

“CREACOMPO II Cloud Service for Enterprise” and “XIFORM MAGIC Cloud” Terms of Service

Chapter 1 General Provisions

Article 1 [Purpose]

Toray Advanced Computer Solution, Inc. (hereinafter called the “Company”) has set forth the following Terms of Service (hereinafter called these “Terms of Service”) for the use of the Company’s “CREACOMPO II Cloud Service for Enterprise” (abbreviated name: CREA Cloud Service), and “XIFORM MAGIC Cloud” (hereinafter collectively called the “Service”) under which the Company provides the Service. Members of the Service shall use the Service after consenting to all the provisions hereunder and in compliance with each provision hereunder.

Article 2 [Definition]

In these Terms of Service, the definition of the terms used in each of the following items shall be as set forth in each item:

1. “This Agreement” shall mean a usage subscription agreement (hereinafter called the “Usage Subscription”) that comes into effect when the Company approves the use of the Service by issuing an order acknowledgement after a person or a company who wishes to use the Service has sent a written purchase order to the Company.
 2. “Subscribers” shall mean individuals or companies who have e-mail addresses and conclude this Agreement with the Company in accordance with these Terms of Service and use the Service.
 3. “Users” shall mean individuals whom Subscribers register as individuals and shall mean those persons who shall be entitled to use the Service, and when Subscribers use the Service, Users shall include Subscribers.
 4. “Administrators” shall mean persons designated by Subscribers to administer Users, and Subscribers may simultaneously serve as Administrators.
 5. “Members” shall mean Subscribers and Users.
 6. “Usage Start Date” shall mean a date on which Users can start to use the Service.
 7. “Notices” shall mean announcements from the Company to Subscribers or Users, or both of them, and shall include “Written Notices” and “On-line Notices” or both of them as set forth below.
 8. “Written Notices” shall mean a method of announcements in which written notices are sent.
- In addition, unless otherwise specifically set forth in such written notices, such written notices shall become effective from the time when the Company has dispatched such written notices.
9. “Online Notices” shall mean a method of announcements in which notices are posted on the Company’s Internet websites or sent by mail via telecommunication lines. In addition, unless otherwise specifically set forth in such Online Notices, such Online Notices shall become effective from the time the Company transmitted the contents of such Online Notices.
 10. “Types” shall mean the types of Service used by Members.
 11. “The Company’s Internet Web Sites” shall mean Web sites including <https://www.toray-acs.co.jp>, which are managed by the Company.
 12. “Subscriber’s My Page” shall mean a website for each Subscriber on the Company’s Websites.
 13. “Equipment for the Service” shall mean the Company’s devices, equipment, telecommunication lines, and software programs arranged by the Company to provide the Service.
 14. “Corporate IDs” shall mean alphanumeric codes that the Company uses to identify organizations (groups) including companies, associations, and schools to which Members belong.
 15. “Accounts” shall mean IDs that need to be input in order to use the Service, and each of Subscribers and Users has a different account.

Article 3 [Basic Subscription-related Matters]

1. In the event a Member uses multiple Types of the Service, these Terms of Service shall apply to each Type of the Service. In addition, when a Member uses any specific Type of the Service, a software license agreement relating to such specific Type of the Service shall apply in addition to these Terms of Service.
2. The Company may set forth other terms and conditions of Service in addition to these Terms of Service as may be necessary. In this case, unless otherwise noted in such other terms and conditions, these Terms of Service shall also apply.
3. The Company may modify these Terms of Service in whole or in part without obtaining the consent of Subscribers, in compliance with applicable laws and regulations. Members shall comply with the latest version of these Terms of Service.
4. In the event the Company modifies these Terms of Service, the Company shall notify Subscribers via Online Notice of such modification, the contents of the new Terms of Service, and the effective date of such modification.
5. In no event, the Company will guarantee that all existing functionality and performance of the Service will be maintained in case of any changes or additions to the Service. If the Company decides to discontinue the Service in its entirety, the Company shall notify Subscribers in advance via Online Notice.

Chapter 2 Contents of Service

Article 4 [Contents of Service and Service Providing Time]

The contents of the Service shall be as follows: provided, however, that the Company may add new contents to the Service by providing Notices to Members from time to time. All Members who have been authenticated by the Company’s authentication server may use the Service.

