

***Takkyubin* Covenant**

Kanto District Transport Bureau Notice No.41

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Chapter 1 General Provisions

Article 1 (Scope)

1. This Covenant shall be applied to transport of goods to which *Takkyubin* rates per package are applicable.
2. Any matters not stipulated in this Covenant shall be addressed as provided for in laws or as per the common practice.
3. Notwithstanding the provisions of the preceding two (2) paragraphs, the Agency may accept proposals under special agreement to the extent not contrary to laws.

Chapter 2 Acceptance of Transport

Article 2 (Time of reception)

1. The Agency shall set the time of reception of goods, and post it on the store window of its branch offices and other offices.
2. When intending to change the time of reception set forth in the preceding paragraph, the Agency shall post the new time of reception on the store window of its branch offices and other offices in advance.

Article 3 (Consignment note)

When accepting transport of goods, the Agency shall issue a separate consignment note for every goods stating the following items:

- (1) the name, address, telephone number and postal number of the consignor;
- (2) the name of the consignee, and the destination, its telephone number and its postal number;

- (3) the date of delivery of the goods pre-directed by the consignor (hereinafter referred to as "Delivery Request Date". However, it shall be within seven (7) days of acceptance of the goods by the Agency;
- (4) the time of delivery of the goods pre-directed by the consignor(hereinafter referred to as "Delivery Time Zone");
- (5) the name of the goods;
- (6) special notes of caution in transport (the category of the goods by nature, including frangible, deteriorative or perishable ones, and other necessary information shall be included);
- (7) the name of *Takkyubin* ;
- (8) the name, address and telephone number of the Agency;
- (9) the name of the branch office or other office that accepted transport of the goods;
- (10) the date of receipt of the goods;
- (11) the scheduled date of goods delivery (if the Agency accepts transport of goods which the consignee should use on a specific day and time, the Agency shall write the intended use and the date and time of goods delivery);
- (12) the category by weight and volume;
- (13) the amount of freight rate and other expenses related to transport;
- (14) the limit of liability;
- (15) the telephone number for inquiries; and
- (16) other necessary items related to transport of the goods.

Among the items, those referred to in Subparagraphs (1) through (6) shall be entered by the consignor and those referred to in Subparagraphs (7) through (16) shall be entered by the Agency. In some cases, however, the Agency may omit to enter the item referred to in Subparagraph (11).

Article 4 (Check of contents of goods)

1. If there is any doubt about the description of the goods or any special note of caution in transport written in the consignment note, the Agency may check them with the consent of the consignor and in his/her/its presence.
2. In cases where the Agency has made checks pursuant to the provision of the preceding paragraph, the Agency shall bear the expenses for the check, only when the said check has shown that there is no difference between the description of the goods or the special note of caution in transport and what the consignor has written.
3. In cases where the Agency has made checks pursuant to the provision of Paragraph 1, the consignor shall bear the expenses for the check, only when the said check has shown that there is any difference between the description of the goods or the special

note of caution in transport and what the consignor has written.

Article 5 (Packing)

1. The consignor shall pack up goods in the manner suitable for transport according to the nature, weight, volume, etc. of the goods.
2. If packing of goods is not suitable for transport, the Agency may demand the consignor proper packing of the goods as necessary, or the Agency itself may properly pack the goods as necessary at the expense of the consignor.

Article 6 (Refusal)

The Agency may refuse acceptance of transport of goods in cases falling under any one of the following subparagraphs:

- (1) the proposal does not comply with this Covenant;
- (2) the consignor fails to enter any necessary item on the consignment note or to give his/her/its consent to a check pursuant to the provision of Article 4.1;
- (3) the packing is not suitable for transport;
- (4) the consignor demands to place a special burden on the Agency in relation to transport;
- (5) the transport, such as transport of correspondence, is detrimental to public order or injurious to public morals;
- (6) the goods are any of the following items:
 - (i) explosives or other hazardous materials, dirty goods or any similar goods that are likely to cause damage to other goods;
 - (ii) goods determined to be unacceptable specifically by the Agent;

