

Sagawa Express Covenant (Hikyaku Express, Hikyaku Express Freesize Package)

Sagawa Express Co., Ltd. (“the Company”) General Agreement (Adhesive Terms and Conditions concerning the general motor truck carrier business and baggage carrier service, including door-to-door delivery service utilizing another motor truck transporter’s transportation or the other transportation facilities where the per-package freight charge table is applicable)

Conditions of carriage: KTRC approval number 1250,
dated March 16, 2007

Conditions of freight forwarding: KTRC approval number 1251,
dated March 16, 2007

(KTRC: Kinki District Transport Bureau, Road Transport Department, Cargo Transport Division of
Ministry of Land, Infrastructure, Transport and Tourism)

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Chapter 1 General Provisions

Article 1 Scope of Application

1. This Agreement shall apply to all baggage transportation, including door-to-door delivery service, where the per-package freight charge table applies.
2. Any matters not specified in this Agreement shall be subject to the provisions of laws and regulations or general customs and business practices.
3. Notwithstanding the provisions of the preceding two paragraphs, the Company may accept a proposal regarding a special agreement to the extent such proposal does not conflict with the relevant laws and regulations.

Chapter 2 Acceptance of Transportation

Article 2 Time and date of reception

1. The company will specify the time and date of reception, which shall be posted in the storefront of each business office or other places of company business.
2. In the event the time and date of reception specified in the preceding paragraph is revised, such revision shall be posted in advance in the storefront of each business office or other place of business.

Article 3 Invoices

When accepting the transportation of baggage, the Company issues an invoice on which the following matters will be described. In this case, the matters specified in Items 1 through 5 shall be inscribed by a consigner, and the matters specified in Items 6 through 15 shall be inscribed by the Company. However, Item 10 may not be inscribed in some cases.

- 1) Name and/or company name, address, and telephone number of the consigner
- 2) Name and/or company name, address, and telephone number of the consignee
- 3) Name(s) of good(s) and number of packages and the value of the good(s) if the value per one package exceeds ¥300,000
- 4) Any additional services (including freezing/refrigeration) incidental to transportation, if required
- 5) Any particular precautions in the course of transportation (Classifications due to the nature of the baggage, such as fragile contents, materials that easily change in quality or are perishable, or other necessary matters, shall be inscribed.)
- 6) Title of the door-to-door delivery service, etc.
- 7) The name, address, and telephone number of the Company
- 8) The name of a business office or other place of business of the Company that accepted transportation of the baggage
- 9) The date the baggage was received
- 10) The scheduled delivery date of the baggage (If the Company accepted transportation of the baggage intended for use on a particular time and day by the consignee, such purpose of use, time, and date of the delivery shall be inscribed.)
- 11) Classification of gross weight and cubic measurement
- 12) The freight charge and other expenses for transportation
- 13) Total maximum liability
- 14) Telephone number of the inquiry counter
- 15) Other necessary matters concerning transportation of the baggage

Article 4 Examination of the baggage

1. If there are any particular questions about the name of the goods declared on the invoice or the particular precautions in the course of transportation, the Company may, upon obtaining the consigner's consent, examine the contents in the presence of the consigner.
2. Where the contents were examined pursuant to the provision of the preceding paragraph, if there

is no discrepancy in the name of the good(s) or in the particular precautions in the course of transportation, the Company shall compensate for damage caused by such examination.

3. Where the contents were examined pursuant to the provisions of paragraph 1 of this Article, if there is any discrepancy in the name of the good(s) or in the particular precautions in the course of transportation, the consigner shall bear the cost required for such examination.

Article 5 Packing

1. The consigner shall pack up the baggage suitable for transportation in accordance with the nature, weight, cubic measurement, and so on.
2. If the packing of the baggage is not suitable for transportation, the Company shall ask the consigner to perform the necessary packing, or the Company shall perform the necessary packing at the expense of the consigner.

Article 6 Refusal of acceptance

The company may refuse to provide transportation in the event of any of the following.