1. Contents of Service

(1) Software Service

This is a Service in which Users can download and use apparel software provided by the Company from the Company’s software server via the Company’s Internet Web Sites. The

Company grants personal and non-exclusive rights to the Members for the purpose of designing clothing products or managing production.

(2) Database Service

This is a Service to manage the data created by using the applicable software programs on the database server managed by the Company, and as a data area, each Member may use up to the subscribed capacity. A Subscriber and Users registered by such Subscriber can only connect to the database for which such Subscriber has concluded a Usage Subscription with the Company, and they can share the data.

2. Usage of Service

(1) The Service Providing Time

The service providing time shall be 24 hours a day, 7 days a week.

(2) Discontinuance of provision of the Service

Regardless of the service providing time in the preceding paragraph, the Company may discontinue whole or any part of the provision of the Usage of the Service by the reason stipulated in Article 9 of these Terms of Service.

3. Period of Times of Inquiry Reception

(1) Method and Period of Times of Inquiry Reception

(i) Inquiry Reception via e-mails shall be available 24 hours a day, 7 days a week.

(ii) Inquiry Reception by telephones shall be available from 9:00 a.m. to 12:00 a.m. and 1:00 p.m. to 5:00 p.m., Japan time, excluding Saturdays, Sundays, Japanese public holidays, and holidays designated by the Company.

(2) Period of Times of Inquiry Response

Period of Times of Inquiry Response shall be from 9:00 a.m. to 12:00 a.m. and 1:00 p.m. to 5:00 p.m., Japan time, excluding Saturdays, Sundays, Japanese public holidays, and holidays designated by the Company.

4. Period of Times of Inquiry Reception for Troubleshooting

(1) Method and Period of Time of Inquiry Reception for Troubleshooting

(i) Inquiry Reception for Troubleshooting via e-mails shall be available 24 hours a day, 7 days a week.

(ii) Inquiry Reception for Troubleshooting by telephones shall be available from 9:00 a.m. to 12:00 a.m. and 1:00 p.m. to 5:00 p.m., Japan time, excluding Saturdays, Sundays, Japanese public holidays, and holidays designated by the Company.

(2) Period of Times of Inquiry Response for Troubleshooting

Period of Times of Inquiry Response for Troubleshooting shall be from 9:00 a.m. to 12:00 a.m. and 1:00 p.m. to 5:00 p.m., Japan time, excluding Saturdays, Sundays, Japanese public holidays, and holidays designated by the Company.

5. Time Reference

The Time Reference of the Service shall depend on the time of the server managed by the Company.

Article 5 [Software]

The software that is licensed for use in the Service (hereinafter called this “Software”) shall be set forth as follows:

1. Operating environment

The software which is licensed in the Software Service shall operate only in the operating environments as posted on the Company’s Website.

2. Intended purpose

Members shall not, for any reason whatsoever, use this Software for any purposes other than for the purpose indicated in each paragraph of the preceding article.

3. Prohibited matters

Members shall not engage in any act described in any of the following items:

- (1) To engage in any act to derive source code from this Software by reverse compile or disassemble, or to engage in reverse engineering of this Software or a similar act; or
- (2) To pledge the right to use this Software as a security interest; or
- (3) To modify or alter this Software; or
- (4) To engage in any other acts that are likely to reduce the value of this Software; or
- (5) To store the data exceeding the subscribed capacity in the database area provided as the database service.

4. Upgrading

This Software after upgrading by the Company shall mean a Software Program in which any software programs before upgrading have been replaced or to which any new software programs have been added, and Members shall handle such replacements and additions as an integral part of this Software. Members shall be able to use this Software after upgrading on the condition that they shall use the same in accordance with these Terms of Service.

5. Copyrights

The Company owns this Software and its related materials as well as any and all the copyrights (including the rights to create and use derivative works) and all the intellectual property rights including industrial property rights and all other rights for all the copyrighted works (including but not limited to images, photographs, moving images, animations, videos, sounds and voices, music, texts, and applets) included in this Software and its related materials. These rights shall be protected by the Copyright Act, other related laws and regulations, as well as the provisions of international treaties.

