

Terms and Conditions of System “Primo Freedom” (for Partners)

These Terms and Conditions (hereinafter referred to as “the Terms and Conditions of System”) shall be applied to all Partners who use a system (hereinafter referred to “the System”) provided by Primo Co., Ltd. (hereinafter referred to as “the Company”) pertaining to the Affiliate Service “PRIMO Freedom” administrated by the Company. Partners shall read the Terms and Conditions of System closely before using the System.

Article 2 Definitions

Each of the following expressions are used with the following meanings in the Terms and Conditions of System.

- (1) “PRIMO”: the collective term for the application “PRIMO” and web service administrated and provided by the Company.
- (2) “Affiliate Service”: the affiliate service “PRIMO Freedom” administrated and provided by the Company.
- (3) “Partners”: those who agree to the Terms and Conditions of System and apply for partner registration, whereby being accepted by the Company.
- (4) “Affiliate Providers”: those who conclude a contract of employment describing delegation of affiliate business, an outsourcing agreement, and other agreements (hereinafter referred to “the agreements”) between Partners.
- (5) “Affiliates”: users of the Affiliate Service called “PRIMO Pal” who agree to the Terms and Conditions for Affiliates separately established by the Company, and who conclude an Affiliate Contract between the Company.
- (6) “Associated Affiliates”: those who are authorized by the Company based on Article 8 as Affiliate Providers belonging to Partners among all Affiliate Providers, and who are completely registered in the System.
- (7) “Intended goods”: goods or services of Merchants designated as the final destinations introduced by specified Affiliate Codes.
- (8) “Merchants”: individuals or corporations that sell Intended Goods or other articles, or provide services with respect to Members through PRIMO.
- (9) “Affiliate Codes”: exclusive QR codes linked to pages for selling Intended Goods, and the other means “PRIMO Tag” to introduce Members who are to be targets of the Affiliate Contract.
- (10) “Affiliate Medium”: media in which Affiliate Codes are provided by Affiliates, for example, SNS administered or managed by Affiliates holding accounts thereof; YouTube, and other animation websites; websites; blogs; e-mails, and other internet services.
- (11) “Members”: individuals or corporations that agree to the Terms and Conditions of PRIMO (for Members), and are provided with the PRIMO Service.

Article 2 Agreement to the Terms and Conditions

1. Upon agreement to the Terms and Conditions, Partners shall use the System in accordance with the Terms and Conditions. The matters prescribed in contracts separately agreed between the Company and Partners, and documents and the like relative to the System which are to be distributed, delivered, or posed by the Company (hereinafter collectively referred as “the terms and conditions and the like for individuals”) shall be included as part of the Terms and Conditions of System between the Partners.

2. Unless otherwise prescribed in the terms and conditions and the like for individuals, at the time

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when a Partner has completed partner registration, agreeing to the Terms and Conditions of System in accordance with the provisions in Article 4, a service contract of the System conforming to the provisions in the Terms and Conditions of System (hereinafter referred to as a "Service Contract of System" in the Terms and Conditions of System) shall be concluded between the Partner and the Company.

Article 3 Amendments and Changes to the Terms and Conditions

1. The Company may change or add the Terms and Conditions of System at any time at the discretion of the Company. The revised Terms and Conditions of System shall take effect once the revision has been posted on the website of the Company or once the revision has been sent to addresses of Partners, except that the Company separately prescribes the effective date.

2. In the event that a Partner does not agree to the revised Terms and Conditions of System, the Affiliate shall cancel a Service Contract of System and shall immediately terminate the use of the System in accordance with the provision in Article 15.

3. In the event that a Partner continuously uses the System after the revision of the Terms and Conditions of System, the Partner shall be assumed that he/she has agreed to the revised Terms and Conditions, and the Partner shall check the updated Terms and Conditions of System as needed with self-responsibility.

Article 4 Partner Registration

1. Those who wish to use the System shall agree to comply with the Terms and Conditions of System, and follow procedures prescribed in the following Paragraphs so as to apply for partner registration (hereinafter referred to as an "application for registration"). Receiving such an application, the Company shall review a Partner in accordance with the screening criteria separately prescribed by the Company. Upon accepting the application, the Company shall notify the Partner accordingly.

