Report on Data Provision Contract for the AIDC Platform

First Edition

February 17, 2022

AI Data Consortium

Intellectual Property and Contract Process Working Group

Preface

Reliable and high-quality data is indispensable in order to ensure the functioning of artificial intelligence (AI), which mainly focuses on machine learning. A data platform which allows easy access, as necessary, to various types of data that meet such criteria is expected as essential infrastructure in the digital society. On the other hand, when data is used for AI learning and machine learning, it is necessary to take into consideration various factors such as ethics, intellectual property and product liability, which makes it difficult to achieve smooth data transactions.

AI Data Consortium ("**AIDC**") engages in its activities with the objective of further accelerating the research, use and application of AI in Japan through collecting various kinds of data indispensable for research, use and application of AI and establishing a platform and community for facilitating the smooth and efficient distribution of such data. AIDC's Intellectual Property and Contract Process Working Group (Chief: Professor Toshiya Watanabe) (hereinafter, the "**WG**") held meetings a total of 24 times, for the period starting in September 2019 and ending in November 2021, with the members listed in Exhibit 1, on the content of an agreement applicable to both data providers and data users in the distribution of data through the AIDC database, with the aim of standardizing such agreement and reducing the costs involved in the preparation of such agreement.

In considering the content of such agreement, the following matters are assumed:

- Purpose of preparing the agreement
  - To facilitate distribution of original data, cleansing data and annotation data
- Data covered by the agreement (scope)
  - The data subject to the transactions is original data, cleansing data or annotation data.
  - The above data does not include any personal information.
  - It is mainly assumed that the above data constitutes "shared data with limited access" as defined in the "Unfair Competition Prevention Act" of Japan.
  - The data could constitute data that becomes a copyrighted work, such as database works.
- Persons becoming parties to the agreement

> ➢ The stakeholders involved in the process up until an end user uses AI products include: data generators, data annotators, AI researchers, AI developers, component manufacturers, end product manufacturers and end users. In the above-mentioned agreement, the following cases are assumed: (a) a data generator grants a license to a data annotator or an AI researcher/AI developer to use data; and (b) a data annotator grants a license to an AI researcher/AI developer to use data.

The agreement considered and prepared by the WG based on the above assumptions (the "**Agreement**") is an agreement to be executed between a licensor (i.e. a data provider) and a licensee (i.e. a data user) upon distributing the data on the AIDC platform.

This "Report on the Data Provision Contract for the AIDC Platform" (this "**Report**") is prepared for the purpose of providing explanations on the content of the Agreement. The overall structure of this Report is as follows: Exhibit 1 lists the members of the WG; Exhibit 2 specifies the content of the Agreement; and Exhibit 3 specifies the explanations of the content of the Agreement. The titles and affiliations of the members stated in Exhibit 1 are those at the time when they participated in the WG. Upon preparation of the Agreement and this Report, we referred to the draft model agreement for data provision type agreements (the "**METI Draft Model Contract**") contained in the "Contract Guidelines on Utilization of AI and Data Version 1.1: Data Section" dated December 2019 prepared by the Ministry of Economy, Trade and Industry (the "**METI Guidelines**"). Due to space limitations, the METI Guidelines are cited as necessary for the same explanations as for the Agreement.

While the Agreement is intended to be used by licensors who wish to distribute data on the AIDC platform (the "**Platform**") and licensees who wish to use the same, it is our sincere hope that the Agreement will be used by many licensors and licensees and that the explanations detailed in Exhibit 3 will be of assistance to such licensors and licensees.

- End -

Exhibit 1

Members of Intellectual Property and Contract Process Working Group in AI Data Consortium

Chairman:	Toshiya Watanabe	Professor, Institute for Future Initiatives, the University of Tokyo
Members:	Toyotaka Abe	Patent Attorney and Attorney (California), TMI Associates
	Yuto Kakiyama	Attorney, TMI Associates
	Tomoo Shibano	Attorney, TMI Associates
	Soko Sakakibara	Attorney, TMI Associates
	Kazuo Shimokawa	Chairman of Board of Directors, EAST Co., Ltd.
	Kenzaburo Tamaru	Director, National Technology Officer, National Technology Office, Microsoft Japan Co., Ltd.
	Satoka Doi	Attorney, TMI Associates
	Yuto Noro	Attorney, TMI Associates
	Satoshi Funayama	Attorney, Senior Corporate Counsel, Corporate, External and Legal Affairs, Microsoft Japan Co., Ltd
	Masao Matsumura	Attorney, ExaWizards Inc.
	Satoshi Murakami	Attorney, TMI Associates
	Makoto Murata	Project Professor (Non-tenured), Graduate School of Media and Governance at Keio University
	Hidemoto Lee	Member of the Board & Operating Officer, Strategic Management & DC Business, BroadBand Tower, Inc.
Advisors:	Daisuke Aoki	FinTech and Innovation Office, Strategy Development Division, Strategy Development and Management Bureau, Financial Services Agency
	Manabu Abe	Japan Science and Technology Agency
	Mari Iwashima	Japan Science and Technology Agency
	Yoichi Kikuchi	Policy Planning and Research Division, General Affairs Department, Japan Patent Office
	Ryo Sato	Mobility Service Promotion Division, Policy

	Planning Bureau, Ministry of Land, Infrastructure and Transport
Yushi Seki	Intellectual Property Policy Office, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry
Erika Tsuboi	Japan Aerospace Exploration Agency, National Research and Development Agency
Yuka Tsubouchi	Policy Planning and Research Division, General Affairs Department, Japan Patent Office
Junya Tenpaku	FinTech and Innovation Office, Strategy Development Division, Strategy Development and Management Bureau, Financial Services Agency
Shiho Nagano	Policy Planning and Research Division, General Affairs Department, Japan Patent Office
Eitaro Nishihara	Information - technology Promotion Agency, Japan
Yurika Hashimoto	Intellectual Property Policy Office, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry
Tomomi Hioki	Attorney, Miura & Partners
Koji Matsuo	Japan Science and Technology Agency
Kohei Miki	FinTech and Innovation Office, Strategy Development Division, Strategy Development and Management Bureau, Financial Services Agency
Yoko Morikawa	Japan Aerospace Exploration Agency, National Research and Development Agency
Kazuo Yamamoto	Chief Researcher for General Policy Planning to Director-General for Policy Planning, Cabinet Office
Hiroko Yoshida	Japan Aerospace Exploration Agency, National Research and Development Agency
Ryotaro Watanabe	Attorney, Deputy Director of Intellectual Property Policy Office, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry

(Honorific titles are omitted)

(The titles and affiliations of the above members are those at the time of their participation in the WG.)

Exhibit 2: Agreement

Agreement

This Agreement (this "**Agreement**") is hereby made and entered into by and between ● K.K. ("**Licensor**") and ● K.K. ("**Licensee**") as follows, with respect to the provision of data from Licensor to Licensee. In this Agreement, any provision specified in the separately stipulated "List of Standards for Entry in the Free Entry Sections in the Agreement" shall be entered pursuant to such standards, and any entry which deviates from such standards shall be invalid.

Article 1.   Definitions

In this Agreement, the following terms shall be defined as follows:

(1) "**Provided Data**" means the data provided by Licensor to Licensee in accordance with this Agreement, to which Licensor has the utilization rights, as detailed below.

1. Basic Information

(1) Type of Data: Original, Annotation or Cleansing Data
□ Original data □ Annotation data □ Cleansing data * Please select one or more check boxes.
(2) Type and Content
・Not containing any "Personal Information" under the "Act on the Protection of Personal Information" of Japan
(3) Background Information
(4) Data Management Method
・ID ・Password ・Encryption ・●
(5) Applicable Period for Original Data
(6) Distribution (Bias)
(7) Volume

(8) Existence of Original Data
(9) History of Loss and Deletion

2. Method of Provision

(1) Format of Data to be Provided
[CSV/JSON]
(2) Method of Data Provision
[Download/API]
(3) Place of Provision
(4) Period of Provision
(5) Frequency of Provision

(2) "**Derived Data**" means data created through processing, analyzing, editing, integrating, etc. the Provided Data by Licensee or data newly created based on the Provided Data (excluding any data evaluated as being substantially identical to the Provided Data and any inference engine).

(3) "**inference engine**" means a combination of a program and a parameter that enables a certain result to be output for an input.

(4) "**Inference Engine**" means an inference engine using parameters obtained as a result of learning in the use of the Provided Data and the Derived Data.

(5) "**Purpose**" means Licensee's utilization of the Provided Data for [(i) the PoC concerning new products or services (wherein PoC means a "proof of concept" that is a partial realization of a new concept or idea to demonstrate its feasibility) / (ii) the development and marketing of new products or services / (iii) academic research / (iv) sale of the Derived Data].

(6) "**Region**" means ●.

(7) "**Documentation**" shall include electromagnetic records.

Article 2.　　　Grant of License to Use Data

Licensor shall provide the Provided Data to Licensee and shall grant Licensee a license to use the same in the Region only for the Purpose during the effective term of this Agreement; provided, however, that, ● shall be excluded.

Article 3.　　　Handling of Derived Data

1. Unless otherwise agreed between the parties, only Licensee shall have any and all utilization rights in relation to the Derived Data; provided, however, that Licensee may not use the Derived Data for any purpose other than for the Purpose.

2. Any intellectual property rights relating to inventions, devices, creations, trade secrets, etc. arising from Licensee's utilization of the Provided Data shall belong to Licensee.

[Optional Provision]

3. Upon Licensor's request, Licensee shall engage in mutual good faith consultation with Licensor concerning the grant of a license to use the Derived Data.

Article 4.　　　Consideration and Payment Terms

[Option (1): In the Case of Pay-Per-Use Basis]

1. Licensee shall pay Licensor JPY ● per unit of [●] as consideration for the grant of a license to use the Provided Data.

2. Licensor shall calculate the number of units in use by Licensee on the last day of each month and provide Licensee with a written notice specifying the amount of consideration for the grant of a license to use the Provided Data based on such number of units by no later than the ●th of the immediately following month.　 Upon calculating the consideration pursuant to this paragraph, if any fraction arises in the consideration, such fraction shall be rounded down to the nearest whole number.

3. During the effective term of this Agreement, Licensee shall pay Licensor the amount specified in Article 4.1, plus any applicable taxes imposed thereon, by no later than the last day of the month in which Licensee received the notice specified in Article 4.2 or the day separately designated by Licensor [by way of transfer into the bank

account designated by Licensor.   Licensee shall bear any transfer fees. / by using a credit card.]

[Option (2): In the Case of Monthly-Charge Basis]

1. During the effective term of this Agreement, Licensee shall pay Licensor the monthly amount of JPY ●, plus any applicable taxes imposed thereon, as consideration for the grant of a license to use the Provided Data, by no later than the last day of each month or the day separately designated by Licensor [by way of transfer into the bank account designated by Licensor.   Licensee shall bear any transfer fees. / by using a credit card.]

2. The consideration for the grant of a license to use the Provided Data specified in the preceding paragraph shall be calculated as a monthly charge for the period starting on the first day of a given month and ending on the last day of the same month, and if the period during which the Provided Data is available for Licensee is not a full month, the consideration shall be calculated on a pro-rata basis for the period during which the Provided Data is available for Licensee.

[Option (3): In the Case of One-Time Payment Basis]

Licensee shall pay Licensor JPY ●, plus any applicable taxes imposed thereon, as consideration for the grant of a license to use the Provided Data, within ● days after execution of this Agreement or the day separately designated by Licensor, [by way of transfer into the bank account designated by Licensor (the "**Payment Method for One-Time Payment Basis**").   Licensee shall bear any transfer fees. / by using a credit card (the "**Payment Method for One-Time Payment Basis**").]

[Option (4): In the Case of Sales Distribution]

1. During the effective term of this Agreement, Licensee shall prepare a report on the amount of revenue arising from utilization of the Provided Data, the Derived Data or the Inference Engine and other matters designated by Licensor for each calculation period [i.e. April 1 to March 31 of the following year / i.e. January 1 to March 31, April 1 to June 30, July 1 to September 30 and October 1 to December 31 of each year / i.e. the first day to last day of each month) and must submit the report to Licensor within fifteen (15) days after the termination of each such calculation period.

2. Licensee shall pay Licensor ● % of the amount of revenue arising from utilization of

the Provided Data, the Derived Data or the Inference Engine, plus any applicable taxes imposed thereon, by no later than the last day of the month immediately following the month in which Licensee submitted the report specified in Article 4.1, or the day separately designated by Licensor, [by way of transfer into the bank account designated by Licensor.   Licensee shall bear any transfer fees. / by using a credit card.]   Upon calculating the consideration pursuant to this paragraph, if any fraction arises in the consideration, such fraction shall be rounded down to the nearest whole number.

3. Licensee shall keep appropriate books for the matters to be stated in the report specified in Article 4.1 and shall retain and maintain such books during the effective term of this Agreement.

[Option (5): In the Case of the Minimum Guarantee Method]

1. During the effective term of this Agreement, Licensee shall prepare a report on the amount of revenue arising from utilization of the Provided Data, the Derived Data or the Inference Engine and other matters designated by Licensor for each calculation period [i.e. April 1 to March 31 of the following year / i.e. January 1 to March 31, April 1 to June 30, July 1 to September 30 and October 1 to December 31 of each year / i.e. the first day to last day of each month] and must submit the report to Licensor within fifteen (15) days after the termination of each such calculation period.