Members shall not, therefore, engage in any and all acts that may harm these rights (including but not limited to unauthorized reproduction and unauthorized transfer).

6. Receipt of software

Members may receive this Software by downloading or in multiple types of media. Provided, however, that Members shall not assign or transfer any of the received software programs or media as well as their reproductions to any third parties.

7. NO WARRANTIES

THIS SOFTWARE AND ALL ITS RELATED MATERIALS ARE PROVIDED ON AN "AS IS" BASIS WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED. MEMBERS SHALL BE SOLELY RESPONSIBLE FOR ANY USE OF THIS SOFTWARE AND ITS RELATED MATERIALS, AND THE COMPANY SHALL NOT BE RESPONSIBLE FOR THE SAME IN ANY MANNER WHATSOEVER. THE COMPANY MAKES NO WARRANTY, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF ANY RIGHTS AND OTHER MATTERS. MEMBERS SHALL BE SOLELY RESPONSIBLE FOR ALL RISKS ARISING FROM THE USE OF THIS SOFTWARE AND ITS RELATED MATERIALS.

8. LIMITATION OF LIABILITY

IN NO EVENT THE COMPANY OR SUPPLIERS OF THIS SOFTWARE AND COMPONENT PARTS OF ITS RELATED MATERIALS (HEREINAFTER CALLED THE "SUPPLIERS") SHALL BE LIABLE FOR ANY AND ALL DAMAGE (INCLUDING BUT NOT LIMITED TO LOST PROFIT, BUSINESS INTERRUPTION, LOST BUSINESS INFORMATION, AND OTHER FINANCIAL LOSS) CAUSED BY THE USE OF OR THE INABILITY TO USE THIS SOFTWARE AND ITS RELATED MATERIALS. EVEN IN THE EVENT THE COMPANY AND SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, THE SAME SHALL APPLY.

Chapter 3 Application for Use

Article 6 [Service Subscription and Use]

1. When using the Service, it is necessary for any Subscriber to conclude a Usage Subscription with the Company in advance. The method of concluding the Usage Subscription shall be as set forth in Paragraph 1 of Article 2 of these Terms of Service.

2. Upon conclusion of the Usage Subscription as set forth in the preceding paragraph, the Company shall make preparations for the registration of Users. Upon completion of the preparation, the Company shall notify Subscriber of the readiness to use the Service. The date when the Company dispatches this notice to Users shall be the Usage Start Date.

3. In order to use the Service, it is necessary for Subscribers or Administrators, who have received a notice of readiness to use, to carry out the settings for Users' accounts and passwords as well as applicable software programs that Users are going to use on Subscriber's My Page.

4. In the event Subscribers fall under any of the following items, the Company may refuse to conclude the Usage Subscription.

(1) In the event it was found that there were any false, incomplete, mistaken or illegible entries in the purchase orders;

(2) In the event a User has been cancelled the qualification to use any service provided by the Company in the past due to any violation of the Terms of Service, etc.

(3) Otherwise, in the event the Company has judged that a certain party is not eligible as a Subscriber and has presented a reason to such Subscriber.

5. "Pattern Magic II", a pattern making software served through the CREA Cloud Service has several options, which may be set up for use only when the use of Pattern Magic II is set for each User.

Article 7 [Term and Renewal of Subscription]

1. The Subscription Term shall be one (1) year from the first day of the following month after the Usage Start Date as set forth in Paragraph 2 of Article 6. Provided, however, that for an additional Usage Subscription for a Subscriber who has already used the Service, the term for the Usage Subscription already concluded shall be the term of the additional Usage Subscription, and the Usage Fees shall be paid by the month.

2. In the event a renewed Usage Subscription is not concluded between the Subscriber and the Company not later than the end of the term of the existing Usage Subscription, the effect of that Usage Subscription is lost and User who is granted the right to use according to that Usage Subscription shall lose the right to use the Service at the end of the term of the Usage Subscription.

3. The Usage Start Date of the renewed Usage Subscription shall be the subsequent day following the expiry date of the Usage Subscription that was concluded prior to that time, and the Usage Period shall be for one (1) year from the Usage Start Date.