2. It should be noted that partner registration shall be completed at the time the notice described in the preceding Paragraph is sent to a Partner.

3 The Company may not accept an application for registration in the event a Partner falls under the following items:

- (1) When a Partner is under the age of 18;
- (2) When a Partner is any one of adult ward, warrantee, or assisted person, and when the Company finds out that the Partner has not obtained consent from his/her legal representative, conservator, curator, or assistant;
- (3) When information provided to the Company in application for registration includes partial or thorough falsehood, errors, and erroneous omission;
- (4) In a case where a Partner has failed to fulfill obligations in a Service Contract of System, or other contracts concluded between the Company in the past, and when the Company determines that the Partner may fail to fulfill such obligations;
- (5) When the Company determines that a Partner has violated the matters prescribed in Article 6, and falls under Article 10; and
- (6) When the Company determines a Partner as inappropriate to use the System for any other reasons.

4. When a Partner sends information about the Partner or other information required by the Company in the use of the System (hereinafter referred to as "Partner Information"), the Partner shall provide faithful and accurate information.

Article 5 Management of Accounts

1. A Partner shall manage, store an account of the System with self-responsibility, and shall not allow a third party to use the account, or lend and assign the account, or change the name, or trade the account with a third party. Confirming the matchability of an account, the Company deems that a Partner registered as having the account has used the System.

2. Responsibility for any damages caused by insufficient management of your account or by allowing a third party to use your account should be assumed by Partners, and the Company shall assume no responsibility for the damages.

3. In the event that your account proves to be stolen or used by third parties, Partners shall promptly report to the Company accordingly, and shall follow instructions from the Company.

Article 6 Pronouncement and Guarantee of Partners

1. A Partner shall pronounce with respect to the Company that the Partner satisfies all the following items, and shall guarantee that the status continues during the period when a Service Contract of System based on the Terms and Conditions of System continues:

- (1) A Partner shall be age 20 or over;
- (2) A Partner shall have a sense of reason so as to understand services, and websites relating to the use of the System, and the Terms and Conditions of System;
- (3) A Partner shall guarantee no relationship with action, interaction, and offering of capital ties or capital as an antisocial force, and shall guarantee no hiring of an antisocial force as a board member or employee;
- (4) A Partner shall guarantee no relationship with pyramiding, multilevel marketing, network business, and the like;
- (5) A Partner shall guarantee no falsehood in information on partner registration;
- (6) A Partner shall not obtain affiliate compensation fraudulently; and
- (7) A Partner shall not perform any other acts recognized by the Company as inappropriate to use the System.

Article 7 Purpose of System

1. A purpose of the System is to allow a Partner to check and manage month-on-month sales volume and other performance in the Affiliate Service in regard to Associated Affiliates who belong to the Partner.

2. In the event that performance of Associated Affiliates has satisfied conditions for payment prescribed in the Terms and Conditions of System, the Company shall pay a reward (hereinafter referred to as "Partner Compensation") to Partners.

Article 8 Associated Affiliates

1. A Partner may apply for registration of an Affiliate Provider who is to belong thereto as an Associated Affiliate by means separately prescribed by the Company. Receiving such an application, the Company shall review in accordance with conditions prescribed in the following items and other screening criteria prescribed by the Company so as to permit the registration as the Associated Affiliate. In the event that the Company determines that the Affiliate Provider do not satisfy the criteria, the Company shall inform the Partner that the Company may not permit the registration of the Affiliate Provider as an Associated Affiliate.

- (1) In application for registration, there is a valid accord between an Affiliate Provider and a Partner.
- (2) In application for registration, an Affiliate Provider has already been registered as an Affiliate.
- (3) In application for registration, an Affiliate Provider has not been registered as an Associate

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Affiliate of a Partner other than the Partner who has applied for the application.

2. With respect to an Affiliate Provider who has completed the registration in the preceding Paragraph, a Partner shall register as an Affiliate, upon agreement to the Terms and Conditions for Affiliates separately prescribed by the Company.

3. In the event that an agreement between a Partner and an Associated Affiliate has annulled, cancelled, or terminated for any reasons, the Partner shall delete the registration of the Associated Affiliate within 10 days from the day the termination took effect, and shall report the Company accordingly. In this case, the status of the Affiliate Provider as an Associated Affiliate shall be lost in the future at the time of the deletion or the report, whichever comes first.