2. Licensee shall pay Licensor ● % of the amount of revenue arising from utilization of the Provided Data, the Derived Data or the Inference Engine, plus any applicable taxes imposed thereon, by no later than the last day of the month immediately following the month in which Licensee submitted the report specified in Article 4.1, or the day separately designated by Licensor, [by way of transfer into the bank account designated by Licensor.   Licensee shall bear any transfer fees. / by using a credit card.]   Upon calculating the consideration pursuant to this paragraph, if any fraction arises in the consideration, such fraction shall be rounded down to the nearest whole number.

3. Among the consideration for grant of the license specified in the preceding paragraph, Licensee shall pay Licensor JPY ● as the minimum guarantee amount (the "**Minimum Royalty**"), plus any applicable taxes imposed thereon, within ● days after the execution of this Agreement, or the day separately designated by Licensor, [by

way of transfer into the bank account designated by Licensor.　Licensee shall bear any transfer fees. / by using a credit card.]

4. Among the consideration for grant of the license specified in Article 4.2, Licensee shall pay, pursuant to Article 4.2, only the amount exceeding the Minimum Royalty specified in the preceding paragraph (the "**Excess Royalty**").

5. Licensee shall keep appropriate books for the matters to be stated in the report specified in Article 4.1 and shall retain and maintain such books during the effective term of this Agreement.

6. If this Agreement is extended pursuant to the provision of Article 16.2, the phrase "after the execution of this Agreement" specified in Article 4.3 shall be deemed to be replaced with "after commencement of the effective term of the extended Agreement."

[Option (1): In the Case where a Warranty is Generally Not Provided]
Article 5.　　No Warranty Regarding the Provided Data
1. Licensor represents and warrants that the Provided Data has been obtained through legitimate and appropriate means.

2. Licensor provides no warranty as to the accuracy, completeness, safety or effectiveness (fitness for the Purpose) of the Provided Data or as to the non-infringement of the Provided Data upon any third party's intellectual property rights and any other rights.

[Option (2): In the Case of a Warranty Provided To a Certain Extent]
Article 5.　　Warranty Regarding the Provided Data
1. Licensor represents and warrants the following matters concerning the Provided Data:
    (1) the Provided Data has been obtained through legitimate and appropriate means;
    (2) the Provided Data does not infringe upon any third party's [copyrights / intellectual property rights and any other rights] [in Japan];
    (3) the content of the "Basic Information" stipulated in Article 1.(1).1 with regard to the Provided Data is accurate;
    (4) No malicious alteration has been made with regard to the Provided Data; and

(5) [   ]

2. Other than the matters stipulated in the preceding paragraph, Licensor provides no warranty as to the accuracy, completeness, safety or effectiveness (fitness for the Purpose) of the Provided Data or as to the non-infringement of the Provided Data upon any third party's intellectual property rights and any other rights.

Article 6.   Maintaining the Nature of "Shared Data with Limited Access"

Licensee recognizes that the Provided Data falls under the "shared data with limited access" under the Unfair Competition Prevention Act of Japan and complies with the following:

(1) maintaining the data management method specified in Article 1.(1).1.(4), and when reproducing or processing any data, managing such reproduced or processed data by using the same management method as that for the Provided Data;

(2) when using passwords to manage the Provided Data (including reproductions thereof or those substantially the same; the same shall apply hereinafter), not allowing passwords to be used by anyone other than Licensee's authorized employees; and

(3) ●

Article 7.   Management of Provided Data

1. Licensee must manage and store the Provided Data with the due care of a prudent manager by clearly separating the Provided Data from other information.

2. Licensee shall warrant that it has obtained [ISMS / Privacy Mark / ISO/IEC 27001 / ISO 27017 / ISO 27018 / CS Silver / CS Gold / PCI-DSS/SOC2] as official certification for data management and shall maintain the same for the effective term of this Agreement.

3. Licensor may, at any time, request Licensee to submit a written report on the management status of the Provided Data.   In such case, if Licensor determines that the Provided Data is likely to be leaked or lost, Licensor may request Licensee to correct the management or storage method of the Provided Data.

4. If a request is made for reporting or correction as specified in the preceding

paragraph, Licensee must promptly accommodate such request.

Article 8.　　　　Audit

1.　Licensor may request Licensee to submit a report on the usage status of the Provided Data that is necessary to verify whether Licensee's utilization of the Provided Data conforms to the terms and conditions of this Agreement.

2.　If Licensor determines, based on reasonable standards, that the report submitted under the preceding paragraph is not sufficient to verify the usage status of the Provided Data, Licensor may conduct, by itself or through a third party, an audit on Licensee's usage status of the Provided Data at Licensee's place of business, up to once a year, subject to providing ● business days prior written notice.　 In such case, Licensee shall cooperate with the audit conducted by Licensor or a third party to the extent reasonable, and Licensor shall comply with, or cause such third party to comply with, the Licensee's information security-related regulations and other internal regulations that Licensee separately notifies to Licensor.

3.　If, as a result of the audit specified in the preceding paragraph, it is found that Licensee has utilized the Provided Data in breach of this Agreement, Licensee shall pay Licensor any expenses required for the audit.　 In addition, if it is found that the consideration that Licensor deemed to be reasonable in the actual manner of usage exceeds the consideration pertaining to the utilization of the Provided Data stipulated in Article 4, Licensee shall pay Licensor 125% of the difference between the above two (2) amounts of consideration.

Article 9.　　　　Prohibition of Use

1.　Licensee must not, without prior written approval from Licensor, use the Provided Data for any purpose other than the Purpose and must not disclose, provide or leak the Provided Data to any third party (if Licensee is a corporation, its parent company, subsidiaries and affiliates shall also be included as third parties).

2.　Notwithstanding the provision of the preceding paragraph, Licensor grants Licensee the right to disclose or provide the Provided Data to [●] for the purpose of performing this Agreement.　 In such case, Licensee shall impose upon such third party obligations equivalent to those owed by Licensee with regard to the Provided Data under this Agreement.

Article 10.   Suspension of Utilization and Updating

1. In the case where Licensor finds that Licensee is in breach of this Agreement, Licensor may either suspend Licensee from utilizing the Provided Data or suspend updating of the Provided Data [at Licensor's discretion. / if Licensor requests Licensee to resolve the state of breach, but Licensee nonetheless fails to resolve the same within ● days.]

2. Licensee may not make a claim, in any way whatsoever, against Licensor for any damage it incurs as a result of the measures taken by Licensor under the preceding paragraph.

Article 11.   Intellectual Property Rights in and to the Provided Data

Any intellectual property rights relating to the Provided Data (including, without limitation, the rights relating to the database works) belong to Licensor; provided, however, that the foregoing shall not apply to any Provided Data whose intellectual property rights belong to a third party.

Article 12.   No Exercise of Moral Rights of Author

With regard to the Provided Data, Licensor shall not, in any way whatsoever, exercise against Licensee any moral rights of the author as stipulated in the Copyright Act of Japan (the "**Copyright Act**") (e.g. the right to make a work public (Article 18 of the Copyright Act), the right of attribution (Article 19 of the Copyright Act) and the right to integrity (Article 20 of the Copyright Act)) or any rights equivalent to the foregoing.

Article 13.   Limitation of Liability, Etc.

1. Unless Licensor provides an express warranty in this Agreement, Licensor shall not be liable for any and all claims, losses, damage or expenses (including, without limitation, reasonable attorneys' fees) in relation to Licensee's utilization of the Provided Data or Licensee's utilization of any intellectual property rights relating to an invention, device, creation, trade secret, etc. generated through Licensee's utilization of the Provided Data.

2. If any dispute, claim or demand (the "**Dispute, Etc.**") arising from or in connection with utilization of the Provided Data occurs between Licensee and any third party, Licensee shall immediately notify Licensor to such effect in writing and resolve such

Dispute, etc. at its responsibility and expense. Licensor shall cooperate in the resolution of any such Dispute, Etc. to a reasonable extent.

3. If Licensor incurs any damage, losses or expenses (including reasonable attorneys' fees; the "**Damage, Etc.**") arising from or in connection with the Dispute, Etc. stipulated in the preceding paragraph (except in the case where such Dispute, Etc. is due to any cause attributable to Licensor), Licensee shall provide Licensor with compensation for such Damage, Etc.

Article 14.   Confidentiality

1. Licensor or Licensee (the "**receiving party**" in this Article) shall keep strictly confidential any information that it comes to know through this Agreement, disclosed by the other party (the "**disclosing party**" in this Article), whether in writing, orally or by any other means, which the disclosing party declares upon disclosure as constituting confidential information (the "**Confidential Information**"; provided, however, that the Provided Data is not included in the "Confidential Information" under this Article), and the receiving party must not disclose, provide or leak the Confidential Information to any third party without the prior written approval of the disclosing party or use the Confidential Information for any purpose other than exercising the rights or performing the obligations under this Agreement; provided, however, that if any public agency makes a legally binding request for disclosure, the receiving party may disclose the Confidential Information to the extent of accommodating such request, under the condition that the receiving party provides the disclosing party with prompt notice to such effect.

2. Notwithstanding the provision of the preceding paragraph, any information that falls under the following shall be excluded from the definition of Confidential Information:
    (1) Information already held by the receiving party at the time of its disclosure;
    (2) Information independently generated by the receiving party without the use of any Confidential Information;
    (3) Information already in the public domain at the time of its disclosure;
    (4) Information that enters the public domain after its disclosure due to any reason not attributable to the receiving party; or
    (5) Information disclosed by a duly authorized third party without any obligation to maintain confidentiality.

3. The receiving party may disclose the Confidential Information to its officers or employees, or to its attorneys, accountants, tax accountants or other professionals who are bound by confidentiality obligations under applicable laws, only to the extent necessary for the performance of this Agreement, under the condition that the receiving party causes all these persons to comply with the confidentiality obligations under Article 14.1.

4. Notwithstanding the provisions of Article 14.1, Licensor grants Licensee the right to disclose or provide the Confidential Information to [●] for the purpose of performing this Agreement. In such case, Licensee shall impose upon such third party obligations equivalent to those under Article 14.1 owed by Licensee under this Agreement.

5. Notwithstanding the provisions of Article 14.1, Licensee grants Licensor the right to disclose or provide the Confidential Information to [●] for the purpose of performing this Agreement. In such case, Licensor shall impose upon such third party obligations equivalent to those under Article 14.1 owed by Licensor under this Agreement.

6. The obligations under this Article shall remain in full force and effect for ● years after the termination of this Agreement.

Article 15.   Export Control

If Licensee intends to export the Provided Data from the country/region where Licensee is located (including taking the same outside of such country/region), Licensee shall obtain prior written approval from Licensor and shall also comply with the Foreign Exchange and Foreign Trade Act of Japan, the Export Trade Control Order of Japan, the Foreign Exchange Order of Japan and other related Ministerial Orders of Japan and the laws and rules, etc. of relevant countries, and shall, as necessary, obtain export permission from the Japanese government and re-export permission from the relevant countries' governments.

Article 16.   Effective Term

1. The effective term of this Agreement shall be [● years from the execution date hereof / ● months from the execution date hereof / for an indefinite period of time].

2. If either Licensor or Licensee requests the other party in writing to extend this Agreement by ● months before the expiration of the effective term hereof and the other party accepts such extension, this Agreement will be extended for an additional period of ● years upon the same conditions, with the same to apply thereafter.   If Licensee requests Licensor to extend this Agreement based on a legitimate reason, Licensor may not unjustly refuse such request.

Article 17.   Compensatory Damages

1. If Licensor or Licensee causes damage to the other party due to its breach of this Agreement or breach of any of its representations and warranties contained in this Agreement, such party shall be liable to provide the other party with compensation only for the damage directly and actually incurred by the other party.

2. The amount of damages owed by Licensor to Licensee under the preceding paragraph shall not exceed the total of the amount that had been received by Licensor from Licensee under Article 4 as at the time before the occurrence of the cause of damage for compensation, except in the case of willful misconduct or gross negligence.

3. If Licensee finds any utilization of the Provided Data in breach of this Agreement, such as leakage, loss, provision to a third party or utilization for unintended purpose (collectively, "**Leakage of Provided Data, Etc.**"), Licensee must immediately notify Licensor to such effect.

4. If any Leakage of Provided Data, Etc. is likely to have occurred due to willful misconduct or gross negligence on the part of Licensee, Licensee shall, at its responsibility and expense, confirm the fact as to whether any Leakage of Provided Data, Etc. indeed occurred, and if such fact is confirmed, immediately take measures [in an appropriate manner / as designated by Licensor] to prevent further damage, and at the same time, investigate the cause thereof and consider measures to prevent the recurrence thereof, and report the details of such investigation and consideration to Licensor.

Article 18.   Force Majeure

During the effective term of this Agreement, neither Licensor nor Licensee shall be liable for any delay or impossibility of performance of all or any part of this Agreement due to

an act of God, war, riot, civil war, epidemic, infectious disease, natural disaster, power failure, interruption of communication facilities, suspension of provision or emergency maintenance of external services such as cloud services, establishment, revision or abolition of laws and regulations or any other cause not attributable to Licensor or Licensee.