4. There may be some cases where there is a possibility of occurring a period during which the Service cannot be used if a Subscriber applies for a renewed Usage Subscription immediately before the Usage Subscription expiry date or the renewed use is not ready due to the arrangement of services related to this Agreement or delivery period of goods. In such cases, however, the Usage Start Date and Usage Period as set forth in the preceding paragraph shall not be changed.

5. In the case of the same Subscriber or a Subscriber who the Company deems to be the same Subscriber due to a justifiable reason, if such Subscriber concludes again the same type of the Service between the next day of the Service expiry date and the end of the month, it shall be deemed to be the renewal of the Usage Subscription, and the Usage Start Date and the Usage Period as set forth in Paragraph 3 of this Article 7 shall apply.

Article 8 [Change of Service Types]

1. In the event a Subscriber wishes to use an additional Type of the Service, it is necessary to conclude an additional Usage Subscription.

2. The Usage Period of the additional Type shall be in accordance with the provisions of the preceding article.

Article 9 [Discontinuance of Provision of the Service]

1. Discontinuance of the provision of the Service shall mean such cases where Users cannot connect to the Equipment for the Service that is used for the Service, or a software program provided by the Service is in a usable condition and thus Users cannot receive the provision of the Service, and when the Company falls under any of the following items, the Company may discontinue the provision of the Service in whole or in part:

(1) In the event it became impossible or difficult or likely to become impossible or difficult to provide the Service due to earthquakes, flood damages, eruptions, tsunamis, other natural

disasters, or acts of God, fires, power outages, wars, riots, acts of public enemies, civil commotions, or spread of an epidemic or infectious disease, legislation, repeal or administrative disposition, or other acts of public authority (including reinforcement of export regulations and changes in operation), strikes, other labor disputes, accidents on transportation facilities, discontinuances, interruptions or suspensions of telecommunication services, or other emergency situations, or any other grounds not attributable to us; or

(2) In the event it became impossible or difficult or is likely to become impossible or difficult to provide the Service due to any invasion or infection by computer viruses and other harmful computer programs (including the files containing them), unauthorized access through the Internet, hacking or cracking, and other security threats; or

(3) In the event there are necessities for operation and maintenance, repair and maintenance, construction works on the facilities for the Service or other unavoidable reasons; or

(4) In the event the provision of the Service has been affected by regulatory measures that have been taken pursuant to laws and ordinances, internal regulations specified by financial instruments exchanges or other regulatory agencies, or judgments, decisions, orders or dispositions that have been issued by administrative authorities, courts or concerned regulatory agencies; or

(5) In the event discontinuance is due to a reason that has been separately agreed upon between Members and the Company.

2. The Company shall not be liable in any manner whatsoever to bear any damages, losses or expenses incurred by any of Members or third parties due to the discontinuance of the provision of the Service in accordance with the preceding paragraph.

Article 10 [Discontinuance of Provision of the Service to Specific Members]

1. In the event Members fall under any of the following items, the Company may discontinue the provision of the Service to such applicable Members:

(1) In the event (i) that there is any misdescription on the Member's application as to any of information included in Members' mail addresses, addresses, telephone numbers, and names or (ii) that no procedures for modification have been carried out though any of such information its contents have changed.

(2) In the event the Company cannot confirm the payment of Usage Fees from Members in whole or in part.

Article 11 [Termination of Usage Subscription]

In the event Members fall under any of the following items, the Company may terminate the Service or nullify all the rights of such Members included in the Service without giving any notice to such Members. In addition, in this case, the Company may delete all the data and backup data of such applicable Members who have been registered in the Equipment for the Service. Furthermore, if any of such Members owe any debts, such Members shall inevitably lose the benefit of term with respect to the performance of all the obligations under this Agreement and all remaining obligations it owes to the Company shall immediately become due and payable.