- 1) When the application fails to conform to this Agreement;
- 2) When the consigner does not inscribe the necessary information on the invoice, or when the consigner does not agree with the examination as provided in Item 1 of Article 4;
- 3) When the packing is not suitable for transportation;
- 4) When the consigner requests the Company a special burden with respect to the transportation;
- 5) When the transportation, such as transportation of a missive, violates the provisions of laws and regulations or contravenes public order and/or morality;
- 6) When the baggage falls under any of the following:
 - a) Explosives or other dangerous goods, or any articles that may damage other baggage, including soiled goods.
 - b) Articles that must be refused due to the nature thereof, such as
 - Actual money and checks, drafts, certificates of shares, or other valuable securities
 - Ashes, ancestral tablets, family altars
 - Gunnery, swords or the like
 - Dogs, cats, birds, or other creatures
 - Instruments or documents that are difficult to reissue (including examination admission slips, passports, vehicle inspection certificates, or various tickets)
 - Poisonous material and deleterious substances
 - Original manuscripts, original drawings, tapes, films, or other electromagnetic recording media impossible to reproduce
 - Materials that require particular care and attention such as private and personal information
 - c) Articles that must be refused due to the price
 - The article whose value per one package exceeds 300,000 Japanese yen

- d) Other articles that are not acceptable as provided for by the Company
- 7) For any uncontrollable reason, such as an act of God, or the like.

Article 7 Indications on exterior packages

When receiving baggage, the Company will paste a sheet on the exterior package, on which the information stated in Items 1 through 7 (excluding Item 4, if nothing is inscribed thereon), Item 9 through Item 10 (excluding this item if nothing is inscribed thereon), and Items 13 through 14 of Paragraph 1 of Article 3 and other necessary information is indicated. If the baggage accepted consists of multiple packages, from the second package onward, the sheet will contain the information stated in Items 1 through 3 (number of packages) of Article 3 and other necessary information as an attachment.

Article 8 Receipt of freight charge

1. When receiving baggage, the Company will receive the freight charge as reported to the Minister of Land, Infrastructure and Transport and other expenses relating to the transportation (hereinafter referred to as "Freight Charge").
2. Notwithstanding the provisions of the preceding paragraph, the Company may accept the receipt of the Freight Charge from the consignee when the baggage will be delivered.
3. The amount of the Freight Charge shall be posted in the storefront of each business office or other place of business of the Company.
4. The company shall not accept any carriage rebate for the Freight Charge received.

Article 9 Connection transportation or utilization of another motor truck transporter's transportation or the other transportation facilities

Unless it impedes the interest of the consigner, the Company may arrange the transportation of the accepted baggage by connecting to other transportation facilities or utilizing another motor truck transporter's transportation or the other transportation facilities.

Chapter 3 Delivery of Baggage

Article 10 Date of baggage delivery

1. The company shall deliver the baggage until the following scheduled date of delivery. Provided, however, the delivery may be postponed to the day next to the scheduled date of delivery depending on the traffic conditions, etc.
 - 1) If the scheduled date of baggage delivery is stated on the invoice, the date stated on the invoice.
 - 2) If the scheduled date of baggage delivery is not stated on the invoice,

the day after a number of days, as calculated according to the following conditions based on the transportation distance, elapsed from the date of the baggage receipt described on the invoice. (In the event the place for accepting the baggage or the baggage delivery is an isolated island, intermountain region, etc. as specified and indicated by the Company, the day after a reasonable number of days has elapsed after the date of baggage receipt.)

- a) Initial 400 km transportation distance: two days
 - b) Every additional 400 km of transportation distance exceeding the initial 400 km: one day
2. Notwithstanding the provisions of the preceding paragraph, if the Company accepted the baggage transportation by describing on the invoice the purpose of use and the delivery time and date of the baggage, the Company will deliver the baggage until the time and date of the baggage as stated on the invoice.
 3. Notwithstanding the provisions of the preceding two paragraphs, where the consigner stated the requested date of delivery on the invoice and if the Company accepted such transportation, the Company will deliver the baggage on the requested date. Provided, however, that such baggage may be delivered on the next day of the requested date of delivery or later date depending on acts of God, traffic conditions, etc.
 4. Where the consigner stated the requested time zone for delivery on the invoice and if the Company accepted such transportation, the Company will delivery the baggage during the time period indicated as follows:
 - 1) If the requested date of delivery is stated on the invoice, the delivery will be made during the requested time period. Provided, however, the delivery may be made after the time period of the requested delivery date or next day depending on the traffic conditions, etc.
 - 2) If the requested date of delivery is not stated on the invoice, the delivery will be made during the time period for the scheduled delivery date. Provided, however, the delivery may be made after the time period for the scheduled delivery date or the next day or a later day depending on the traffic conditions.