Article 19.   Termination

1. Licensor or Licensee may immediately terminate this Agreement, in whole or in part, without being required to make a demand, if any of the following circumstances apply to the other party; provided, however, that if the payment of the consideration for the grant of a license to use the Provided Data is made by the <u>Payment Method for One-Time Use Basis</u>, neither party may terminate this Agreement on the grounds that any circumstances specified in items 2 through 8 below apply to the other party:

    (1) the other party breaches any provision of this Agreement and fails to cure such breach despite having received a demand from the non-breaching party specifying a reasonable period for cure thereof;

    (2) the other party suspends payments or becomes insolvent or a note or check drawn by the other party is dishonored;

    (3) a petition for the commencement of bankruptcy, civil rehabilitation, corporate reorganization or special liquidation proceedings or a petition for the commencement of insolvency proceedings similar to the foregoing is filed in relation to the other party;

    (4) a petition for the commencement of provisional attachment, provisional disposition, attachment, disposition due to delinquency or auction proceedings is filed against the other party's important assets or a disposition due to delinquent public taxes and imposts is issued against the other party;

    (5) the other party suspends or abolishes its operation or assigns an important part of its business;

    (6) the other party enters into dissolution or liquidation for any reason other than merger;

    (7) the other party undergoes a considerable deterioration in the state of its assets or the likelihood thereof is reasonably recognized;

    (8) it is found that the other party has breached any of its representations and warranties stipulated in Article 5; or

    (9) in addition to the above, any other significant reasons occur that are similar to any of the preceding items that make it difficult to continue this Agreement.

2. Termination pursuant to the preceding paragraph shall not preclude the terminating party from demanding the other party to provide compensatory damages.

3. Notwithstanding the provision of Article 16, if Licensor or Licensee withdraws from the "AIDC Data Cloud" data distribution platform provided by AI Data Consortium, or ceases to be a member of "AIDC Data Cloud" for any other reason, this Agreement shall be automatically terminated.

Article 20.   Measures after Termination

1. After termination of the effective term of this Agreement, Licensee must not utilize the Provided Data for any reason, and must promptly dispose of or erase all the Provided Data that it has received in the manner separately instructed by Licensor.

2. Licensor may request Licensee to submit a written document certifying that all Provided Data has been disposed of or erased.

3. After termination of the effective term of this Agreement, Licensee must not provide any third party with or cause any third party to use the Inference Engine, any products or services containing the Inference Engine, or the Derived Data, which are prepared within the effective term hereof; provided, however, that if there is any Inference Engine or products containing the Inference Engine remaining as at the termination of this Agreement, Licensee may sell the same upon obtaining approval from Licensor.   In such case, Licensee shall continue to make payments in accordance with the payment terms specified in Article 4.

Article 21.   Elimination of Anti-Social Forces

1. Licensor and Licensee each represents and warrants that, both at present and in the future, neither it nor any of its representatives, officers, persons who substantially control the management thereof, employees, agents or intermediaries (the "**Related Persons**") falls or will fall under any of the following:
    (1) an organized crime group (as stipulated in Article 2(2) of the Act on Prevention of Unjust Acts by Organized Crime Group Members of Japan (the "**Anti-Organized Crime Act**"));
    (2) a member of an organized crime group (as stipulated in Article 2(6) of the Anti-Organized Crime Act);

(3) a quasi-member of an organized crime group;

(4) a company related to an organized crime group;

(5) a corporate extortionist ("*sokaiya*"), etc., a racketeer advocating a social movement ("*shakaiundohyobogoro*"), a racketeer advocating political activities ("*seijikatsudohyobogoro*"), or a special intelligence criminal organization ("*tokushuchinoboryokushudan*");

(6) a person/organization that is closely involved with any of the foregoing (including, without limitation, any act of providing funds or other benefits); or

(7) a person/organization equivalent to any of the foregoing.

2. Licensor and Licensee each warrants that neither it nor any of its Related Persons directly or indirectly engages in any of the following acts:

(1) making a violent demand;

(2) making an unreasonable demand going beyond a legal responsibility;

(3) engaging in threatening behavior (including, without limitation, informing that it or any of its Related Persons constitutes any person stipulated in the preceding paragraph) or committing a violent act with respect to transactions;

(4) damaging the reputation of the other party or interfering with the other party's business by spreading rumors, or using fraudulent means or force; or

(5) any other act equivalent to any of the foregoing.

3. If Licensor or Licensee finds that the other party is in breach of any of the representations or warranties stipulated in the preceding two (2) paragraphs, such party may terminate this Agreement without being required to make any demand whatsoever.

4. If Licensor or Licensee terminates this Agreement pursuant to the provision of the preceding paragraph, such party shall not be liable for any damage, loss or expense incurred by the other party due to such termination.

Article 22.   Survival

Even after the termination of this Agreement, Article 3 (Handling of Derived Data), Article 9 (Prohibition of Use), Article 11 (Intellectual Property Rights in Provided Data), Article 13 (Limitation of Liability, Etc.), Article 14 (Confidentiality), Article 17 (Compensatory Damages), Article 18 (Force Majeure), Article 19.2 (Termination), Article 20 (Measures after Termination), Article 21.4 (Elimination of Anti-Social Forces), this Article 22

(Survival), Article 23 (No Assignment of Rights and Obligations) and Article 25 (Governing Law and Jurisdiction) [and Article 28 (Non-Competition Obligation)] shall remain in full force and effect.

Article 23.   No Assignment of Rights and Obligations

Neither party may, without obtaining prior written approval from the other party, assign, pledge as collateral or otherwise dispose of any of its rights, obligations or contractual status under this Agreement.

Article 24.   Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the provision of the Provided Data, and any agreements, understandings and other arrangements made with respect to provision of the Provided Data prior to the execution of this Agreement shall cease to be effective by execution of this Agreement.

Article 25.   Governing Law and Jurisdiction

This Agreement shall be governed by the laws of Japan.   Any dispute in relation to or incidental to this Agreement shall be subject to the exclusive jurisdiction of the Tokyo Summary Court or the Tokyo District Court according to the value of the subject matter of the litigation.

Article 26.   Good Faith Consultation

Any matter not stipulated in this Agreement and any matter regarding which any doubt arises shall be resolved upon mutual good faith consultation between Licensor and Licensee.

Article 27.   Notice

1. Unless otherwise stipulated in this Agreement, any notice provided by Licensor or Licensee under this Agreement shall be provided through "My Page" on the AIDC website or through postal mail or email to the respective person in charge specified below.   Any fees pertaining to postal mail shall be borne by the party sending the same.

	Licensor	Licensee
Person in charge		
Address		
Email address		

2. The notice provided pursuant to the preceding paragraph shall become effective as at the time of its arrival to the other party or at the time when it should arrive at the other party.

3. If Licensor or Licensee changes its address stipulated in Article 27.1, such party must notify the other party to such effect in advance.

Article 28.　　(Non-Competition Obligation)
During the effective term of this Agreement and for ● years after termination of the effective term of this Agreement, Licensee must not use, by itself, or cause any third party to use, the Derived Data and the Inference Engine for the same or similar business to that operated by Licensor.

Exhibit 3

I. Timing for Formation of Agreement

This Agreement (as defined below) assumes that Licensee (as defined below) confirms the items which Licensor has set in advance in the wizard, and Licensee fills in the options available to it, and thereby finalizes the terms and conditions of this Agreement. As to the timing for formation of this Agreement, the following two (2) patterns are possible:

Firstly, if Licensor sets "Unnecessary" for "Approval for Agreement" in the "Public Setting" item on the wizard, Licensor will not make final confirmation after Licensee completes selecting the options on the wizard, and this Agreement will take effect at the time when Licensee completes selecting the options.

On the other hand, if Licensor sets "Necessary" for "Approval for Agreement" in the "Public Setting" item on the wizard, Licensor may make final confirmation on the content of Licensee's selection of the options on the wizard after Licensee completes such selection. In this case, this Agreement will take effect at the time when Licensor makes final confirmation on the content of this Agreement and approves the same.

II. Explanations on Terms and Conditions of Agreement

Preamble

> This Agreement (this "**Agreement**") is hereby made and entered into by and between ● K.K. ("**Licensor**") and ● K.K. ("**Licensee**") as follows, with respect to the provision of data from Licensor to Licensee. In this Agreement, any provision specified in the separately stipulated "List of Standards for Entry in the Free Entry Sections in the Agreement" shall be entered pursuant to such standards, and any entry which deviates from such standards shall be invalid.

<u><Explanation></u>
1. Certain provisions of this Agreement contain "Free Entry Fields" in which Licensor or Licensee may state specific matters as necessary. In order to prevent any deviation from the originally intended entry and unreasonable restriction or expansion of the contractual relationship between Licensor and Licensee in such free entry field, a separate standard for entry in the free entry field (Exhibit 4) has been stipulated, and

any entry deviating from such standards will be treated as invalid.

1. Definitions

Article 1.　　　Definitions

In this Agreement, the following terms shall be defined as follows:

(1) "**Provided Data**" means the data provided by Licensor to Licensee in accordance with this Agreement, to which Licensor has the utilization rights, as detailed below.

1. Basic Information

(1) Type of Data: Original, Annotation or Cleansing Data
□ Original data
□ Annotation data
□ Cleansing data
* Please select one or more check boxes.
(2) Type and Content
・Not containing any "Personal Information" under the "Act on the Protection of Personal Information" of Japan
(3) Background Information
(4) Data Management Method
・ID ・Password ・Encryption ・●
(5) Applicable Period for Original Data
(6) Distribution (Bias)
(7) Volume
(8) Existence of Original Data
(9) History of Loss and Deletion

2. Method of Provision

(1) Format of Data to be Provided	
[CSV/JSON]	
(2) Method of Data Provision	
[Download/API]	
(3) Place of Provision	
(4) Period of Provision	
(5) Frequency of Provision	

(2) "**Derived Data**" means data created through processing, analyzing, editing, integrating, etc. the Provided Data by Licensee or data newly created based on the Provided Data (excluding any data evaluated as being substantially identical to the Provided Data and any inference engine).

(3) "**inference engine**" means a combination of a program and a parameter that enables a certain result to be output for an input.

(4) "**Inference Engine**" means an inference engine using parameters obtained as a result of learning in the use of the Provided Data and the Derived Data.

(5) "**Purpose**" means Licensee's utilization of the Provided Data for [(i) the PoC concerning new products or services (wherein PoC means a "proof of concept" that is a partial realization of a new concept or idea to demonstrate its feasibility) / (ii) the development and marketing of new products or services / (iii) academic research / (iv) sale of the Derived Data].

(6) "**Region**" means ●.

(7) "**Documentation**" shall include electromagnetic records.

<u><Explanation></u>

1. In a data provision agreement, it is important to clearly stipulate the details of the Provided Data, such as the subjects, items and number of cases of the Provided Data subject to transactions. If the details of the Provided Data subject to transactions are not clearly stipulated, it is possible that a data recipient may not

receive data that is supposed to be received and thereby may not be able to realize the business utilizing the Provided Data or achieve the purpose of the agreement (i.e. the purpose of receiving the data).   In addition, if the details of the Provided Data subject to transactions are not clearly stipulated, it becomes unclear as to the extent to which a data recipient bears confidentiality obligations and the extent to which more careful management of data is required.   Accordingly, it is necessary to clearly stipulate in an agreement the content of the Provided Data subject to transactions and other necessary matters.

2. When stipulating the details of the Provided Data subject to transactions in an agreement, the content of such Provided Data needs to be made clear for both parties to the agreement.   As such, the detailed information of the Provided Data is to be stipulated in the "Definitions" section of this Agreement, thereby ensuring the data subject to provision under this Agreement is identified.   Upon identifying the data subject to provision, it is assumed that detailed information will be stipulated from two (2) perspectives, namely, "Basic Information" and "Method of Provision."

3. In the "Basic Information" section for the Provided Data, it is desirable to identify the Provided Data in a specific manner to the extent possible, by entering the matters listed below in detail:

    (1) Type of Data: Original, Annotation or Cleansing Data
         If the Provided Data constitutes the Original Data, the Annotation Data and/or the Cleansing Data, Licensor shall select the applicable check box(es).

         Under this Agreement, "**Original Data**" means data prior to being cleansed or annotated, "**Annotation Data**" means data after the Original Data is annotated, and "**Cleansing Data**" means data after the Original Data is cleansed.

         Generally speaking, "annotation" means "providing information related to certain data (metadata) as annotation"[1]; and "cleansing (data cleansing)" means "enhancing the quality of data by searching for duplicates, errors, spelling inconsistencies, etc. from among the data stored in a database, etc., and by

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[1] The Wikimedia Foundation, Inc. "Wikipedia: The Free Encyclopedia"; "annotation" [last access on September 25, 2020]
https://ja.wikipedia.org/wiki/%E3%82%A2%E3%83%8E%E3%83%86%E3%83%BC%E3%82%B7%E3%83%A7%E3%83%B3

deleting, correcting, normalizing, etc. the same."[2]

(2) Type and Content

Under this Agreement, it is assumed that the "type" of the Provided Data indicates the type of all the Provided Data as a category, and that the "content" of the Provided Data indicates the specific content contained in the Provided Data as items.   For example, it is possible that the subway operation history data of ● Line will be entered as the "type" of the Provided Data and the departure and arrival times and the train carriage numbers will be entered as the "content" of the Provided Data.