A goods to be refused due to their nature;

- cash and checks, bills, share certificates and other negotiable securities;
- credit cards, cash cards, and other cards;
- remains, ancestral tablets and family altar;
- gunnery and swords;
- dogs, cats, little birds and other live animals;
- documents, etc. difficult to reissue (examination admission cards, passports, vehicle inspection certificates);
- manuscripts, original drawings, tapes, films impossible to reproduce;
- combustible, inflammable and volatile goods, such as fire works, heating oil, compressed gas cylinder and thinner;
- poisonous and deleterious materials;
- personal information and the like containing highly sensitive contents;

B goods to be refused due to their price;

- where the price of goods per package exceeds three hundred thousand yen (¥300,000);
- (7) Existence of unavoidable circumstances, including natural disasters.

Article 7 (Outer package label)

When receiving goods, the Agency shall affix on the outer package of the goods a label stating the items referred to in Subparagraphs (1) through (8), Subparagraphs (10) and (11) (excluding non referred items) and Subparagraphs (14) and (15) of Article 3.1, and other necessary information.

Article 8 (Receipt of freight rate)

1. When receiving goods, the Agency is entitled to receive the freight rate and other expenses related to transport that the Agency has reported to the Minister of Land, Infrastructure and Transport (hereinafter referred to as the "Freight Rate").
2. Notwithstanding the provision of the preceding paragraph, the Agency may permit the consignor not to pay the Freight Rate when receiving goods and instead receive the relevant Freight Rate from the consignee upon delivery of the goods.
3. The Agency shall post the Freight Rates on the store window of its branch offices and other offices.
4. The Agency shall not rebate any part of the received Freight Rate.

Article 9 (Connection transport or utilization transport)

To the extent not prejudicial to the consignor's interests, the Agency may transport the accepted goods, in corporation with any other facilities for transportation or by utilizing transport of any other freight company or any other facilities for transportation.

Chapter 3 Delivery of Goods

Article 10 (Date of delivery, etc.)

1. The Agency shall deliver goods by the scheduled date of goods delivery as follows, provided, however, the Agency may deliver the same on the day following the said scheduled date by reason of bad transportation conditions:

(1) in cases where the consignment note states a scheduled date of goods delivery, the said date;

(2) in cases where the consignment note does not state a scheduled date of goods delivery, after a lapse of number of days obtained by making calculation as follows on the basis of the transport distance, from the date of receipt of the goods as written in the consignment note (if the place where the Agency accepts transport or the destination is located in any of the isolated islands, mountainous areas or the like prescribed and specified by the Agency, after a lapse of reasonable number of days from

the date of receipt of the goods);

(i) transport distance up to four hundred kilometers (400 km), two (2) days;

(ii) transport distance more than four hundred kilometers (400 km), two (2) days plus one (1) day for every four hundred kilometers (400 km) of transport distance above four hundred kilometers (400 km).

2. Notwithstanding the provisions of the preceding paragraph, if the consignor writes a delivery request date in the consignment note when accepting transport, the Agency shall deliver the goods by the said delivery request date. However, the Agency may deliver the same on the day following the said delivery request date by reason of bad transportation conditions.

3. If the consignor writes a request time zone of delivery in the consignment note, the Agency shall deliver the goods within the time zone as set forth in the following subparagraphs:

(1) if the consignment note does not state a delivery request date the Agency shall deliver the goods within the specified time zone of the scheduled date, provided, however, the Agency may deliver the same after the specified time zone of the scheduled date or on the day following the said scheduled date, by reason of bad transportation conditions;

(2) if the consignment note states a delivery request date, the Agency shall deliver the goods within the specified time zone of the delivery request date, provided, however, the Agency may deliver the same after the specified time zone of the delivery request date or on the day following the delivery request date, by reason of bad transportation conditions, etc.