4. In the event that the Partner fails to report as prescribed in the preceding Paragraph, the Partner shall pay the Company, as penalty, 1 million yen or an amount in which 2 is multiplied to Partner Compensation the Partner acquired after the termination of the status as an Associated Affiliate, whichever is higher. The provision of such penalty shall not obstruct claims with respect to the Partner for damages incurred by the Company.

Article 9 Partner Compensation

1. In the event a Member has purchased Intended Goods through Affiliate Codes provided by an Associated Affiliate, or in the event that conditions separately designated by the Company has been achieved (hereinafter collectively referred to as “conditions of achievement”), the Company shall pay Partner Compensation separately prescribed by the Company with respect to a Partner to which the Associated Affiliate providing the Affiliate Codes belongs. Bank charges required for transfer shall be paid by the Company.

2. The concrete content, rate, mode of payment, and other details of Partner Compensation shall conform to terms of reward (including a guidance, other display or notice of reward on the website of the Company, hereinafter the same shall apply) separately designated by the Company.

3. Partner Compensation shall occur after the Company receives payment of Intended Goods from a Member (including usage fee, other compensation of purchase and use of the Intended Goods regardless of its name. Receipt of shipping fee, and other incidental charges only shall not be included).

4. Partner Compensation shall occur only when conditions of achievement have been accomplished. In the event that the conditions of achievement have been accomplished by introduction with specific Affiliate Codes provided by an Associated Affiliate in regard to articles or services and the like other than Intended Goods designated by the Affiliate Codes, Partners shall agree in advance that Partner Compensation may not occur.

Article 10 Prohibited Acts

1. In the use of the System, Partners are prohibited from performing acts falling under the following items, and shall not directly or indirectly encourage or facilitate the following acts:

- (1) Acts to describe falsehood, misstatement in application of partner registration, or to register with partial or thorough omission of necessary information;
- (2) Acts to inadvertently or intentionally sabotage the administration of Company, Merchants, Affiliates, or other Partners;
- (3) Acts to encourage or promote Associated Affiliates to violate the Terms and Conditions for Affiliates separately established by the Company or other rules;
- (4) Acts that may offend public order and morals, or good manners;

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- (5) Acts that violate laws and regulations, judgement, decisions, or order of the court, or legally-binding administrative measures, and acts that encourage or may cause such acts;
- (6) Acts to commit a fraud, or to blackmail the Company, Merchants, Members, Affiliates, other Partners, and third parties;
- (7) Acts that may infringe intellectual property rights, portrait rights, privacy, honor, and other rights or profits of the Company, Merchants, Members, Affiliates, other Partners, and third parties;
- (8) Acts to impersonate the Company, Merchants, Members, Affiliates, other Partners, and third parties;
- (9) Acts to use accounts of other Partners;
- (10) Acts to place an excessively load on network, system, and the like of the System;
- (11) Acts to change, correct the System, or anti-ensemble, decompiling, or reverse engineering of the System, or other acts to analyze source codes of the System;
- (12) Acts to send or post harmful virus or programs to the System or the website of the Company;
- (13) Acts to fraudulently access the whole System without authority, or to fraudulently rewrite or delete information stored in equipment of the Company, or to give damages to the Company;
- (14) Acts to give favors or acts that may lead to favors to antisocial forces and the like;
- (15) Acts to infringe the gist and purpose of the Terms and Conditions of System and the System; and
- (16) Any other actions deemed by the Company as inappropriate.

Article 11 Measures and the like in Infringement of the Terms and Conditions

1. When the Company determines that a Partner falls or may fall under the following items, the Company may take measures at the discretion of the Company without any notice, for example, stop the payment of Partner Compensation, terminate the membership as a Partner, partially/thoroughly stop the use of the System, delete an account, or immediately annul a Service Contract of System (hereinafter referred to "measures to stop the use and the like"):