Article 11 Delivery to a person other than the consignee

The company shall regard that the delivery to the consignee was made if the baggage was delivered to the person described in each of the following.

- 1) When the delivery destination is a dwelling house, a housemate or an equivalent person
- 2) When the delivery destination is a place other than the place provided in the preceding paragraph, an administrator or an equivalent person

Article 12 Measures when the consignee is not available

1. If the baggage cannot be delivered because the consignee or the person specified in the preceding article was not available, the Company will prepare a written notice addressed to the consignee to that effect describing the time and date of the attempted delivery of the baggage,

name of the Company, contact telephone number and other matters necessary for the delivery of the baggage (hereinafter referred to as "Non-Delivery Notice"), and shall preserve the baggage at the Company's business office or other place of business.

2. Notwithstanding the provisions of the preceding paragraph, the Company may entrust the baggage to a neighbor of the consignee (if the consignee lives in an apartment complex, including an administrator of such complex) to deliver the baggage to the consignee if it is agreed by such neighbor. In this case, the name of the neighbor whom the Company entrusted the delivery of the baggage shall be indicated on the Non-Delivery Notice.
3. Notwithstanding the provisions of Paragraph 1 of this Article, in case of a housing complex or community facility where custody is exclusively placed for delivery and receipt of baggage that enables safe management and storage of baggage (hereinafter referred to as "Parcel Delivery Box"), the Company may make use of such custody in order to complete the delivery of the baggage to the consignee. In this case, the Company shall give notice to the consignee by using the Non-Delivery Notice stating that the Parcel Delivery Box was used for delivery.

Article 13 Measures if unable to make delivery

1. If the Company cannot identify the consignee, or if the consignee neglects or refuses to receive the baggage, or if the consignee is unable to receive the baggage for other reasons, the Company will give notice to that effect without delay to the consigner requesting instructions within a reasonable time period on how to treat the baggage.
2. The cost incurred by requesting instruction under the provisions of the preceding paragraph and the treatment performed in accordance with such instruction shall be borne by the consigner.

Article 14 Treatment of undeliverable baggage

1. If no instructions have been issued within a reasonable time period pursuant to the provision of Paragraph 1 of the preceding Article, after storing the baggage for three months counting from the day when the Company requested such instructions, the Company may sell or dispose of such baggage in the presence of a third party after giving notice to the consigner in advance. Provided, however, where the contents are materials that easily change in quality or may become perishable, and if no instructions were issued within a reasonable period of time, the Company may promptly sell or dispose of such baggage after giving notice to the consigner in advance.
2. When the baggage was disposed of pursuant to the provisions of the preceding paragraph, the Company shall give notice to the consigner to that effect without delay.
3. If the Company disposed of baggage pursuant to the provisions of Paragraph 1 of this Article, the proceeds for such disposal shall be applied to the expenses required for requesting instructions and for baggage storage and disposal, and the deficiency, if any, shall be charged to the consigner and the surplus, if any, shall be refunded to the consigner.

Chapter 4 Instructions

Article 15 Instructions

1. A consigner may instruct the Company to cancel the baggage transportation or to return, transfer, or otherwise dispose of the baggage.
2. The consigner's right as provided in the preceding paragraph shall be extinguished when the baggage has been delivered to the consignee.
3. The expenses incurred in the course of disposal according to the instructions as provided in Paragraph 1 of this Article shall be borne by the consigner.