4. Notwithstanding the provisions of the preceding three (3) paragraphs, if the consignor writes an expected use and the scheduled date and time of goods delivery in the consignment note, the Agency shall deliver the goods on the scheduled date and time of goods delivery in the case where the Agency has accepted transport.

Article 11 (Delivery to person other than the consignee)

The Agency may deem the delivery of goods to such a person as set forth in any of the following subparagraphs, to be the delivery to the consignee:

(1) in case the designation is a house, any person with whom the consignee is living, or any person equivalent thereto; or

(2) in case the designation is not a house, the supervisor of the consignee or any person equivalent thereto.

Article 12 (Measures to be taken for the absence of consignee, etc.)

1. If the absence of the consignee or any person set forth in the preceding article

prevents the Agency from delivering goods, the Agency shall take custody of the goods at any of its branch offices or other offices after giving the consignee a written notice stating the date and time when the Agency tried to deliver the goods, the name of the Agency, the telephone number for inquiries and other information necessary to deliver the goods (hereinafter referred to as the "Absence Memo").

2. Notwithstanding the provision of the preceding paragraph, the Agency may entrust a neighbor of the consignee (including his/her/its concierge if the consignee is living at an apartment house) with delivery of the goods to the consignee, by obtaining the consent from the neighbor. In such a case, the Agency shall write the name of the neighbor whom the Agency has entrusted with delivery of the goods in the Absence Memo.

3. Notwithstanding the provision of Paragraph 1, as for apartment houses, etc. having a cabinet dedicated to receipt of goods that makes safe custody and storage of goods possible (hereinafter referred to as the "Takuhai Box"), the Agency may put the goods in the Takuhai Box by way of delivery of the goods to the consignee. In such a case, the Agency shall notify the consignee that it has used the Takuhai Box by the Absence Memo or by the attached delivery notice.

4. The Agency may deliver the goods at different time and/or on a different day and/or to a different destination from the designated, if the consignee asks us to do it according to our service rules. However, when an individual item of the goods has a clearly visible notice on the wrapping or the consignment note not to be forwarded, the above-mentioned process will not be applied to that case.

Article 13 (Cases where Agency can not deliver goods)

1. If the Agency can not identify the consignee, or if the consignee fails or refuses to receive goods, or can not receive goods for any other reason, the Agency shall, without delay, request instructions to the consignor on handling of the goods, specifying a reasonable period.

2. The consignor shall bear the expenses incurred by the Agency in requesting instructions as set forth in the preceding paragraph and in disposing of the goods according to the instructions.

Article 14 (Disposal of goods that Agency can not deliver)

1. When instructions as set forth in Paragraph 1 of the preceding article are not received within the specified reasonable period, the Agency may sell or otherwise dispose of the goods in the presence of a fair third party, after taking custody of the goods for a period of three (3) months from the date when the Agency requested instructions from the consignor. If the goods are deteriorative or perishable and the Agency does not receive instructions within the reasonable period, the Agency may

immediately sell or otherwise dispose of the goods upon advance notice to the consignor.

2. When disposing the goods pursuant to the provisions of the preceding paragraph, the Agency shall notify the consignor thereof without delay.

3. When the Agency has disposed of the goods pursuant to the provisions of Paragraph 1, the Agency shall apply the proceeds from the disposal to the expenses incurred by the Agency in requesting instruments and in taking custody and disposing of the goods. If the proceeds are less than the expenses, the Agency shall demand payment of the shortfall, and if the proceeds exceed the expenses, the Agency shall refund the excess to the consignor.

Chapter 4 Instructions

Article 15 (Instructions)

1. The consignor may make instructions to the Agency on cancellation of transport, return, forwarding or other disposal of goods.

2. The right of the consignor set forth in the preceding paragraph shall lapse when the Agency delivers the goods to the consignee.

3. The consignor shall bear the expenses incurred by the Agency in disposing of the goods under the instructions set forth in Paragraph 1.