(1) In the event Members have submitted false applications, or situations as set forth in Article 10, Paragraph 1, Item 1, have not been cured for a reasonable period of time in spite of notices from the Company; or

(2) In the event Members have engaged or are likely to engage in acts to infringe on the honor, credibility and privacy rights of the Company or any third parties or acts that are offensive to public order and morals; or

(3) In the event Members have engaged or are likely to engage in acts to infringe on the copyrights and other intellectual property rights of the Company or any third parties; or

(4) In the event Members have engaged or are likely to engage in acts to destroy, damage, or steal the data or the System of the Company or any third parties; or

(5) In the event Members fail to pay the Usage Fees within a reasonable period of time in spite of the notices from the Company after the discontinuance of the Service due to the reasons as set forth in Article 10, Paragraph 1, Item 2; or

(6) In the event Members have engaged or are highly likely to engage in unauthorized use of mail addresses, accounts and passwords; or

(7) In the event Members are deemed to have engaged or be likely to engage in illegal acts or to seduce or make other persons easy to engage in illegal acts; or

(8) In the event Members are deemed to have engaged or be likely to engage in acts to interrupt the provision of the Service; or

(9) In the event Members are deemed to have engaged or be likely to engage in acts to block or hinder the use of the Service by third parties; or

(10) In the event Members have been in breach of these Terms of Service; or

(11) In the event it is not possible to contact Members or whose whereabouts are not known; or

(12) In the event Members have been subject to attachment or coercive collection, or subject to a petition for bankruptcy, a ruling for commencement of curatorship, or a ruling for commencement of guardianship; or

(13) In the event as to Members a petition for bankruptcy, civil rehabilitation procedures, corporate reorganization procedures or special liquidation has been filed, or Member is subject to disposition by the suspension of business by clearinghouses, seizure, or coercive collection.

Article 12 [Termination and Discontinuance of the Service]

1. The methods for terminating the Service in whole or in part by Subscribers are as follows:

(1) Subscribers do not renew this Agreement in whole or in part;

(2) Subscribers shall request the Company to terminate the Service in whole or in part during the term of the Service.

2. Pursuant to Item (2) of the preceding paragraph, when Subscribers request the Company to terminate the Service in whole or in part, and when the Company dispatches an acceptance notice, this Agreement shall be deemed to have been terminated.

Subscribers shall cause the registered Users to comply with these Terms of Service.

Article 13 [Abolition of the Service]

1. In the event the Company abolishes the Service in whole or in part, the Company shall notify Subscribers at least three (3) months prior to such abolition. The contents of such notice shall become effective upon transmission, and whether such notice has not reached Subscribers or Subscribers have not confirmed such notice has no effect on the validity of such notice.

2. In the event it is not possible for the Company to dispatch such notice of abolishment of the Service at least three (3) months prior to such abolition due to the Company's unexpected reasons or due to unavoidable reasons, such as laws and ordinances, as well as natural disasters, the Company shall immediately notify subscribers after the fact.

Chapter 4 Usage Fees and Payment Method

Article 14 [Usage Fees and Payment Method]

1. Usage Fees, payment method, and payment due date for the Service shall be set forth in a purchase order and a purchase order acknowledgement exchanged between the Company and Subscribers. The Company shall send a bill for Usage Fees as set forth in the purchase order and purchase order confirmation to the billing addresses designated by Subscribers, and Subscribers shall be obligated to pay such Usage Fees not later than the payment due date in the method as set forth in the purchase order and purchase order acknowledgement.

2. In the event Subscribers fall under any of the items in Article 11, Subscribers shall immediately lose the benefit of term as set forth in the purchase order and purchase order acknowledgement, and the entire amount of debts Subscribers owe to the Company shall become immediately due and payable in a lump sum in a manner designated by the Company.

Article 15 [Delay Interest]

In the event Subscribers delay the payment of the Usage Fees and consumption taxes (or any applicable similar tax) thereon, Subscribers shall pay a delayed interest of 12% per annum.

Article 16 [Refund of Usage Fees]

Even in the event the Service has been cancelled or terminated, the Company is not obliged to refund any of the Usage Fees and incidental fees that have already been received by the Company.

Chapter 5 When Using the Service

Article 17 [Notification]

1. In the event there are any changes in the information Subscribers registered at the time of concluding this Agreement, Subscribers shall carry out the necessary procedures for changes in writing. In the event the Company judges that any additional documents are necessary, Subscribers shall be required to submit such documents to the Company.

