Consortium and the Protection Key and the ID/PW Notification have been delivered to the Customer.

Article 13 Inspection

- (1) The FLIP Consortium shall in the ordinary course of doing business inspect the Protection Key and the ID/PW Notification at its offices prior to shipping and delivery to the Customer.
- (2) The Customer shall inspect the Protection Key and the ID/PW Notification for any signs of damage, defacement, or defects and the Customer shall check operation of the Product according to the "Read First" and the "Installation Guide for FLIP ROSE Ver.7 Series Programs and Protection Key" packed together with the Protection Key promptly after the Customer has received the Protection Key and the ID/PW Notification.
- (3) In the event the Customer finds any damage, defects, defacement or trouble with the Protection Key and the ID/PW Notification during Customer's inspection made pursuant to this Article, then the Customer shall notify the FLIP Consortium in writing or by e-mail of the same within thirty (30) days following the date of delivery of the Protection Key and the ID/PW Notification. In the event the Customer does not notify the FLIP Consortium in writing or by e-mail with regard to any damages as aforesaid, then the Protection Key and the ID/PW Notification shall be deemed to be in good working order and condition and in compliance with the EULA, without any further notice required by either the FLIP Consortium or the Customer.

Article 14 Force Majeure

The FLIP Consortium shall not be liable for any inability of shipping the Product, the Protection Key, or the ID/PW Notification or delays in fulfilling its duties or obligation under these Terms or the EULA caused, direct or indirect, by natural disasters, order or deterrent of any governmental authority, war, belligerency, labor dispute, strike (regardless of involvement by an employee of the FLIP Consortium), mechanical failures, fire, accident or any causes beyond the reasonable control of the FLIP Consortium. In such event, the Customer will accept the request for cancellation or suspension of the EULA by the FLIP Consortium.

Article 15 Disclaimer; Limitation of Damages

- (1) The FLIP Consortium agrees to use its best efforts and to exercise reasonable care in observing and fulfilling these Terms. Notwithstanding anything to the contrary contained in these Terms, the EULA, the Support Service Agreement, or any other agreements by the parties related hereto, the FLIP Consortium shall be liable for damages only in cases of willful misconduct or gross negligence.
- (2) Notwithstanding anything to the contrary contained herein, the FLIP Consortium's sole liability for any claims for loss, damages, or monetary damages (regardless of the nature or type of loss) caused by the breach of these Terms by the FLIP Consortium or failure to

exercise reasonable care by the FLIP Consortium as aforesaid, shall not, in any event, exceed the equivalent purchase amounts actually paid, in total, by the Customer. In no event, however, shall the FLIP Consortium be liable for any claims for indirect, special, punitive, incidental, or consequential damages, at law or in equity, including, but not limited to, loss of profits, future business loss, production loss, or revocation or cancellation of contract.

Article 16 Privacy Policy

The FLIP Consortium shall handle the Customer's name, address, e-mail address, telephone number and any personal information which can be used to identify the Customer, with appropriate and reasonable care in accordance with the Privacy Policy set forth in the website of the FLIP Consortium. (<http://www.flip.or.jp>)

Article 17 Standard Time

The date and time used and effective between the Customer and the FLIP Consortium in connection with these Terms shall be Japan Standard Time.

Article 18 Terms of Trade

All terms of trade used and set forth in these Terms and the EULA shall be interpreted in accordance with the latest version of International Commercial Terms (INCOTERMS) published by the International Chamber of Commerce (ICC).

Article 19 Governing Law; Jurisdiction and Venue

- (1) These Terms and the EULA shall be governed by and construed in accordance with the laws of Japan, without regard to any conflict of laws principles or the United Nations 1980 Convention on Contracts for the International Sale of Goods.
- (2) The Kyoto District Court of Japan shall have exclusive jurisdiction over all disputes arising out of or in connection with these Terms, the EULA, the Support Service Agreement, and any other agreements by the parties related hereto.

Article 20 Product Changes; Amendments to Terms

- (1) The FLIP Consortium hereby reserves the right to revise, amend, alter, or change the Product, in any manner, at any time, in its sole and absolute discretion, without any prior notice to the Customer and without any consent of the Customer being required.
- (2) The FLIP Consortium may, in its sole and absolute discretion, at any time, modify, add, or delete any provision of these Terms, without any prior notice to the Customer and without any consent of the Customer being required. If the Customer continues to use the Product

after any such modifications or revisions, the Customer shall be deemed to have agreed-to and given its consent to such modifications or revisions.

(3) In the event of any revision or amendment to these Terms, the FLIP Consortium shall notify the Customer by posting the revisions to these Terms on the FLIP Consortium website. (<http://www.flip.or.jp>)