- (1) When a Partner infringes any of the articles in the Terms and Conditions of System;
- (2) When a part or the whole of information provided to the Company is proved to be fallacious;
- (3) When a Partner fraudulently attracts or makes Associated Affiliates attract customers with misleading advertisements, misleading representation, dual pricing, or other advertisements that may lead to misunderstanding of the matters and effects of the Affiliate Service;
- (4) When a Partner goes into suspension of payment or insolvency, or when a Partner is alleged to file for bankruptcy, to commence civil rehabilitation procedures, cooperate reorganization proceedings, special liquidation, or procedures pursuant thereto;
- (5) When creditworthiness of a Partner decreases significantly, or when business of the Partner significantly changes, which results to affect the creditworthiness;
- (6) When a Partner fails to reply inquiries from the Company or other notification that requires response for 30 days or more;
- (7) When the Company determines that the measures are necessary to administer, protect, and manage the System; and
- (8) When the Company determines that the measures are necessary for reasons relating to the preceding items.

2. Even after taking measures to stop the use and the like, Partners shall not waive any obligations or liabilities for a Service Contract of System (including damage compensation obligations, but not limited thereto) with respect to the Company and third parties.

3. In the event that a Partner receives measures to stop the use and the like from the Company, the Partner may not be able to claim any obligatory rights the Partner holds with respect to the Company.

4. Even after deletion of an account of a Partner, the Company shall hold and use information on the

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Partner acquired by the Company.

5. When the Company determines that a Partner falls or may fall under each item in Paragraph 1, or when the Company acknowledges the necessity, the Company may require the Partner to stop the infringement actions, and the Partner shall respond to the requirement within the period prescribed by the Company.

6. The Company shall assume no responsibility in regard to loss and damages incurred by Partners due to the measures taken by the Company based on the Article.

Article 12 Compensation for Damages

1. In the event that damages are incurred by the Company due to Partner's violation to the Terms and Conditions of System or others in the use of the System (including a case where the Company is claimed by third parties for damages for the reason of the action), the Partner shall compensate all the damages (including either direct or indirect lost profits, costs for experts such as lawyers, and labor costs required by the Company for settlement) with respect to the Company.

2. In the event that any disputes and the like occur between a Partner, a Member, a Merchant, an Associated Affiliate, or a third party, the Partner shall promptly report to the Company accordingly and shall resolve the disputes with self-responsibility and self-pay burden, and the Company shall not involve in the disputes and shall assume no responsibility. In the event that damages are incurred by the Company due to the disputes and the like (including a case where the Company is claimed by third parties for damages for the reason of the action), the Partner shall compensate all the damages (including either direct or indirect lost profits, costs for experts such as lawyers, and labor costs required by the Company for settlement) with respect to the Company.

3. In regard to the disputes described in the preceding Paragraph, the Company may provide information regarding the disputes to the Member, Merchant, and Associated Affiliate, and third party and may support them without an agreement from the Partner.

4. The Company shall not assume any responsibility for damages incurred by Partners relating to the use of the System. However, in a case where the damages are caused intentionally or by gross negligence of the Company, the Company may compensate at the Company's discretion for direct and normal damages actually incurred by the Partners.

Article 13 Maintenance of Confidentiality

1. Affiliates shall confidentially handle unknown information which the Company has disclosed by designating that the information is confidential, except for a case where there is an advance approval of the Company in writing.

2. Whenever the Company requires, Partners shall restate or discard without any delay the information described in the preceding Paragraph, documents in which the information is described or recorded, other recording media, and any other duplicates thereof in accordance with instructions from the Company.

Article 14 Changes to the Specification

The Company may change a part or the whole of the System at any time at the discretion of the Company without previous notice to Partners. The Company shall assume no responsibility for damages incurred by the Partners due to the changes to the specification.

Article 15 Termination of Service Contract of System

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1. Partners may annul a Service Contract of System at any time by means prescribed by the Company. Those who have annulled the Service Contract of System may not be able use the System at the time of annulment.
2. In the event that a Partner has lost the right to use the System due to erroneous deletion of his/her account, or any other reasons, the Partner shall agree that the account and information stored in the System may not be able to use.
3. Even after a Partner has annulled a Service Contract of System, the Company may hold and use information the Company obtained from the Partner.
4. The Company may delete accounts that are not accessed for one year or more from the last access, at the discretion of the Company without previous notice.
5. In regard to handling of Partner Compensation in a case where a Service Contract of System has been terminated, we shall conform to the terms of reward prescribed in Article 9, Paragraph 2.