2. Administrators may modify the account information on Administrators themselves and Users.

3. In the event Subscribers have fallen or are likely to fall under any of the items as set forth in Article 11, such Subscribers shall immediately notify the Company.

Article 18 [Maintenance of Members' Environment]

Subscribers shall, at their responsibility and expense, purchase, set up, pay communication and connection charges with respect to the devices, terminals, telecommunication lines and so forth that Members use in order to use the Service.

Article 19 [Management of Corporate IDs, Mail Addresses, and Passwords]

Subscribers shall be responsible for managing the registered corporate IDs, e-mail addresses, accounts, passwords and so forth, and the Company shall not be liable for any damage caused due to leakage of the same.

2. The Company shall manage corporate IDs, e-mail addresses, accounts, and passwords of all Members with the same care the Company would exercise over its own property so that any of such information shall not be disclosed or leaked to or abused by any third parties other than Members. Provided, however, that when the Company is obliged to disclose any of such information under laws in response to inquiries or the like from public agencies, such as the courts, prosecutors' offices, police, and regulatory agencies, the Company may disclose such information.

Article 20 [Backup and Equipment Maintenance]

1. In order to make available for restoration during any system failure of the Equipment for the Service, the Company may carry out backup work, transfer, or delete all the contents of the Equipment including the data of Members. The backup data created by the Company shall be strictly operated under the responsibility and management of the Company, and such backup data shall not be used for any purpose other than for the purpose of the restoration of the Equipment for the Service.

2. The backup data created by the Company pursuant to the preceding paragraph shall not necessarily completely guarantee the restoration of the Equipment for the Service.

3. In the event any trouble occurs to the Equipment for the Service and the Service cannot be normally used, the Company shall make every effort to quickly restore the Equipment based on the backup data as set forth in Paragraph 1 of this article. Provided, however, that this work shall not necessarily guarantee the restoration of all the data stored in the Equipment for the Service.

4. In the event the Agreement for the Service is not renewed but terminated, the Company may delete all the data and the backup data thereof stored through the use of the Service that is recorded in the Equipment for the Service within two (2) months from the subsequent day following the date of cancellation or termination of the Service.

Article 21 [Obligations to Users]

Article 22 [Assignment or Transfer of Rights and Obligations]

Subscribers shall not assign or transfer, cause others to succeed to, lend, resell, or pledge as a security interest, the right to use the Service and the rights and obligations under these Terms of Service in whole or in part.

Chapter 6 Handling of Confidential Information

Article 23 [Handling of Confidential Information]

Subscribers shall keep confidential any information that the Company particularly has designated in writing (including electronic and electromagnetic media and the same shall apply hereinafter) as secret and for which the scope of confidential information has been identified at the time of provision and clearly indicated to be confidential information (hereinafter called the "Confidential Information") out of the technical, sales, and other business related information provided by the Company in the course of the Service, and Subscribers shall not disclose or leak such Confidential Information to any third parties without the prior written consent of the Company, and shall not use the same for any purpose other than for the purpose of the Service. Provided, however, that this shall not apply in the event the information falls under any of the following items:

(1) Information that has been known to Subscribers at the time of disclosure without any confidentiality obligations; or
(2) Information that has been lawfully obtained by Subscribers from third parties without any confidentiality obligations; or
(3) Information that has been independently developed without reference to any information provided by the Company; or

(4) Information that has become publicly known without any violation of the Usage Subscription and regardless of whether before or after any confidential information was received.

2. Subscribers who have been provided with the Confidential Information shall return the materials, including such Confidential Information, upon the Company's request, and when such Confidential Information has been accumulated in the Subscribers' equipment or the Equipment for the Service, Subscribers shall completely erase such Confidential Information.

3. The data created by Members using the applicable software programs of the Service and stored for the purpose of data storage in the server provided by the Company, the Company shall appropriately manage such data as the confidential information of Members until the deletion of the data according to the provisions of these Terms of Service is implemented, and the Company shall not disclose or leak such information without the prior consent of Members to any third parties other than Members and shall not use the same for any purposes other than for the purpose of the Service. Provided, however, that in the case of third parties to whom the Company has subcontracted business activities in accordance with Article 28, the Company may disclose such data to such third parties without the prior consent of Members.