Article 16 Instructions unacceptable

1. In the event that the instructions from the consigner are detrimental to the transportation at the discretion of the Company, the Company may not comply with such instructions.
2. When the instructions are not acceptable pursuant to the provision of the preceding paragraph, the Company shall give notice to the consigner to that effect without delay.

Chapter 5 Accidents

Article 17 Measures in case of accidents

1. In the event the Company discovers that the baggage was lost, the Company will give notice to the consigner to that effect without delay.
2. In the event the Company discovers any significant damage to the baggage, or if the Company determines the delivery of a baggage will be significantly delayed from the scheduled delivery date, the Company shall give notice to the consigner to that effect without delay and request instructions within a reasonable time period on how to treat such baggage.
3. In the event of the preceding paragraph, if there is no time to wait for instructions or if no instructions were issued within the time period provided by the Company, the Company will cancel the transportation of such baggage, or return or otherwise dispose of such baggage for the benefit of the consigner.
4. When the baggage was disposed of pursuant to the provisions of the preceding paragraph, the Company shall give notice to the consigner to that effect without delay.
5. Notwithstanding with the provisions of Paragraph 2 of this Article, in the event that the instructions by the consigner will be detrimental to the transportation at the discretion of the Company, the Company may not comply with such instructions.
6. When the instructions are not acceptable pursuant to the provisions of the preceding paragraph, the Company shall give notice to the consigner to that effect without delay.
7. With respect to the expenses incurred by requesting instructions as provided in the provisions of Paragraph 2 of this Article and by the treatment pursuant to the instructions or incurred by the

treatment under the provisions of Paragraph 3 of this Article, if such damage of the baggage or delay of delivery is caused by reasons attributable to the consigner or caused by the nature or defect of the baggage, such expenses shall be borne by the consigner, and in other cases, such expenses shall be borne by the Company.

Article 18 Disposal of dangerous objects, etc.

1. If the Company comes to know in the course of transportation that any baggage falls under Item 6-a of Article 6, the Company will separate such baggage or otherwise dispose of such baggage in order to prevent damage in the course of transportation.
2. The expenses required for the disposal as provided in the preceding paragraph shall be borne by the consigner.
3. When the baggage was disposed of pursuant to the provisions of Paragraph 1 of this Article, the Company shall give notice to the consigner to that effect without delay.

Article 19 Issuance of certificate of the accident

1. If any certificate is requested concerning the loss of the baggage, the Company will issue a certificate for the accident only during the period within one year after the scheduled delivery date.
2. If any certificate is requested concerning damage to the baggage or delay in delivery, the Company will issue certification of the accident only during the period within fourteen days after the scheduled delivery date.

Chapter 6 Responsibility

Article 20 Commencement of responsibility

The company shall be responsible for any loss or damage to the baggage upon receipt of the baggage from the consigner.

Article 21 Responsibility and burden of proof, etc.

The company shall be responsible for compensation relating to any loss, damage, or delayed delivery of baggage, unless the Company proves that the Company itself or its employee or other person used by the Company for transportation took due care in the receipt, delivery, storage, and transportation of the baggage.

Article 22 Exemption from responsibility

The company shall not be liable for any damages arising out of the loss, damage, or delayed delivery of baggage for the following reasons.

- 1) Defect of the baggage or normal wear and tear

- 2) Fire, explosion, humid/stuffy damage, mold, decay, change in color, rust, or other similar reasons caused by the nature of the baggage
- 3) Systematic slowdown, systematic strike, civil commotion, other incident, or assailing thieves
- 4) Fire caused by force majeure
- 5) Unforeseeable abnormal disturbance to traffic
- 6) Earthquake, *tsunami* (seismic sea wave), high tide, flood, storm, landslides, avalanche, or other acts of God
- 7) Prohibition of transportation, opening of the package, confiscation, attachment, or delivery to the third party in accordance with the application of laws and regulations or the exercise of public authority
- 8) Error in the entry on the invoice that should be entered by the consigner, or willful misconduct or negligence of the consigner or consignee

Article 23 Special rules concerning restricted acceptance of baggage

1. With respect to the baggage that falls under Item 5 of Article 6, the Company shall not be responsible for compensation for any loss, damage, or delayed delivery of such baggage.
2. With respect to the baggage that falls under Item 6 of Article 6, if the Company accepted the transportation without knowing the nature of such baggage, the Company shall not be responsible for compensation for any loss, damage, or delayed delivery of such baggage.
3. With respect to the baggage that requires particular precautions in the course of transportation, including fragile articles, materials that easily change in quality or are perishable, if the consigner does not state so in the invoice and the Company did not know to that effect, the Company shall not be responsible for any compensation for loss or damage caused by the Company's failure in implementing particular precautions for transportation.