It is assumed that the "Personal Information" stipulated in Article 2.(1) of the "Act on the Protection of Personal Information" of Japan is outside of the scope of this Agreement, and it is therefore stipulated in the "Type and Content" section as follows: "Not containing any 'Personal Information' under the 'Act on the Protection of Personal Information' of Japan."   If any "Personal Information" is contained in the Provided Data, it is necessary to comply with the obligations under the "Act on the Protection of Personal Information," and Licensor and Licensee should therefore pay particular attention in this regard.

(3) Background Information

As one of the elements for evaluating the reliability of the Provided Data, the background information of the Provided Data is stipulated, such as the identity of the person who obtained the data and the person who processed the data.

If the Provided Data constitutes Original Data, it is possible that the name of the organization where the person who has obtained such Original Data belongs and the name of the person in charge will be stated.   Moreover, if the Provided Data constitutes Annotation Data or Cleansing Data, it is possible that not only the name of the organization where the person who has obtained such Original Data belongs and the name of the person in charge, but the name of the organization where the person who has annotated or cleansed such Original Data belongs and the name of the person in charge will also be stated.

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[2] "IT Terminology Dictionary e-words" published by Incept Inc.; "data cleansing" / "data cleaning"
http://e-words.jp/w/%E3%83%87%E3%83%BC%E3%82%BF%E3%82%AF%E3%83%AC%E3%83%B3%E3%82%B8%E3%83%B3%E3%82%B0.html

(4) Data Control Measures

Under this Agreement, it is assumed that the Provided Data falls under the "shared data with limited access" specified in Article 2.(7) of the "Unfair Competition Prevention Act" of Japan (page 2 of this Report). As one of the requirements to fall under "shared data with limited access," the Provided Data should be "managed by electronic or magnetic means (meaning an electronic form, magnetic form, or any other form that is impossible to perceive through the human senses alone ･･･)" (i.e. electromagnetic manageability).

In order to satisfy electromagnetic manageability, it is necessary that a third party can recognize the intention of the data holder that the data is managed to be provided only to specific persons.

The specific content and degree of data control measures vary depending on the entity's size and type of business, the nature of the data, and other circumstances; however, data should be controlled in a manner that a third party can generally and easily recognize.

In addition, in order to satisfy electromagnetic manageability, measures must be implemented to prevent access to data by any person other than the data holder and the person to whom data is provided by such data holder (specific person), i.e. technology to restrict access must be implemented.

Access restriction is usually performed by user authentication, and ID, password, IC card, specific terminal device, token, biometric information, etc. are used as the components thereof (the foregoing applies in the case where data is encrypted as a measure to allow access only to specific persons, such as where the encrypted data is decrypted after user authentication). In addition, transmission through a dedicated line is also considered to constitute a technology that restricts access.[3]

(5) Applicable Period of Original Data

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[3] Page 10 of "Policy on Shared Data with Limited Access (January 23, 2019) issued by the Ministry of Economy, Trade and Industry
https://www.meti.go.jp/policy/economy/chizai/chiteki/guideline/h31pd.pdf

It is assumed that the applicable period of the Original Data will be entered in this section. For example, it is conceived that the following information will be entered: "Data obtained from the period starting (mm/dd/yy) and ending on (mm/dd/yy)"

It is desirable to enter the applicable period of the Original Data as specifically as possible, according to the nature of the data. For example, a day unit may be used for the applicable period in certain cases, and in other cases, an hour, minute and second unit may be used; also, a year and month unit may be used in some cases. When it is difficult to enter the specific period, an unspecified wider range of period may be entered, such as "around (mm/dd/yy)" or "before (mm/yy) and after (mm/yy)."

Not only in the case where the Provided Data constitutes Original Data, but also where the Provided Data constitutes Cleansing Data or Annotation Data, it is desirable to enter the applicable period of such Original Data to the extent of Licensor's knowledge.

(6) Distribution (Bias)

If there is any bias in the distribution of the Provided Data, it is assumed that such issue will be mentioned in this section. As for questionnaire information, for example, when such information is stated by using natural language, it is possible to specify in this section that "Respondents other than Japanese are excluded." Likewise, when questionnaire information is stated in a language other than natural language (e.g. in a programming language), it is possible to indicate a percentage by using a list, etc. in this section.

(7) Volume

It is assumed that the degree of the details of the Provided Data will be entered in this section. When stating the volume of the Provided Data, it should be stated in an appropriate manner according to the nature of the data, etc. For example, in the case of questionnaire information, it is possible that the number of questionnaire respondents will be stated. In the case of subway operation data, it is possible that the total number of carriages, the number of stations, departure and arrival times, etc., will be stated.

(8)　Existence of Original Data

　　　The term "original data" used in this section has the same meaning as the Original Data used in this Agreement.　If the Original Data is available on the Platform, it is assumed that "Yes" is stated in this section, along with stating the information necessary to obtain such Original Data (e.g. relevant information to enable the retrieval of the Original Data within the Platform).　As to the definition of the Original Data, see "(1) Type of Data: Original Data, Annotation Data, or Cleansing Data" above.

(9)　History of Loss and Deletion

　　　If there is any history of loss or deletion in the Provided Data, it is assumed that such effect will be entered in this section.　For example, in the case where data of an operating section other than a certain operating section is deleted for subway operation data, it is possible to state such effect.

4.　It is desirable to enter the following matters in detail in the "Methods of Provision" section with regard to the Provided Data; it is also desirable to identify the method of providing the Provided Data as specifically as possible:

(1)　Format of Data to be Provided

　　　It is assumed that the file format of the Provided Data will be entered in this section.　For example, "CSV" or "JSON" will be stated.

(2)　Method of Providing Data

　　　It is assumed that the method of providing data to the Licensee will be entered in this section.　For example, "download" or "API" will be entered.

(3)　Place of Provision

　　　It is assumed that the place where the data is provided to Licensee will be entered in this section.　For example, AIDC's website, ●'s website or a URL to identify such website will be entered.

(4)　Period of Provision

　　　It is assumed that the time period for providing data to the Licensee will be entered in this section.　For example, "during the term of this Agreement" or "by no later than (mm/dd/yy)" will be entered (see the Explanation for Article 16 for the difference from the period of provision and the effective term).

(5) Frequency of Provision

It is assumed that the frequency of the Provided Data to be updated and become available to Licensee will be entered in this section. For example, "updated on an hourly basis" or "updated on the first day of every month" will be entered.

5. Article 1.(2) clarifies the scope of the "Derived Data," by stipulating the definition thereof, which is assumed to be handled differently from the Provided Data as the data deriving from the Provided Data.

The Provided Data provided by the Licensor could, through processing, analysis, editing, integration, etc., become data which brings about new knowledge and value. There is no single answer as to whether Licensor also has the utilization rights to such Derived Data, or whether Licensee alone has such utilization rights.[4]

Generally speaking, if there is no specific agreement as to the utilization rights to the Derived Data, it would be appropriate for the parties to this Agreement (i.e. Licensor and Licensee) to reasonably determine whether Licensee alone has the utilization rights to the Derived Data or Licensor also has the utilization rights to the Derived Data, in consideration of factors such as: the nature of the Provided Data (original data); expenses and labor incurred upon obtaining or collecting the Provided Data (original data); trade secrecy of the Provided Data (original data); degree of and expenses incurred for processing, analysis, editing, integration, etc. of the Provided Data (original data); and whether all or any part of the Provided Data (original data) is contained in the Derived Data as recoverable data.

However, even when one mentions the term "Derived Data," there are various types of Derived Data, and it is therefore necessary to have a common recognition between the parties to this Agreement as to the definition of the Derived Data. It is desirable to define the Derived Data in an agreement and further clarify whether there are any utilization rights to the Derived Data because if it remains unclear in an agreement as to whether or not there are utilization rights to the Derived Data, it

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[4] As the Derived Data is created only after processing, analysis, editing, integration, etc. by Licensee within the scope of this Agreement and could not have been created without Licensee's actions (i.e. cleansing or annotation), in many cases, it is considered to be reasonable that, at the very least, Licensee may use such Derived Data unless otherwise agreed between the parties.

may develop into a dispute in the future (see Article 3 which stipulates the handling of the Derived Data).

6. Under this Agreement, the "Derived Data" is defined as "(i) data created by Licensee through processing, analysis, editing, integrating, etc. of the Provided Data" or "(ii) data newly created by Licensee based on the Provided Data."   As to (i), such data corresponds to the Cleansing Data, and as to (ii), such data corresponds to the Annotation Data (for the definitions thereof, see "(1) Type of Data: Original Data, Annotation Data or Cleansing Data" above).

It should be noted that, the definition of the Derived Data excludes "(iii) any data evaluated as being substantially identical to the Provided Data" and "(iv) any inference engine."

First of all, the reason why "(iii) any data evaluated as being substantially identical to the Provided Data" is excluded from the definition of the Derived Data is that it is necessary to protect Licensor's interests in an appropriate manner given the fact that, in the case where any data constitutes the Derived Data, the utilization rights will, in principle, arise to Licensee.   One example of the data which is processed to the extent that will be evaluated as being substantially identical to the Provided Data is as follows: any data whose slight duplicates, errors, spelling inconsistencies, etc. are merely modified upon cleansing and which can be evaluated as being substantially identical to the Provided Data in light of socially accepted conventions.   As to the Annotation Data, given its nature, it is not assumed to be evaluated as being substantially identical to the Provided Data, and it is therefore considered that the Annotation Data is not excluded from the Derived Data.

Moreover, the reason why "(iv) any inference engine" is excluded from the definition of the Derived Data is that, while an inference engine could be included in the Derived Data as being "data newly created by Licensee based on the Provided Data," an inference engine, given its nature, requires a treatment that differs from a treatment for the Provided Data and the Derived Data.   For the definition of "inference engine," see 7 below.

7. The term "inference engine" means a combination of a program and a parameter that enables a certain result to be output for an input; and the term "Inference Engine"

means an inference engine using parameters obtained as a result of learning in the use of the Provided Data and the Derived Data.   In general, when simply referring to the term "inference engine," it could be considered to refer to a model before learning.   As such, in this Agreement, the term "Inference Engine" is defined aside from the term "inference engine," as a concept referring to a learned model only.

8.   In the "Purpose" section, it is assumed to stipulate Licensee's purposes of use for the Provided Data.

One or more of the following among from (i) through (iv) shall be selected as the Purpose:

(i)   PoC for new products or services (wherein PoC means a "proof of concept" that is a partial realization of a new concept or idea to demonstrate its feasibility);
(ii)   development and marketing of new products or services;
(iii)   academic research;
(iv)   sale of the Derived Data

In Article 2, the Purpose is designated as a condition for the grant of a license to use the Provided Data, and how the Purpose is defined is important in defining to what extent the license is granted by Licensor to Licensee to use the Provided Data under this Agreement.

While (i) and (ii) constitute commercial purposes, it is assumed that Licensee selects (i) in the case where Licensee's intention is limited to PoC and Licensee does not place any new product or service on the market, and that Licensee selects (ii) in the case where Licensee places any new product or service on the market (it should be noted that it is assumed that (iv) "sale of the Derived Data" is not included in (ii) "development and marketing of new products or services").   In addition, (iii) constitutes academic research purposes, and it is assumed that Licensee selects (iii) when the Provided Data is used for academic research purposes.   In addition, it is assumed that Licensee selects (iv) in the case where sale of the Derived Data is assumed upon use of the Provided Data.   If Licensee does not select (iv), the Provided Data cannot be used for sale of the Derived Data, and as a result thereof and other reasons, it is understood that Licensee cannot sell the Derived Data.

It should be noted that when Licensee selects (i) "PoC for a new product or service" or (iii) "academic research," there are no sales arising from the use of the Provided Data, and therefore, Licensor cannot select the provisions "In the Case of Sales Distribution" stipulated in Article 4 (see page 38 of this Report for explanations on "Article 4").

9. In the "Region" section, it is assumed that Licensor will, at its choice, specify the geographical areas where Licensee may use the Provided Data. It is assumed that a country or larger geographical area is stated as the Region (e.g. Japan, the US, EU member states or worldwide). In Article 2, the Reason is designated as a condition for the grant of a license to use the Provided Data, and how the Region is defined is important in defining the region where Licensor grants Licensee the right to use the Provided Data under this Agreement.

Further, in relation to this Agreement, the Provided Data may be subject to the Foreign Exchange Act and other foreign export control regulations (see page 57 of this Report). Therefore, when choosing the "Region," if the relevant country or region is subject to the Foreign Exchange Act and other foreign export control regulations, it is desirable to make such choice based on the fact that the procedures required under such regulations must be implemented and that the provision of data may not be permitted pursuant to such regulations.

10. It is stipulated that the "Documentation" shall include electromagnetic records, thereby clarifying that "Documentation" under this Agreement includes electromagnetic records such as web forms and emails.

2. Condition for Grant of License

> **Article 2.   Grant of License to Use Data**
>
> Licensor shall provide the Provided Data to Licensee and shall grant Licensee a license to use the same in the Region only for the Purpose during the effective term of this Agreement; provided, however, that, ● shall be excluded.

<u>\<Explanation></u>

1. Licensee may use the Provided Data only in a manner consistent with the Purpose stipulated in Article 1. For example, if "PoC" or "academic research" is selected as the purpose in the "Purpose" section in Article 1, the sale of any Derived Data

created using such Provided Data to any third party, or the development or marketing of any new products or services is not included in the scope of "utilization."