4. The provisions of this article shall survive for three (3) years after the expiry or termination of this Agreement.

Article 24 [Disclosure of Personal Information to Third Parties]

1. In accordance with the Privacy Policy (https://www.toray-acs.co.jp/common/privacy_en/), the Company shall not disclose any information obtained in the course of Service that can identify individuals without the consent of the individuals in question. Provided, however, that in the event the Company is obligated to disclose such information in response to inquiries from public agencies, such as the courts, prosecutors' offices, police, and regulatory agencies, this shall not apply.

2. Notwithstanding the provision of the preceding paragraph, the Company may provide the personal information provided by Subscribers to any of the following parties for the purposes set forth in any of the following items:

(1) Operators of Help Desks, Call Centers, Support Centers or other contractors: To deal with inquiries about the Service and applicable software programs from Members.

(2) Collection agencies, printing companies and delivery companies: For billing to and fee collection services from Subscribers.

(3) The Company's designated distributors: To provide information on the Service, the services and goods related to the Service and for the purpose of sales activities.

Article 25 [Use of Information after Expiry or Termination of this Agreement]

The Company may use the information registered by Members within the scope as set forth in this Chapter even after the expiry or termination of the Service.

Article 26 [Management of Usage Situations]

1. The Company may obtain information on the use of software and equipment provided by the Service for each Member and information on the amount of data communication and connection situations for the purpose of improving the quality of the Service and software provided from the Service.

2. The Company shall strictly manage the information obtained for the purposes set forth in the preceding paragraph, and shall not be able to use, browse, or disclose for any purposes other than for the purpose of the preceding paragraph.

Article 27 [Audit Rights]

1. The Company, upon prior notice to a Member, may audit, or have an independent third-party auditor audit, the Member during normal business hours, to confirm whether or not the Member's installation and use of any and all Service and Software is in conformity with valid licenses or otherwise inspect the Member's performance of the obligations under this Agreement. Members understand and agree that the Company may take every reasonable action to audit the Members' usage of Software, including, but not limited to, inspecting and duplicating data on the computer that installed Software and other computers that Members maintain, subject to Article 27, Paragraph 2.

2. The audit set forth in the preceding paragraph shall be limited to twice a year or less except

under emergency circumstances. The Company shall make a reasonable effort to minimize any disturbances to the Member's business. The Company shall also keep confidential the Members' information obtained during the audit set forth in the preceding paragraph and shall not use it for any purpose other than the audit.

3. In case the audit finds any violations of this Agreement, the violating Member shall compensate the Company for damages and pay for all costs, fees, and expenses incurred by the Company related to the audit.

Chapter 7 Miscellaneous Provisions

Article 28 [Subcontracting]

1. The Company may subcontract the installation, management, operation and maintenance in part or in whole to third parties in connection with the Equipment for the Service.
2. The Company may subcontract services for answering inquiries and sales activities in part or in whole to any third parties.
3. The Company shall impose such obligations on the relevant third parties that shall be equal to the obligations that the Company shall undertake under this Agreement, and the Company shall be liable for any acts by such third parties considering the third parties' acts are the same as the acts of the Company.

Article 29 [Service Area]

Regarding the Internet connection of Members, the Company partially restricts access from overseas. Members shall make sure by themselves that they can connect to the Internet before use. Also, should the use of Service be prevented due to the change in the Internet access point or any other reasons, the Company shall not assume any liability for that.

Article 30 [Disclaimers]

1. THE COMPANY MAKES NO WARRANTIES WHATSOEVER EXCEPT FOR MATTERS AS SET FORTH IN THESE TERMS OF SERVICE AND DISCLAIMS ANY OTHER WARRANTIES INCLUDING BUT NOT LIMITED TO WARRANTIES OF INTEGRITY, COMPLETENESS, ACCURACY, AND USABILITY OF THE OUTCOME OF USE OF THE SERVICE BY SUBSCRIBERS AND THE DATA RECORDED BY THE SERVICE.