Article 24 Special reasons for extinguishment of responsibility

1. The company's responsibility for damage to baggage shall be extinguished unless a notice of such damage is issued within fourteen days from the date of delivery of the baggage.
2. The provisions of the preceding paragraph shall not be applicable if the Company delivered the baggage knowing that such baggage was damaged.

Article 25 Amount of damages

1. With respect to the damage caused by the loss of baggage, the Company shall indemnify for the value of such baggage (the value means the price of the baggage at the place of shipment; hereinafter the same shall apply) within a range of the total maximum liability as stated in the invoice (hereinafter referred to as "Maximum Liability Limit").
2. With respect to the damage caused by the damaged baggage, the Company shall indemnify for the amount within a range of the Maximum Liability Limit in proportion to the extent of actual damage in view of the total value of such baggage.

3. Where the Company determined to compensate for damage pursuant to the provisions of the preceding two paragraphs, the Company shall compensate for damage within the range of the Maximum Liability Limit if it is clearly recognized that the consigner or the consignee will suffer significant damage.
4. With respect to the damage caused by the delayed delivery of the baggage, the Company shall indemnify as follows.
 - 1) In the case of Paragraph 1 of Article 10, except in the case a Non-Delivery Notice as prescribed in Article 12 was given until the day after the scheduled date of baggage delivery, the Company shall compensate, within the range of the Freight Charge, for any financial damage arising out of the failure to deliver the baggage until the day after the scheduled delivery date.
 - 2) In the case of Paragraph 2 of Article 10, the Company shall compensate, within the range of the Maximum Liability Limit, any financial damage arising out of the circumstance that the baggage was unable to be used on the specified time and date.
5. In the event that damage occurs simultaneously caused by loss or damage and by delayed delivery, the Company shall compensate the total amount of the damage pursuant to the provisions of Paragraph 1, Paragraph 2, or Paragraph 3 and the preceding paragraph, within the range of the Maximum Liability Limit.
6. Notwithstanding the provisions of the preceding five paragraphs, in the event of any loss, damage, or delayed delivery of the baggage caused by willful misconduct or gross negligence of the Company, the Company shall compensate any and all damages arising out of such negligence.

Article 26 Refund of Freight Charge

In the event of any loss, significant damage, or delayed delivery (only limited to the case provided in Paragraph 2 of Article 10) of the baggage due to acts of God or other unavoidable reasons or reasons attributable to the Company, the Company shall refund the Freight Charges, and if the Company did not receive any Freight Charge, the Company will not charge for such charge.

Article 27 Prescription

1. The responsibility of the Company shall be extinguished by prescription when one year has elapsed from the date of the baggage receipt by the consignee.
2. If the baggage was lost, the period stated in the preceding paragraph shall be counted as from the date of the scheduled date of baggage delivery.
3. If the Company was aware of such damage, the provisions of the preceding two paragraphs shall not apply.

Article 28 Responsibility in case of connection transportation or utilization of another motor truck transporter's transportation or the other transportation facilities

Even if the Company transports the baggage by connecting with other transportation facilities or by utilizing another motor truck transporter's transportation or the other transportation facilities, the

Company shall be responsible for transportation of the baggage in accordance with this Agreement.

Article 29 Liability indemnity by the consigner

The consigner must be liable to the Company for damage to the Company due to defects or the nature of the baggage, provided, however, that this shall not apply when the consigner was not aware of such nature or defect of the baggage, and not due to its negligence or when the Company was aware of such nature or defect.