2. The proviso of this Article is stipulated, assuming the situation where Licensor wishes to specifically restrict a certain utilization method of the Provided Data. In the "●" portion of "provided, however, that, ● shall be excluded," Licensor may state any utilization methods that Licensor particularly wishes not to grant Licensee a license for.

Article 3.　　　Handling of Derived Data

1. Unless otherwise agreed between the parties, only Licensee shall have any and all utilization rights in relation to the Derived Data; provided, however, that Licensee may not use the Derived Data for any purpose other than for the Purpose.

2. Any intellectual property rights relating to inventions, devices, creations, trade secrets, etc. arising from Licensee's utilization of the Provided Data shall belong to Licensee.

[Optional Provision]

3. Upon Licensor's request, Licensee shall engage in mutual good faith consultation with Licensor concerning the grant of a license to use the Derived Data.

<u><Explanation></u>

1. The basis for the provisions of this Article was considered in accordance with the METI Guidelines (Article 11 of METI's Model Contract Draft (pages 119 – 120 of the METI Guidelines)). Consideration was given not only to the current provisions (Articles 3.1 and 3.2), but also the necessity of the following provision: "in the case that not only the data recipient but also the data provider has the utilization rights to Derived Data and intellectual property rights arising from the Provided Data." It was pointed out, however, that there is a possibility that a potential licensee would refrain from becoming a Licensee due to the existence of such provision and data distribution would thereby be impeded, and as a result, in order to prevent such a situation, it was decided that such provision would not be included as an optional provision. On the other hand, however, it is assumed that certain Licensors, as data providers, wish to have the utilization rights to the Derived Data and intellectual property rights arising from the Provided Data, and it was therefore decided to include

Article 3.3 as an optional provision under which both parties may engage in mutual consultation on the matters related thereto, including as to whether Licensee will grant Licensor a license to use such rights.

2. It is possible to assume that any intellectual property rights relating to learned models generated from the Provided Data constitute "any intellectual property rights relating to inventions, devices, creations, trade secrets, etc. arising from Licensee's utilization of the Provided Data" specified in Article 2.2. However, such intellectual property rights belong to Licensee pursuant to Article 2.2, and therefore, Licensor (as a data provider) will not necessarily be automatically allowed to use such learned model.

3. In the case where the cleansing data is generated as a result of Licensee's use of the Provided Data, the cleansing data evaluated as being substantially identical to the Provided Data will not become Derived Data as it is defined in the Derived Data as follows: "excluding any data evaluated as being substantially identical to the Provided Data." On the other hand, the cleansing data that is not evaluated as being identical to the Provided Data will become Derived Data. Even in this case, however, Licensee is unable to sell any Derived Data unless "sale of the Derived Data" is specified as a purpose under the agreement. As such, if Licensee plans to sell the cleansing data that will become Derived Data, such Licensee should confirm in advance whether "sale of the Derived Data" is included in the Purpose.

4. In general, when the term "intellectual property right" and/or "intellectual property" is used in an agreement, the meaning thereof is usually defined in such agreement, and therefore, the meaning of the term "intellectual property right" and/or "intellectual property" may vary depending on each agreement. Under this Agreement, however, it is assumed that these terms have the meanings stipulated as definitions under the relevant laws and regulations. Specifically speaking, "intellectual property right" specified in Article 2.2 is legally defined as follows: "a patent right, a utility model right, a plant breeder's right, a design right, a copyright, a trademark right, a right that is stipulated by laws and regulations on other intellectual property or right pertaining to an interest that is protected by acts" (Article 2.2 of the Intellectual Property Basic Act). Further, while "intellectual property" is not specifically defined under this Agreement, this term is legally defined as follows, and is used in this Agreement having the same meaning as such legal definition: "inventions, devices, new varieties of plants, designs, works and other property that is produced through creative activities by

human beings (including discovered or solved laws of nature or natural phenomena that are industrially applicable), trademarks, trade names and other marks that are used to indicate goods or services in business activities, and trade secrets and other technical or business information that is useful for business activities" (Article 2.1 of the Intellectual Property Basic Act).

Article 4.   Consideration and Payment Terms

[Option (1): In the Case of Pay-Per-Use Basis]

1. Licensee shall pay Licensor JPY ● per unit of [●] as consideration for the grant of a license to use the Provided Data.

2. Licensor shall calculate the number of units in use by Licensee on the last day of each month and provide Licensee with a written notice specifying the amount of consideration for the grant of a license to use the Provided Data based on such number of units by no later than the ●th of the immediately following month.   Upon calculating the consideration pursuant to this paragraph, if any fraction arises in the consideration, such fraction shall be rounded down to the nearest whole number.

3. During the effective term of this Agreement, Licensee shall pay Licensor the amount specified in Article 4.1, plus any applicable taxes imposed thereon, by no later than the last day of the month in which Licensee received the notice specified in Article 4.2 or the day separately designated by Licensor [by way of transfer into the bank account designated by Licensor.   Licensee shall bear any transfer fees. / by using a credit card.]

[Option (2): In the Case of Monthly-Charge Basis]

1. During the effective term of this Agreement, Licensee shall pay Licensor the monthly amount of JPY ●, plus any applicable taxes imposed thereon, as consideration for the grant of a license to use the Provided Data, by no later than the last day of each month or the day separately designated by Licensor [by way of transfer into the bank account designated by Licensor.   Licensee shall bear any transfer fees. / by using a credit card.]

2. The consideration for the grant of a license to use the Provided Data specified in the preceding paragraph shall be calculated as a monthly charge for the period starting on the first day of a given month and ending on the last day of the same month, and

if the period during which the Provided Data is available for Licensee is not a full month, the consideration shall be calculated on a pro-rata basis for the period during which the Provided Data is available for Licensee.

[Option (3): In the Case of One-Time Payment Basis]

Licensee shall pay Licensor JPY ●, plus any applicable taxes imposed thereon, as consideration for the grant of a license to use the Provided Data, within ● days after execution of this Agreement or the day separately designated by Licensor, [by way of transfer into the bank account designated by Licensor (the "**Payment Method for One-Time Payment Basis**").   Licensee shall bear any transfer fees. / by using a credit card (the "**Payment Method for One-Time Payment Basis**").]

[Option (4): In the Case of Sales Distribution]

1. During the effective term of this Agreement, Licensee shall prepare a report on the amount of revenue arising from utilization of the Provided Data, the Derived Data or the Inference Engine and other matters designated by Licensor for each calculation period [i.e. April 1 to March 31 of the following year / i.e. January 1 to March 31, April 1 to June 30, July 1 to September 30 and October 1 to December 31 of each year / i.e. the first day to last day of each month) and must submit the report to Licensor within fifteen (15) days after the termination of each such calculation period.

2. Licensee shall pay Licensor ● % of the amount of revenue arising from utilization of the Provided Data, the Derived Data or the Inference Engine, plus any applicable taxes imposed thereon, by no later than the last day of the month immediately following the month in which Licensee submitted the report specified in Article 4.1, or the day separately designated by Licensor, [by way of transfer into the bank account designated by Licensor.   Licensee shall bear any transfer fees. / by using a credit card.]   Upon calculating the consideration pursuant to this paragraph, if any fraction arises in the consideration, such fraction shall be rounded down to the nearest whole number.

3. Licensee shall keep appropriate books for the matters to be stated in the report specified in Article 4.1 and shall retain and maintain such books during the effective term of this Agreement.

[Option (5): In the Case of the Minimum Guarantee Method]

1. During the effective term of this Agreement, Licensee shall prepare a report on the amount of revenue arising from utilization of the Provided Data, the Derived Data or the Inference Engine and other matters designated by Licensor for each calculation period [i.e. April 1 to March 31 of the following year / i.e. January 1 to March 31, April 1 to June 30, July 1 to September 30 and October 1 to December 31 of each year / i.e. the first day to last day of each month] and must submit the report to Licensor within fifteen (15) days after the termination of each such calculation period.

2. Licensee shall pay Licensor ● % of the amount of revenue arising from utilization of the Provided Data, the Derived Data or the Inference Engine, plus any applicable taxes imposed thereon, by no later than the last day of the month immediately following the month in which Licensee submitted the report specified in Article 4.1, or the day separately designated by Licensor, [by way of transfer into the bank account designated by Licensor.   Licensee shall bear any transfer fees. / by using a credit card.]   Upon calculating the consideration pursuant to this paragraph, if any fraction arises in the consideration, such fraction shall be rounded down to the nearest whole number.

3. Among the consideration for grant of the license specified in the preceding paragraph, Licensee shall pay Licensor JPY ● as the minimum guarantee amount (the "**Minimum Royalty**"), plus any applicable taxes imposed thereon, within ● days after the execution of this Agreement, or the day separately designated by Licensor, [by way of transfer into the bank account designated by Licensor.   Licensee shall bear any transfer fees. / by using a credit card.]

4. Among the consideration for grant of the license specified in Article 4.2, Licensee shall pay, pursuant to Article 4.2, only the amount exceeding the Minimum Royalty specified in the preceding paragraph (the "**Excess Royalty**").

5. Licensee shall keep appropriate books for the matters to be stated in the report specified in Article 4.1 and shall retain and maintain such books during the effective term of this Agreement.

6. If this Agreement is extended pursuant to the provision of Article 16.2, the phrase "after the execution of this Agreement" specified in Article 4.3 shall be deemed to be replaced with "after commencement of the effective term of the extended

> Agreement."

<Explanation>
This Article stipulates the consideration and payment terms for the grant of a license to use the Provided Data.

In this Article, the following five (5) methods are stipulated to determine the consideration at Licensor's choice: (1) Pay-Per-Use Basis; (2) Monthly-Charge Basis; (3) One-Time Payment Basis; (4) Sales Distribution; and (5) Minimum Guarantee Method]

(1) Pay-Per-Use Basis
In this payment method, the fee per unit of the Provided Data is pre-determined, and after aggregating the number of units of the Provided Data utilized for a relevant month, the consideration will be determined.   Licensor shall determine the manner in which a unit is set.

Under this payment method, the consideration varies according to the volume of data utilized by Licensee, and it is therefore effective to use this payment method in the case where the volume of utilizing the Provided Data is not fixed.   In addition, the consideration is not determined in conjunction with Licensee's revenue, sales, etc., and it is therefore possible to select this payment method regardless of what the purpose of utilization is (see the Explanation for the "Purpose" section; hereinafter the same shall apply).

(2) Monthly-Charge Basis
In this payment method, a pre-determined monthly fee is designated as consideration, regardless of the volume of the Provided Data that is utilized.

The consideration is not determined in conjunction with Licensee's revenue, sales, etc., and it is therefore possible to select this payment method regardless of what the purpose of utilization is, the same as in the case of (1) Pay-Per-Use Basis.

(3) One-Time Payment Basis
In this payment method, a pre-determined amount is paid in a single payment, regardless of the volume of the Provided Data that is utilized.

The consideration is not determined in conjunction with Licensee's revenue, sales, etc., and it is therefore possible to select this payment method regardless of what the purpose of utilization is, the same as in the case of (1) Pay-Per-Use Basis and (2) Monthly-Charge Basis.

In the case of using this payment method, the effective term under Article 16 is usually stipulated as an indefinite period of time.

(4) Sales Distribution
In this payment method, a revenue share method is adopted, where the consideration for the grant of a license to use the Provided Data is determined according to Licensee's sales.

Upon calculation of the consideration, it is assumed that the sales amount arising from utilization of the Provided Data, the Derived Data or the Inference Engine will constitute the sales subject to such calculation.   Examples of such sales include: sales in the case where Licensee sold the Derived Data; or sales in the case where Licensee generated the Inference Engine in use of the Provided Data and sold the products on which such Inference Engine is installed.

In this Article, the following options are available as the calculation period to calculate Licensee's sales: once every year, quarter or month, and it is assumed that the calculation period is selected at Licensor's choice.   Pursuant to such provision, Licensee must prepare a report on its sales and submit the same to Licensor.

As the consideration will vary according to Licensee's sales, this payment method is suitable for cases where the purpose of utilization of the Provided Data is designated as "development and marketing of new products or services" or "sale of the Derived Data." On the other hand, this payment method is not suitable for "PoC" or "academic research" which is assumed to generate no sales.

(5) Minimum Guarantee Method
In this payment method, the calculation method of the consideration for the grant of a license is the same as (4) Sales Distribution; however, if the minimum guarantee amount is paid in advance and the calculated consideration falls below the amount of such minimum guarantee amount, then such amount shall constitute the consideration for the

grant of a license; on the other hand, if the calculated consideration exceeds the minimum guarantee amount, additional payment is required to be made for such excess portion.

If this Agreement is renewed in accordance with Article 16, Licensor may request Licensee to pay the minimum guarantee once again after the renewal hereof; the purport of the provision of Article 4.6 for this Option 5 is to clarify this point.

Regardless of which method is chosen from the above options, Licensee may choose the payment method of either transfer into the bank account or by using a credit card. On the Platform, it is also permissible to choose Paid payment as a payment method. In this case, Licensee will make payment into the bank account of Raccoon Holdings, Inc. pursuant to the payment instructions specified in the invoice to be sent from Raccoon Holdings, Inc..