Article 16 Ownership of Rights

1. All intellectual property rights relating to the System shall be owned by the Company, or others who have approved the Company to use their license.
2. The Company shall permit Partners to non-exclusively use the System within the scope necessary for the use of the System. However, such permission of use shall not include the right to allow third parties to reuse the System, and shall not indicate that the Company assigns or grants the Partners with the intellectual property right, ownership right, rights similar thereto, right to distribute arbitrarily, or any other rights.
3. The System may display the trademark, logo, service mark, and the like (hereinafter collectively referred as "the trademark and the like") of the Company or Merchants, but the Company shall not agree to assign or use the trademark and the like with respect to Partners or third parties.

Article 17 Disclaimer of Warranties and Exemption of Liability

1. The Company shall not guarantee each of the following items, and the Company shall assume no responsibility for damages incurred by Partners in the event that any case in the following items occurs.
 - (1) The use of the System may suit for specific purposes of Partners, or expected Partner Compensation may occur;
 - (2) Deficiency, errors, bugs, or failure in security may not occur in the System and Intended Goods, and the System and Intended Goods may not infringe rights of third parties;
 - (3) The System may comply with all OS or browsers, or failure may not occur in operation of the System associated with upgrade of OS or browsers used by Partners, or ongoing failure may be resolved;
 - (4) The System may not be interrupted, delayed, and suspended, data may not be lost, or the System may not be stopped due to obstruction of communication circuits, computer, and the like;
 - (5) Cookie Information of Members and Associated Affiliates may be constantly and correctly reflected, and linked to Partner Compensation;
 - (6) Emails, and Contents sent from the website, server, domain, and the like of the Company may not include harmful matters such as computer virus, and measures of security for such matters may be provided sufficiently; and
 - (7) Information and the like disclosed in the System has integrity, accuracy, and usability.

Article 18 Means of Contact

1. The Company shall contact Partners about notice (notice regarding modification or addition to the Terms and Conditions of System or the conditions of Partner Compensation, but is not limited thereto) by means determined by the Company as appropriate such as posting on the System, e-mails, mails, phone calls, or push notification.

2. In the event that the Company notifies by e-mails, the Company shall deem that the e-mails have reached Partners at time assumed to have reached in a usual case when the Company sends the e-mails to e-mail addresses registered by the Partners.

3. Inquiries regarding the System, other announcement or notification from Partners to the Company shall be made by sending the form provided to an appropriate place in the website of the Company, or by other means designated by the Company.

4. The Company may place an advertisement relating to the System and Merchants based on e-mail addresses registered by Partners, or other Partner Information, and the Partners shall agree thereto.

Article 19 Assignment of Rights and Obligations

1. Partners shall not practice assignment, succession, attachment to third parties, or shall not practice any other disposition in regard to rights, obligations, or status of the Partners based on a Service Contract of System, except for a case where there is a description in the Terms and Conditions of System or an advance approval of the Company in writing.

2. Provided that the Company assigns business related to the System to third parties, or the Company practices universal succession of the business related to the System due to merger, demerger, and the like in which the Company turns into an extinct company or split company. With assignment and the like of the business, the Company may assign assignees or successors of the business with the status, rights, obligations and information in a Service Contract of System, and also with other information on Partners, and the Partners shall agree thereto in advance.

Article 20 Separability

1. Even in a case where any one of the articles or a part thereof in the Terms and Conditions of System is judged as invalid or unenforceable by law and regulations, the parts other than those judged as invalid or unenforceable (hereinafter referred to as “parts with invalidity and the like”) shall take effect continuously and thoroughly. The Company and Partners shall revise the parts with invalidity and the like within the scope to make the parts legitimate and to grant the parts with enforcement, and the Company shall endeavor to secure the gist of the parts with invalidity and the like and to secure legally and economically equivalent effect thereof.

2. Even in a case where any one of the articles or a part thereof in the Terms and Conditions of System is judged as invalid or unenforceable in the relationship between a certain Partner, the fact shall not have effect on validity of the relationship between other Partners.

Article 21 Jurisdiction

The Terms and Conditions of System shall be governed by the laws of Japan, and disputes that arise in relation to the Terms and Conditions of System shall be subject to the Tokyo District Court as the agreement jurisdictional court of first instance.