2. THE COMPANY SHALL NOT BE LIABLE FOR ANY AND ALL DAMAGES CAUSED DUE TO ANY DELAY, DISCONTINUANCE, CHANGE, SUSPENSION, OR ABOLITION OF THE SERVICE, EXCEPT FOR THE MATTERS EXPRESSLY SET FORTH IN THESE TERMS OF SERVICE, AND SHALL NOT ASSUME ANY OBLIGATION TO REFUND THE USAGE FEES.

3. The registered Corporate IDs, mail addresses, accounts, and passwords shall be strictly managed and operated under the instruction of Subscribers. The use of the Service authenticated by Corporate IDs, mail addresses, accounts, and passwords shall be regarded in all cases as the use by Subscribers and Users registered by Subscribers, and even in the event the Service has been used by those different from the original Subscribers and Users, the Company shall not be responsible for any such unauthorized use.

4. The Company shall be only responsible for the Equipment for the Service so that Members can use the Service, and the Company shall not be responsible in any manner whatsoever for the telecommunication lines, devices, facilities, software or the like that are used to connect to the Equipment for the Service.

5. The Company shall assume no responsibility for any damages and other liabilities caused to Members or any third parties due to the following matters:

(1) Earthquakes, flood damages, eruptions, tsunamis, other natural disasters, or acts of God, fires, power outages, wars, riots, acts of public enemies, civil commotions, or spread of an epidemic or infectious disease, legislation, repeal or administrative disposition, or other acts of public authority (including reinforcement of export regulations and changes in operation), strikes, other labor disputes, accidents on transportation facilities, discontinuances, interruptions or suspensions of telecommunication services, or other emergency situations, or any other grounds not attributable to us;

(2) Interruptions in telecommunication services or the Internet that exceeds the reasonable management by the Company;

(3) Suspension, discontinuance, or delay in the provision of the Service due to the temporary halt of the Service that the Company has judged necessary in connection with the operation, maintenance, or technical matters;

(4) Problems that have occurred in the environments managed by Users including Users' displays or the storage for printing, drawing, or recording devices by printers or plotters.

6. The Company shall not be responsible for any damages and other liabilities even in the event any applicable software programs of the Service have affected Users' terminals and other software programs.

Article 31 [Damages]

1. In the event it is found that there is an intentional act or gross negligence of the Company in the performance of obligations under these Terms of Service, the Company shall be liable to pay compensation for the direct damage caused to the other party. PROVIDED, HOWEVER, THAT THE APPLICABLE AMOUNT OF DAMAGES SHALL BE LIMITED TO THE TOTAL AMOUNT OF THE USAGE FEES OF THE USAGE SUBSCRIPTION FOR ONE (1) YEAR WHICH WAS EFFECTIVE AT THE TIME OF OCCURRENCE OF INDEMNITY LIABILITY. IN ADDITION, THE COMPANY SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, AND FUTURE DAMAGES, AS WELL AS DAMAGES DUE TO LOST PROFIT.

2. In the event the Company incurs any direct or indirect damage due to a breach of these Terms of Service by any of Subscribers, the obligation of payment for damages shall be generated on the part of such Subscribers.

Article 32 [Court of Jurisdiction]

These Terms of Service shall be governed by and construed according to the laws of Japan without regard to the conflicts of law principles thereof. In the event there arises any dispute between the Company and any of Members in connection with the use of the Service, it shall be submitted to the exclusive jurisdiction of the Tokyo District Court in the first instance.

Article 33 [Inquiries]

In the event Members make inquiries, they shall contact the Company in writing.

Article 34 [Relationship with Usage Subscription]

In the event there is any discrepancy between the provisions of these Terms of Service and the terms and conditions described in any purchase order for the conclusion of this Agreement (hereinafter called the Terms and Conditions of this Agreement"), the provisions of these Terms of Service shall prevail in connection with the matters related to such provisions.

Article 35 [Language]

The text of this Agreement executed in the Japanese language shall prevail over any translation in other languages.

Article 36 [Severability]

In the event there is any provision of this Agreement that is held invalid or unenforceable, such invalidity or unenforceability shall in no way affect the validity or enforceability of any other provisions of this Agreement and other provisions shall remain in full force and effect.

End of Document

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Toray Advanced Computer Solution, Inc.