3. Other Conditions

[Option (1): In the Case where a Warranty is Generally Not Provided]

Article 5.　　　No Warranty Regarding the Provided Data

    (1) Licensor represents and warrants that the Provided Data has been obtained through legitimate and appropriate means.

    (2) Licensor provides no warranty as to the accuracy, completeness, safety or effectiveness (fitness for the Purpose) of the Provided Data or as to the non-infringement of the Provided Data upon any third party's intellectual property rights and any other rights.

[Option (2): In the Case of a Warranty Provided To a Certain Extent]

Article 5.　　　Warranty Regarding the Provided Data

    (1) Licensor represents and warrants the following matters concerning the Provided Data:

      1. the Provided Data has been obtained through legitimate and appropriate means;

      2. the Provided Data does not infringe upon any third party's [copyrights / intellectual property rights and any other rights] [in Japan];

      3. the content of the "Basic Information" stipulated in Article 1.(1).1 with regard to the Provided Data is accurate;

> 4. No malicious alteration has been made with regard to the Provided Data; and
>
> 5. [   ]
>
> 1. Other than the matters stipulated in the preceding paragraph, Licensor provides no warranty as to the accuracy, completeness, safety or effectiveness (fitness for the Purpose) of the Provided Data or as to the non-infringement of the Provided Data upon any third party's intellectual property rights and any other rights.

<Explanation>

1. This Article stipulates the warranties provided by Licensor for the Provided Data. Option (1) assumes the case where no warranty is provided in general, and Option (2) assumes the case where warranties are provided to a certain extent, and Licensor may choose either one of the options at its choice.

   Option (1) stipulates that Licensor only warrants that the Provided Data has been obtained through legitimate and appropriate means and that Licensor provides no warranty as to the accuracy, completeness, safety or effectiveness (fitness for the Purpose) of the Provided Data or as to the non-infringement of the Provided Data upon any third party's intellectual property rights and any other rights.

2. On the other hand, Option (2) allows the adjustment of the content to be warranted at Licensor's choice. From the perspective of promoting the distribution of reliable data, it is desirable that a certain degree of warranty is provided, under certain cases.

   Article 5.2.(1) warrants that the Provided Data has been obtained through legitimate and appropriate means, the same as in Option (1).

   Article 5.2.(2) warrants that the Provided Data does not infringe upon any third party's rights. From the perspective of practicality and possibility of the warranty to be provided by Licensor, Licensor may choose to limit the scope of the warranty to non-infringement in Japan, or to infringement in copyrights only and not any other rights.

   Article 5.2.(3) warrants that the content of the "Basic Information" stipulated in Article 1.(1) is accurate. As it is considered that Licensee will check the content of the "Basic Information" to consider as to whether or not to purchase, the warranty in this regard is considered to contribute to the promotion of data distribution.

Article 5.2.(4) warrants that no malicious alteration has been made with regard to the Provided Data.

In Article 5.2.(5), Licensor may stipulate an additional warranty at is discretion.

As stated in page 33 of the METI Guidelines, in the case of Option (1), even if the Provided Data contains quality issues, it is considered that Licensor will not be liable for non-conformity to an agreement under the Civil Code; however, it should be kept in mind that Licensor may be held liable for quality issues of the Provided Data when such issue arises due to Licensor's willful intention or gross negligence.

3. If Licensor breaches any of these warranties, Licensee may terminate this Agreement pursuant to Article 19 and claim compensatory damages pursuant to Article 17.

Article 6.　　　　Maintaining the Nature of "Shared Data with Limited Access"

Licensee recognizes that the Provided Data falls under the "shared data with limited access" under the Unfair Competition Prevention Act of Japan and complies with the following:

　　(1)　maintaining the data management method specified in Article 1.(1).1.(4), and when reproducing or processing any data, managing such reproduced or processed data by using the same management method as that for the Provided Data;

　　(2)　when using passwords to manage the Provided Data (including reproductions thereof or those substantially the same; the same shall apply hereinafter), not allowing passwords to be used by anyone other than Licensee's authorized employees; and

　　(3)　●

<u><Explanation></u>

1. This Article is intended to be a provision for maintaining the nature of the Provided Data as the shared data with limited access by obliging Licensee to manage the Provided Data in a certain manner.　"Shared data with limited access" means "technical or business information accumulated or managed in significant volume by electromagnetic means as information provided to limited persons as a business (other than information managed as a secret)" (Article 2.(7) of the Unfair Competition Prevention Act).　Although an act of infringing upon trade secrets is

stipulated as a type of unfair competition under the Unfair Competition Prevention Act in order to protect "trade secrets" (Article 2.(6) of the said Act), the Provided Data is assumed to be widely provided within the platform and is therefore different from "trade secrets" that are assumed to be kept secret within the enterprise. Therefore, this Agreement obliges Licensee to manage the Provided Data in a certain manner by regarding it as "shared data with limited access."

2. The requirements to constitute the shared data with limited access are as follows:
    (i)   Information provided to limited persons as a business (limited provision);
    (ii) Accumulation in significant volume by electromagnetic means (significant accumulation);
    (iii) Management by electromagnetic means (electromagnetic management);
    (iv) Technical or business information; and
    (v)   Not being managed as a secret.
    In addition, (vi) in the case of information that is identical to (vi) information that is made available to the public without charge (open data), the provisions of the Unfair Competition Prevention Act, such as those regarding injunctions and claims for damages, shall not apply even if such information is shared data with limited access (Article 19.(1)(viii)(b) of the Unfair Competition Prevention Act).   The purpose of this Article is to enable Licensee to satisfy the requirements of (iii) management by electromagnetic means (electromagnetic management) among requirements (i) through (vi) above by obliging Licensee to manage the Provided Data in a certain manner, to thereby preserve the nature of the Provided Data as shared data with limited access.

3. Thus, this Article provides that Licensee shall maintain the method of managing the Provided Data specified in Article 1.(1).1.(4), in order to satisfy the requirement that the Provided Data is managed electromagnetically.   In addition, aside from the method of management of such Provided Data itself, each of the items in this Article also provide measures to be taken by Licensee.   Article 6.(1) provides for management of reproduced or processed data by using the same management method as that for the Provided Data, and Article 6.(2) provides for appropriate password management.   In addition, if measures need to be taken in accordance with the nature, etc. of the Provided Data (e.g. access control to areas where Licensee handles the Provided Data), it is assumed that the Licensor will add such measures as appropriate.

4. With regard to "shared data with limited access," the Unfair Competition Prevention Act identifies the following activities as the types of "Unfair Competition" activities: (i) Unauthorized Acquisition Type; (ii) Extreme Bad Faith Type; and (iii) Subsequent Acquisition Type ((1) subsequent acquisition where a person acquiring data knows that an improper act took place in relation to such data; and (2) subsequent acquisition where a person acquiring data did not know, at the time of such acquisition, that an improper act took place in relation to such data), and also provides that civil remedies such as injunctions (Article 3 of the Unfair Competition Prevention Act), damages (Article 4 of the Unfair Competition Prevention Act), and presumed amount of damages (Article 5 of the Unfair Competition Prevention Act) shall be made available to the rights holders for any act that meets the requirements to constitute each type of activity. For details of these types of activities, please see page 18 and onward of the "Policy on Shared Data with Limited Access (January 23, 2019)" issued by the Ministry of Economy, Trade and Industry.

Article 7. Management of Provided Data

1. Licensee must manage and store the Provided Data with the due care of a prudent manager by clearly separating the Provided Data from other information.

2. Licensee shall warrant that it has obtained [ISMS / Privacy Mark / ISO/IEC 27001 / ISO 27017 / ISO 27018 / CS Silver / CS Gold / PCI-DSS/SOC2] as official certification for data management and shall maintain the same for the effective term of this Agreement.

3. Licensor may, at any time, request Licensee to submit a written report on the management status of the Provided Data. In such case, if Licensor determines that the Provided Data is likely to be leaked or lost, Licensor may request Licensee to correct the management or storage method of the Provided Data.

4. If a request is made for reporting or correction as specified in the preceding paragraph, Licensee must promptly accommodate such request.

<u>\<Explanation\></u>

1. As it is necessary to prevent contamination of the Provided Data received from

Licensor and other information held by Licensee itself, Licensee is obliged to manage and store the Provided Data received separately from other information.

2. By stipulating Article 7.2, Licensor can cause Licensee to warrant that it has obtained certain official certifications [ISMS / Privacy Mark / ISO/IEC 27001 / ISO 27017 / ISO 27018 / CS Silver / CS Gold / PCI-DSS/SOC2].   In this Paragraph, Licensor is supposed to choose some or all of the official certifications from among "ISMS," "Privacy Mark," "ISO/IEC 27001" and "ISO 27017," "ISO 27018," "CS Silver," "CS Gold," "PCI-DSS" and "SOC 2," and require Licensee to obtain and maintain the same.   In such case, please note that only those who have the official certifications required by Licensor may become Licensee under this Agreement, and if Licensee does not have the official certifications required by Licensor, then Licensee will be in breach of this Agreement for such reason alone.   It is also important to note that if Licensee loses any official certification required by Licensor for any reason during the term of this Agreement, such loss will constitute a breach of this Agreement.   In such case, it is presumed that Licensee should request Licensor to amend this Agreement or to terminate this Agreement by a separate agreement, in order to resolve any state of breach of this Agreement.

3. As Licensor is not able to know from the outside whether or not the management of the Provided Data has been conducted appropriately by Licensee in accordance with this Agreement, Article 7.3 provides that Licensor may request Licensee to submit a written report on the management status of the Provided Data.   It also provides that, if Licensor determines that the Provided Data is likely to be leaked or lost based on the status of Licensee's management of the Provided Data, Licensor may make a request for correction of the data management method, etc.

4. It is provided that if a request is made by Licensor for a report or correction as specified in Article 7.3, Licensee must promptly accommodate such request. Although it is necessary to judge how long such wording refers to on a case-by-case basis in line with each specific case, in general, if the wording "promptly" is used, it is assumed that a response is made as soon as possible to a reasonable extent, and a shorter response is required than if the wording "without delay" is used.

5. Article 14 provides that Licensor and Licensee shall have an obligation of confidentiality only with regard to information disclosed after being declared to be

confidential; however, as "Provided Data" is excluded from "Confidential Information," Licensee shall, pursuant to this Article, have an obligation to properly manage "Provided Data" regardless of whether or not it has been declared confidential.

Article 8.　　　Audit

1. Licensor may request Licensee to submit a report on the usage status of the Provided Data that is necessary to verify whether Licensee's utilization of the Provided Data conforms to the terms and conditions of this Agreement.

2. If Licensor determines, based on reasonable standards, that the report submitted under the preceding paragraph is not sufficient to verify the usage status of the Provided Data, Licensor may conduct, by itself or through a third party, an audit on Licensee's usage status of the Provided Data at Licensee's place of business, up to once a year, subject to providing ● business days prior written notice.　In such case, Licensee shall cooperate with the audit conducted by Licensor or a third party to the extent reasonable, and Licensor shall comply with, or cause such third party to comply with, the Licensee's information security-related regulations and other internal regulations that Licensee separately notifies to Licensor.

3. If, as a result of the audit specified in the preceding paragraph, it is found that Licensee has utilized the Provided Data in breach of this Agreement, Licensee shall pay Licensor any expenses required for the audit.　In addition, if it is found that the consideration that Licensor deemed to be reasonable in the actual manner of usage exceeds the consideration pertaining to the utilization of the Provided Data stipulated in Article 4, Licensee shall pay Licensor 125% of the difference between the above two (2) amounts of consideration.

<u>\<Explanation\></u>

1. As Licensor must be able to promptly confirm the usage status of the Provided Data by Licensee if a breach of this Agreement (e.g. possible leakage of the Provided Data or utilization thereof for an unintended purpose) by Licensee is likely to occur, this Article provides that an audit may be conducted by Licensor.

2. Paragraph 1 of this Article provides that Licensor may request Licensee to submit a report on the usage status of the Provided Data.　Paragraph 2 also provides that if Licensor determines that the report is not sufficient to verify the usage status

of the Provided Data, Licensor may conduct an audit on Licensee's usage status of the Provided Data.   Paragraph 3 obliges Licensee to pay audit expenses and additional consideration if, as a result of an audit, it is found that Licensee has breached this Agreement.   In such case, it is presumed that Licensor will oblige Licensee to pay an amount greater than the amount of the original difference from the perspective of deterring Licensee from breaching this Agreement.   From such perspective, this Agreement allows Licensor to require Licensee to pay additional consideration of 125% of the original payment amount.

3. There is a risk that Licensee's trade secrets might become known to Licensor when Licensor conducts an audit of the usage status of the Provided Data by Licensee.   Therefore, as it may be appropriate in some cases for a neutral third party who has executed a confidentiality agreement with Licensor and Licensee to conduct such audit, Paragraph 2 allows for such audit by such third party.

Article 9.   Prohibition of Use

1. Licensee must not, without prior written approval from Licensor, use the Provided Data for any purpose other than the Purpose and must not disclose, provide or leak the Provided Data to any third party (if Licensee is a corporation, its parent company, subsidiaries and affiliates shall also be included as third parties).

2. Notwithstanding the provision of the preceding paragraph, Licensor grants Licensee the right to disclose or provide the Provided Data to [●] for the purpose of performing this Agreement.   In such case, Licensee shall impose upon such third party obligations equivalent to those owed by Licensee with regard to the Provided Data under this Agreement.