Article 16 (When the Agency does not obey instructions)

1. The Agency may not obey instructions from the consignor if the Agency considers that obeying the instructions might pose an obstacle to transport.

2. When disobeying instructions pursuant to the provision of the preceding paragraph, the Agency shall notify the consignor thereof without delay.

Chapter 5 Troubles

Article 17 (Actions in case of troubles)

1. When a loss of goods is discovered, the Agency shall notify the consignor thereof without delay.

2. On discovering significant damage to goods, or on finding the delivery of goods to be seriously delayed beyond the scheduled date of goods delivery or the delivery request date, the Agency shall, without delay, request instructions from the consignor on handling of the goods, specifying a reasonable period.

3. In the case set forth in the preceding paragraph, if there is no time to wait for instructions from the consignor, or if the Agency does not receive instructions within the period specified by the Agency, the Agency may cancel transport of, return or

otherwise properly dispose of the goods, for the benefit of the consignor.

4. When disposing the goods pursuant to the provision of the preceding paragraph, the Agency shall notify the consignor thereof without delay.

5. Notwithstanding the provisions of Paragraph 2, the Agency may not obey instructions of the consignor if the Agency considers that obeying the instructions might pose an obstacle to transport.

6. When disobeying instructions pursuant to the provision of the preceding paragraph, the Agency shall notify the consignor thereof without delay.

7. The expenses incurred by the Agency in requesting instructions and disposing of the goods according to the instructions as set forth in Paragraph 2, or in disposing the goods pursuant to the provision of Paragraph 3 shall be borne by the consignor, if the loss of or damage to the goods is attributable to the consignor or due to the nature of or a defect in the goods. And it shall be borne by the Agency in other cases.

Article 18 (Disposal of hazardous materials, etc.)

1. If in mid course of transport the Agency becomes aware that the goods fall under the category set forth in Article 6 (6)(i), the Agency shall unload the goods or otherwise take measures necessary to prevent damage related to transport.

2. The consignor shall bear the expenses incurred by the Agency in taking measures as set forth in the preceding paragraph.

3. When taking measures pursuant to the provision of Paragraph 1, the Agency shall notify the consignor thereof without delay.

Article 19 (Issue of trouble certificate)

1. When the Agency is requested to certify a loss of goods within one (1) year after the scheduled date of goods delivery or the delivery request date, the Agency shall issue a trouble certificate.

2. When the Agency is requested to certify damage to goods or a delay in delivery of goods within fourteen (14) days of delivery date, the Agency shall issue a trouble certificate.

Chapter 6 Liability

Article 20 (Commencement of liability)

The liability of the Agency for a loss of or damage to goods shall arise when the Agency receives the goods from the consignor.

Article 21 (Liability and burden of proof)

The Agency shall assume liability to compensate for a loss of, damage to, or a delay in delivery of goods, unless the Agency proves that it or its employee or any other person

employed by it for transport service has never failed to take care in receipt, delivery, storage and transport of the goods.

Article 22 (Discharge from liability)

The Agency shall not assume liability to compensate for a loss of, damage to, or a delay in delivery of goods resulting from any of the events listed in the following subparagraphs:

- (1) a defect in or natural wear and tear of the goods;
- (2) ignition, an explosion, rot, mold, decay, change in color, rust or any other similar event, caused by the nature of goods;
- (3) labor slowdown or a strike, a social riot or any other incidents or robbery;
- (4) fire beyond control;
- (5) an unforeseeable extraordinary hazard to moving traffic;
- (6) an earthquake, a tidal wave, a surge, a flood, a storm, a landslide, a landfall or any other natural disasters;
- (7) suspension of transport, unsealing, condemnation, attachment or surrender to any third party by law or the exercise of public authority;
- (8) an error in writing of information to be entered by the consignor in a consignment note, or other willfulness or negligence of the consignor or the consignee.