<u>\<Explanation\></u>

1. The provision of Article 2 (Grant of License to Use Data) stipulates the scope and terms of use of the Provided Data licensed by Licensor to Licensee.   For this reason, this Article is intended to set forth the provisions to confirm the licensing terms and conditions.

2. Pursuant to Article 9.1, Licensee is, in principle, prohibited from utilizing the Provided Data for an unintended purpose or providing the same to a third party.

3. According to Article 9.1, Licensee may, with the prior written approval of Licensor, provide any third party with the Provided Data; however, because it would be inconvenient for Licensee to have to obtain Licensor's prior written approval separately even in the case of a third party to whom Licensee is automatically expected to or expected in advance to provide the Provided Data in the course of conducting business using the Provided Data, Article 9.2 allows Licensee to provide the Provided Data to such third party by specifying such third party in advance in this Agreement.   The bracket [●] in Article 9.2 is to be filled in by Licensee.   A group company such as a parent company or a subsidiary company of Licensee, or an organization that conducts joint research with Licensee, etc. is specifically assumed as the third party stipulated in Article 9.2.

Article 10.   Suspension of Utilization and Updating

1. In the case where Licensor finds that Licensee is in breach of this Agreement, Licensor may either suspend Licensee from utilizing the Provided Data or suspend updating of the Provided Data [at Licensor's discretion. / if Licensor requests Licensee to resolve the state of breach, but Licensee nonetheless fails to resolve the same within ● days.]

2. Licensee may not make a claim, in any way whatsoever, against Licensor for any damage it incurs as a result of the measures taken by Licensor under the preceding paragraph.

<Explanation>

1. This is a provision stipulating that if Licensee breaches this Agreement, Licensor may either suspend Licensee from utilizing the Provided Data or suspend the updating of the Provided Data.   In the former case, Licensee will no longer be able to use the Provided Data already received, and the use thereof will constitute a further breach of this Agreement.   On the other hand, in the latter case, it is assumed that the Provided Data is updated from time to time, and although Licensee will not be prevented from using the received data, the Provided Data will not be updated thereafter.

2. It is provided that Licensor may choose whether or not the advance notice is required in order to effectuate the suspension of utilization or updating of the Provided Data.

3. The breach of this Agreement may result in termination under Article 19, and if this Agreement is terminated, Licensee shall, in accordance with Article 20, dispose of or erase any of the Provided Data and will, in principle, no longer be able to provide any third party with or cause any third party to use, the Inference Engine, any products or services containing the Inference Engine, or the Derived Data.   The suspension of utilization or updating of the Provided Data under this Article may be considered to be a relatively easy action to take if it is determined that there is a breach of this Agreement, in that the impact of the suspension under this Article on the parties is not greater than that of the termination, as this Agreement itself will continue to exist.

Article 11.   Intellectual Property Rights in and to the Provided Data

Any intellectual property rights relating to the Provided Data (including, without limitation, the rights relating to the database works) belong to Licensor; provided, however, that the foregoing shall not apply to any Provided Data whose intellectual property rights belong to a third party.

<u>\<Explanation\></u>

1. The provision of this Article was considered in accordance with the METI Guidelines (Article 3.4 of METI's Model Contract Draft (page 111 of the METI Guidelines)).   Provided Data provided on the platform may fall under a "database" under the Copyright Act or "shared data with limited access" under the Unfair Competition Prevention Act, and in such cases, intellectual property rights are considered to exist in the Provided Data.   This Article is established to be a provision for confirming that the intellectual property rights in the Provided Data shall not belong to Licensee upon the grant of a license to use the Provided Data to Licensee.

2. The proviso clause is established for confirmation purposes, assuming the circumstances where part of the intellectual property rights in the Provided Data belongs to a third party.

Article 12.   No Exercise of Moral Rights of Author

With regard to the Provided Data, Licensor shall not, in any way whatsoever, exercise against Licensee any moral rights of the author as stipulated in the Copyright Act of Japan (the "**Copyright Act**") (e.g. the right to make a work public (Article 18 of the

Copyright Act), the right of attribution (Article 19 of the Copyright Act) and the right to integrity (Article 20 of the Copyright Act)) or any rights equivalent to the foregoing.

<u>Explanation</u>

1. As a precondition, the Provided Data covered by this Agreement may or may not be copyrighted.   If the Provided Data is found to be copyrighted, the following moral rights of the author shall arise for the benefit of the author.

    (i)   The right to make a work public (Article 18 of the Copyright Act of Japan) is the right of an author to decide on the timing, method, etc. of the publication of his/her own work not yet made public and the right not to have such work made public by any third party other than the author without the author's permission.

    (ii) The right of attribution (Article 19 of the said Act) is the right of an author to decide whether or not to indicate his/her name when making his/her work public.

    (iii) The right to integrity (Article 20 of the said Act) is the right of an author not to have the content or title of his/her own work altered against his/her will.

2. As it is understood that the moral rights of the author mentioned above cannot be waived under Japanese law, the non-exercise of the moral rights of the author is accepted in this Article.

3. In this Article, "any rights equivalent to the foregoing" is listed after various moral rights of the author.   This is because it is intended that, even if foreign laws other than Japanese laws are applied to this Agreement, rights similar to the moral rights of the author under the Copyright Act of Japan will also be subject to this Article.

4. General Provisions

Article 13.   Limitation of Liability, Etc.

1. Unless Licensor provides an express warranty in this Agreement, Licensor shall not be liable for any and all claims, losses, damage or expenses (including, without limitation, reasonable attorneys' fees) in relation to Licensee's utilization of the Provided Data or Licensee's utilization of any intellectual property rights relating to an invention, device, creation, trade secret, etc. generated through Licensee's utilization of the Provided Data.

2. If any dispute, claim or demand (the "**Dispute, Etc.**") arising from or in connection with utilization of the Provided Data occurs between Licensee and any third party,

Licensee shall immediately notify Licensor to such effect in writing and resolve such Dispute, etc. at its responsibility and expense.   Licensor shall cooperate in the resolution of any such Dispute, Etc. to a reasonable extent.

3. If Licensor incurs any damage, losses or expenses (including reasonable attorneys' fees; the "**Damage, Etc.**") arising from or in connection with the Dispute, Etc. stipulated in the preceding paragraph (except in the case where such Dispute, Etc. is due to any cause attributable to Licensor), Licensee shall provide Licensor with compensation for such Damage, Etc.

<u>\<Explanation\></u>

1. Articles 13.1 and 13.2 provide that any dispute arising in connection with the utilization of the Provided Data by Licensee shall, in principle, be resolved at Licensee's responsibility and expense.   Article 13.3 also sets forth that Licensee shall provide Licensor with compensation for any damage incurred by Licensor in connection with any dispute relating to the Provided Data as set forth in Article 13.2, except in the case where such dispute is caused by any reason attributable to Licensor.   Unlike this Article, the METI's Model Contract Draft also included a draft provision to the effect that, if any dispute arises from Licensee's utilization of the Provided Data in a form not breaching an agreement, Licensor would, in principle, be responsible for resolving such disputes.   However, this Agreement does not include such provision because it is Licensee that utilizes the Provided Data under this Agreement, and it is more appropriate, from the perspective of the cost of resolving any disputes arising from this Agreement, to have Licensee resolve such dispute as Licensee has a detailed knowledge of the usage status, etc. of the Provided Data.

2. The wording "immediately" is used in Article 13.2.   Having said that, as the notification itself does not take much time, it is generally desirable to complete the notification procedure within a few days at the latest.   Although it is necessary to determine how long "immediately" refers to on a case-by-case basis, a response in a shorter time is required than in the case of "promptly" or "without delay."

3. If "Option (1): In the Case where a Warranty is Generally Not Provided" is selected by Licensor in Article 5, such case does not fall under the "Licensor provides an express warranty in this Agreement" referred to in Article 13.1, and therefore this

Article shall apply in its entirety.　However, if "Option (2): In the Case of a Warranty Provided To a Certain Extent" is selected, Article 13.1 does not apply to the matters covered by the warranty under Option (2), as such case would fall under the "Licensor provides an express warranty in this Agreement" referred to in Article 13.1.

Article 14.　　Confidentiality

1. Licensor or Licensee (the "**receiving party**" in this Article) shall keep strictly confidential any information that it comes to know through this Agreement, disclosed by the other party (the "**disclosing party**" in this Article), whether in writing, orally or by any other means, which the disclosing party declares upon disclosure as constituting confidential information (the "**Confidential Information**"; provided, however, that the Provided Data is not included in the "Confidential Information" under this Article), and the receiving party must not disclose, provide or leak the Confidential Information to any third party without the prior written approval of the disclosing party or use the Confidential Information for any purpose other than exercising the rights or performing the obligations under this Agreement; provided, however, that if any public agency makes a legally binding request for disclosure, the receiving party may disclose the Confidential Information to the extent of accommodating such request, under the condition that the receiving party provides the disclosing party with prompt notice to such effect.

2. Notwithstanding the provision of the preceding paragraph, any information that falls under the following shall be excluded from the definition of Confidential Information:
   (1) Information already held by the receiving party at the time of its disclosure;
   (2) Information independently generated by the receiving party without the use of any Confidential Information;
   (3) Information already in the public domain at the time of its disclosure;
   (4) Information that enters the public domain after its disclosure due to any reason not attributable to the receiving party; or
   (5) Information disclosed by a duly authorized third party without any obligation to maintain confidentiality.

3. The receiving party may disclose the Confidential Information to its officers or employees, or to its attorneys, accountants, tax accountants or other professionals who are bound by confidentiality obligations under applicable laws, only to the extent necessary for the performance of this Agreement, under the condition that the

receiving party causes all these persons to comply with the confidentiality obligations under Article 14.1.

4. Notwithstanding the provisions of Article 14.1, Licensor grants Licensee the right to disclose or provide the Confidential Information to [●] for the purpose of performing this Agreement.   In such case, Licensee shall impose upon such third party obligations equivalent to those under Article 14.1 owed by Licensee under this Agreement.

5. Notwithstanding the provisions of Article 14.1, Licensee grants Licensor the right to disclose or provide the Confidential Information to [●] for the purpose of performing this Agreement.   In such case, Licensor shall impose upon such third party obligations equivalent to those under Article 14.1 owed by Licensor under this Agreement.

6. The obligations under this Article shall remain in full force and effect for ● years after the termination of this Agreement.

<Explanation>
1. As set forth in Article 14.1, information disclosed by Licensor by declaring the same to be confidential information will be Confidential Information; however, as Article 9 prohibits the Provided Data from being used for any purpose other than the Purpose, it is excluded from the Confidential Information under this Article.

2. Taking into consideration the fact that Paragraph 2 of Article 9 was established to enable Licensor to exceptionally grant Licensee the right to disclose or provide the Provided Data to a specific third party, Articles 14.4 and 14.5 were established in the belief that, as is the case with the Provided Data, it would also be desirable to have a provision that allows for exceptional disclosure or provision of the Confidential Information to a third party.   Licensee shall fill in the details in the bracket [●] in Section 4, and Licensor shall fill in the details in the bracket [●] in Section 5, of any third party for whom Licensee and Licensor respectively seek approval from the other party for disclosure of the Confidential Information.   Unlike the Provided Data, in consideration of the possibility that Licensor may also have a need to disclose the Confidential Information to third parties, the provisions have been established for both Licensor and Licensee.

3. In the bracket [●] in Article 14.6, Licensor shall enter the number of years for which it wishes the confidentiality obligations to continue.   Although such number will differ depending on the nature of the agreement and the information, etc., in general cases, it is conceivable to provide for obligations to continue for one (1) or three (3) years after the termination of the agreement.   However, if trade secrets are subject to the confidentiality obligations, such number is often set at, for example, three (3), five (5), or even ten (10) years, assuming that the technology in the relevant industry becomes obsolete during such period.

Article 15.   Export Control

If Licensee intends to export the Provided Data from the country/region where Licensee is located (including taking the same outside of such country/region), Licensee shall obtain prior written approval from Licensor and shall also comply with the Foreign Exchange and Foreign Trade Act of Japan, the Export Trade Control Order of Japan, the Foreign Exchange Order of Japan and other related Ministerial Orders of Japan and the laws and rules, etc. of relevant countries, and shall, as necessary, obtain export permission from the Japanese government and re-export permission from the relevant countries' governments.

<u>\<Explanation\></u>

1. Please see page 42 and onward of the METI Guidelines for the general contents of the export control regulations.

2. In relation to this Agreement, the Provided Data may be subject to the Foreign Exchange Act and other foreign export control regulations.   Accordingly, this provision is established to confirm that, given that Licensee is located in Japan, if Licensee intends to export the Provided Data outside Japan for example, Licensee shall be required to obtain Licensor's prior written approval and shall follow the procedures under applicable export control regulations.

Article 16.   Effective Term

1. The effective term of this Agreement shall be [● years from the execution date hereof / ● months from the execution date hereof / for an indefinite period of time].

2. If either Licensor or Licensee requests the other party in writing to extend this

Agreement by ● months before the expiration of the effective term hereof and the other party accepts such extension, this Agreement will be extended for an additional period of ● years upon the same conditions, with the same to apply thereafter. If Licensee requests Licensor to extend this Agreement based on a legitimate reason, Licensor may not unjustly refuse such request.