Article 23 (Special provisions on goods subject to restriction on acceptance)

1. The Agency shall not assume liability to compensate for a loss of, damage to, or a delay in delivery of goods falling under the category set forth in Article 6 (5).

2. The Agency shall not assume liability to compensate for a loss of, damage to, or a delay in delivery of goods falling under the category set forth in Article 6 (6), if the Agency has accepted transport without knowing the fact.

3. With respect to goods requiring special attention, such as frangible, deteriorative or perishable ones, if the consignor fails to write such nature of the goods in the consignment note and the Agency does not know the fact, the Agency shall not assume liability to compensate for a loss of or damage to the goods, resulting from the failure to pay special attention in transport.

Article 24 (Special liability extinction)

1. The Agency's liability for damage to goods shall cease fourteen (14) days after the date of delivery of the goods, unless a notice is issued within the said period.

2. The provision of the preceding paragraph shall not be applied to any cases where the Agency delivered the goods knowing the damage.

Article 25 (Amount of compensation)

1. The Agency shall pay the price of the goods (which is one at the place of shipment;

hereinafter the same shall be applied) as compensation for a loss of the goods, within the limit of liability specified in the consignment note (hereinafter referred to as the "Limit of Liability").

2. The Agency shall make compensation for damage to goods on the basis of the price of the goods, according to the extent of the damage within the Limit of Liability.

3. Notwithstanding the provisions of the preceding two (2) paragraphs, if it appears that compensation pursuant to the provisions of the preceding two (2) paragraphs would be completely inadequate to cover the loss or damage suffered by the consignor or the consignee, the Agency shall make appropriate compensation within the Limit of Liability.

4. The Agency shall make compensation for a delay in delivery of goods as follows:

(1) in cases referred to in Article 10.1 to 10.3, the Agency shall make compensation for property damage resulting from a failure to deliver goods by the day following the scheduled date of goods delivery or the day following the delivery request date, up to the Freight Rate, unless the Agency has notified the consignee through an Absence Note as set forth in Article 12 by the day following to the scheduled date of goods delivery or the day following the delivery request date;

(2) In cases referred to in Article 10.4, the Agency shall make compensation for property damage resulting from unavailability of the goods on the specified date and time, within the Limit of Liability.

5. If a loss of or damage to goods and damage from a delay in delivery of the goods occur concurrently, the Agency shall pay the sum of damages set forth in Paragraph 1, 2 or 3 and the preceding paragraph, within the Limit of Liability.

6. Notwithstanding the provision of the preceding five (5) paragraphs, when willfulness or gross negligence of the Agency causes a loss of, damage to, or a delay in delivery of goods, the Agency shall compensate for any and all damage resulting therefrom.

Article 26 (Reimbursement of Freight Rate)

If any natural disaster or other unavoidable event or any event attributable to the Agency causes a loss of, damage to, or a delay in delivery of goods (only in the case referred to in Article 10.4), the Agency shall reimburse the Freight Rate. In such a case, the Agency shall not claim the relevant Freight Rate, if it has not yet received the same.

Article 27 (Statute of limitation)

1. The liability of the Agency shall cease by the statute of limitation one (1) year after the date when the consignee has received the goods.

2. In the case of loss of goods, the period set forth in the preceding paragraph shall be

reckoned from the scheduled date of goods delivery or the delivery request date.

3. The provisions of the preceding two (2) paragraphs shall not be applied to cases where the Agency has known the damage.

Article 28 (Liability in connection transport or utilization transport)

Even if the Agency transports goods in corporation with any other facilities for transportation or by utilizing any other freight company or any other facilities for transportation, the Agency shall assume liability in transport under this Covenant.

Article 29 (Consignor's liability of compensation)

The consignor shall assume liability to compensate the Agency for damages to the Agency due to a defect in or nature of the goods, unless the consignor has had no knowledge of the nature of or the defect in the goods without fault, or the Agency has known the said nature or defect.

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