<Explanation>
1. Article 16.1 allows Licensor to select the effective term of this Agreement. Unlike the period of provision set forth in Article 1.(4), such effective term is expected to be extended by renewal. As the effective term of this Agreement is set according to the nature of the Provided Data, such period can be flexibly selected from several months to an indefinite period. In addition, if an indefinite period is selected as the effective term, this Agreement cannot be cancelled in principle, unless any of the termination events set forth in Article 19 apply. In this regard, the option of an indefinite period has been provided as it is considered appropriate that this Agreement shall continue to be effective as long as Licensee continues to use the Provided Data from the perspective of promoting data distribution and protecting the respective rights and interests of Licensor and Licensee. For example, the effective term will be indefinite if the payment term of the consideration is one-time payment.

2. With regard to Article 16.2, it is assumed that the brackets in "● months before the expiration of the effective term" and "additional period of ● years" will be filled in by Licensor. If Licensee wishes to request the continuation of this Agreement, it may do so by submitting the reason therefor.

3. This Agreement will in principle be renewed by virtue of the provisions of Article 16.2. If Licensor refuses to renew, there will be a dispute, in which case the following points will be considered. Licensee will assert the fact that supports the existence of a "legitimate reason" for its request to continue this Agreement. On the other hand, in response to such assertion by Licensee, Licensor will assert the fact containing the element indicating that there is no "legitimate reason." The existence of a "legitimate reason" is assumed to be judged mainly based on the circumstances on Licensee's side.
In determining whether or not there is a "legitimate reason," the judgment will be made by taking into comprehensive consideration the following specific circumstances, etc. as the main elements to be considered, while emphasizing (1)

whether this Agreement was scheduled to continue for a long period of time and (2) the necessity for the Licensee to continue this Agreement:

Circumstances to Affirm Existence of a "Legitimate Reason"

With regard to (1) above, for example, if it is found that, in the process of executing or encouraging to execute this Agreement, communication was made on the premise that this Agreement would continue for a long period of time, or if it is found that Licensee has made its own business plan on the premise of this Agreement and has informed Licensor to that effect, such fact will be a positive element for affirming the existence of a "legitimate reason."

With regard to (2) above, the business and operational necessities are considered to be one of the important ones among the necessities for Licensee to continue this Agreement.   For example, if Licensee had a long-term business plan based on the premise of the execution of this Agreement, the effect of the termination of this Agreement on Licensee would be enormous, and would therefore be a circumstance to affirm the existence of a "legitimate reason."

Circumstances to Deny Existence of a "Legitimate Reason"

Licensor will insist on the opposite element from the same perspective.   In other words, with regard to (1) above, it is presumed that Licensor will assert the circumstances underlying the fact that this Agreement is not expected to continue for a long period of time in the process of executing or encouraging the execution of this Agreement.

With regard to (2) above, for example, it is presumed that Licensor will insist on the fact that even if the data provision agreement is terminated, it is easy for Licensee to find an alternative source of data or that Licensee also operates other businesses and the termination of this Agreement will not immediately have a significant impact on Licensee.

4. If any "legitimate reason" is found in Licensee's request to continue the agreement, Licensor cannot unjustly refuse such request.   In this case, Licensor is required to assert and prove that refusal of such request is not "unjust."   Elements which are judged when determining whether or not such refusal is unjust are basically inextricably linked to "legitimate reasons" asserted by Licensee as above, in principle, and whether or not it is "unjust" may be judged by taking into consideration the

circumstances on the part of Licensor.

Elements which affirm the refusal to renew the agreement are not "unjust"

First, with regard to (1) above, the effective term of this Agreement and the period for requesting the extension of the agreement established by Licensor are considered.   In the case where Licensor establishes a short effective term of the agreement, it can be said that Licensor does not assume that the relevant agreement will be extended for a long term in the first place, which can cause circumstances affirming that the refusal to renew the agreement is not "unjust."   In addition, in the case where the period for requesting the extension of the agreement is set with relatively sufficient time in advance prior to the expiration of the effective term (such as where such period is set half a year prior to the expiration of the effective term), even if the offer to renew the agreement is refused, Licensee may establish a preparation period assuming the termination of the agreement, which causes circumstances affirming that the refusal to renew the agreement is not "unjust."

Second, with regard to (2) above, it is considered that Licensor will assert that continuing this Agreement lacks economic reasonableness for Licensor.   In this case, the consideration and payment conditions set forth in Article 4 are also relevant; for example, it is considered that Licensor will assert that the benefits earned by Licensor under this Agreement will not be commensurate with the costs owed by Licensor in order to continue this Agreement.

Elements which reject the refusal to renew the agreement are not "unjust"

Though it is conversely related to the elements which are judged when determining whether or not such refusal is unjust, for example, despite the fact that Licensor earns revenue based on business other than under this Agreement and the extension of this Agreement itself does not cause a large disadvantage to Licensor, Licensor may assert the non-extension of this Agreement, etc., for the purpose of engaging in harassment against Licensee.

Article 17.   Compensatory Damages
1. If Licensor or Licensee causes damage to the other party due to its breach of this

Agreement or breach of any of its representations and warranties contained in this Agreement, such party shall be liable to provide the other party with compensation only for the damage directly and actually incurred by the other party.

2. The amount of damages owed by Licensor to Licensee under the preceding paragraph shall not exceed the total of the amount that had been received by Licensor from Licensee under Article 4 as at the time before the occurrence of the cause of damage for compensation, except in the case of willful misconduct or gross negligence.

3. If Licensee finds any utilization of the Provided Data in breach of this Agreement, such as leakage, loss, provision to a third party or utilization for unintended purpose (collectively, "**Leakage of Provided Data, Etc.**"), Licensee must immediately notify Licensor to such effect.

4. If any Leakage of Provided Data, Etc. is likely to have occurred due to willful misconduct or gross negligence on the part of Licensee, Licensee shall, at its responsibility and expense, confirm the fact as to whether any Leakage of Provided Data, Etc. indeed occurred, and if such fact is confirmed, immediately take measures [in an appropriate manner / as designated by Licensor] to prevent further damage, and at the same time, investigate the cause thereof and consider measures to prevent the recurrence thereof, and report the details of such investigation and consideration to Licensor.

<Explanation>

1. If damage occurs due to the other party's breach of this Agreement, the non-breaching party may claim compensation for such damage due to failure to perform obligations (Article 415, Paragraph 1 of the Civil Code).   In addition, as stated above, since it is assumed that the Provided Data falls under "shared data with limited access" in accordance with the Unfair Competition Prevention Act (Article 2.(7) of the Unfair Competition Prevention Act), if certain requirements are met, a claim for compensatory damages in accordance with Article 4 of the Unfair Competition Prevention Act will also be admitted, where the presumption of the amount of damages under Article 5 of the Unfair Competition Prevention Act will be applicable.

2.   Article 17.1 limits the scope of damages to "the damage directly and actually

incurred." For example, the above scope of damages does not include lost profits in the case where the relevant party attempted to engage in business by using the Provided Data but failed to do so, etc. Though it is on a case-by-case basis in relation to specific circumstances, if the Provided Data is divulged or leaked, the expenses for the investigation conducted by Licensor to identify the scope of the damage, etc., may be admitted as damage. In addition, personnel expenses, including overtime labor costs, arising as a result of Licensor's employees being separately required to conduct special responses in the relevant case, may also be included in damages. A claim for compensatory damages in accordance with Article 4 of the Unfair Competition Prevention Act, and a claim for compensatory damages in accordance with failure to perform obligations or violation of a warranty or representation, are compatible. This Article applies to cases where a claim for compensatory damages is to be made in accordance with failure to perform the obligations or violation of a warranty or representation, and does not apply to cases of claim for compensatory damages in accordance with the Unfair Competition Prevention Act; thus, the scope of damages will not be limited.

3. Article 17.2 establishes a certain upper limit on the amount of claim for damages owed by Licensor to Licensee, except in the case of willful misconduct or gross negligence. On the other hand, no upper limit is established on the amount of compensation owed by Licensee to Licensor. If an upper limit is established on the amount of compensation owed by Licensee, in relation to the interests which Licensee attempts to obtain by using the Provided Data in an authorized manner, there will be no incentive for Licensee to comply with the agreement. In this regard, it is determined that no upper limit shall be established on the amount of compensation owed by Licensee.

4. Articles 17.3 and 17.4 set forth Licensee's obligations in the case where there is any Leakage of Provided Data, Etc. With respect to the measures to prevent further damage as set forth in Article 17.4, Licensor may choose between whether it should be left up to Licensee's discretion to some extent, or whether to designate the actual approach to be taken. Nevertheless, even if Licensor itself chooses the way to designate the approach, it is not possible to designate any approach, and the scope thereof must remain reasonable.

5. The measures to prevent further damage mean measures to prevent expansion of

secondary damages.   Here, if Licensor chooses the "appropriate" measures to prevent further damage, the kinds of measures that should be taken may pose a problem.   If Licensee has obtained a public certification regarding information security (ISMS / privacy mark / ISO / IEC 27001 / ISO 27017 / ISO 27018 / CS silver / CS gold / PCI-DSS / SOC2), it is considered possible that certain appropriate measures have been taken by compliance with the rules of the relevant certification.

6.   With regard to the measures to prevent further damage, it is necessary to conduct an appropriate approach for each cause of the occurrence of a Leakage of Provided Data, Etc.   Principally, the following causes are considered: (1) loss or theft of information recording medium; (2) incorrect transmission of emails, incorrect publication of emails on a website; (3) internal irregularities; (4) leakage via file sharing software; (5) malicious programs (virus, spyware); (6) unauthorized access from outside, and measures are required to be taken for each cause.   The following describes one example for each cause:

For (1), if a notified lost item or lost information includes an ID, password, etc., changing such ID, etc. should be considered.

For (2), in the case of incorrect transmission of emails, notice to the data receivers and request for destruction of information, and restricting access to the relevant information from outside, etc., should be considered.   In the case of incorrect publication of information on a website, deletion of such information, etc., should be considered.

For (3), suspending an ID or restricting access to internal websites (intranet servers, shared file servers, etc.), securing related devices used by a party engaged in any internal irregularity (preservation of evidence), and other measures should be considered.

For (4), separating a personal computer from the Internet (ceasing the use of file sharing software), securing the leaked information, etc., should be considered.

For (5), identifying the personal computer infected with a virus, separating a personal computer infected with virus from the network, etc., should be considered.

For (6), separating a device (website) to which an unauthorized access was made from the network, suspending a device (website) to which an unauthorized access was made, etc., should be considered.

| Article 18. | Force Majeure |

During the effective term of this Agreement, neither Licensor nor Licensee shall be liable for any delay or impossibility of performance of all or any part of this Agreement due to an act of God, war, riot, civil war, epidemic, infectious disease, natural disaster, power failure, interruption of communication facilities, suspension of provision or emergency maintenance of external services such as cloud services, establishment, revision or abolition of laws and regulations or any other cause not attributable to Licensor or Licensee.

<Explanation>

The contents of the Article are the same as those set forth in the METI Guidelines, thus, the explanation of this Article is omitted herein.

Article 19.   Termination

1. Licensor or Licensee may immediately terminate this Agreement, in whole or in part, without being required to make a demand, if any of the following circumstances apply to the other party; provided, however, that if the payment of the consideration for the grant of a license to use the Provided Data is made by the Payment Method for One-Time Use Basis, neither party may terminate this Agreement on the grounds that any circumstances specified in items 2 through 8 below apply to the other party:

    (1) the other party breaches any provision of this Agreement and fails to cure such breach despite having received a demand from the non-breaching party specifying a reasonable period for cure thereof;

    (2) the other party suspends payments or becomes insolvent or a note or check drawn by the other party is dishonored;

    (3) a petition for the commencement of bankruptcy, civil rehabilitation, corporate reorganization or special liquidation proceedings or a petition for the commencement of insolvency proceedings similar to the foregoing is filed in relation to the other party;

    (4) a petition for the commencement of provisional attachment, provisional disposition, attachment, disposition due to delinquency or auction proceedings is filed against the other party's important assets or a disposition due to delinquent public taxes and imposts is issued against the other party;

    (5) the other party suspends or abolishes its operation or assigns an important part of its business;

(6) the other party enters into dissolution or liquidation for any reason other than merger;

(7) the other party undergoes a considerable deterioration in the state of its assets or the likelihood thereof is reasonably recognized;

(8) it is found that the other party has breached any of its representations and warranties stipulated in Article 5; or

(9) in addition to the above, any other significant reasons occur that are similar to any of the preceding items that make it difficult to continue this Agreement.

2. Termination pursuant to the preceding paragraph shall not preclude the terminating party from demanding the other party to provide compensatory damages.

3. Notwithstanding the provision of Article 16, if Licensor or Licensee withdraws from the "AIDC Data Cloud" data distribution platform provided by AI Data Consortium, or ceases to be a member of "AIDC Data Cloud" for any other reason, this Agreement shall be automatically terminated.

<u>＜Explanation＞</u>

The contents of the Article, excluding Article 19.3, are almost the same as those set forth in the METI Guidelines, thus, the explanation of this Article is omitted herein in principle.

With regard to Article 19.3, since this Agreement comes into effect via the Platform and assumes the use of the Platform, Article 19.3 sets forth that this Agreement will be terminated if either Licensor or Licensee ceases to be a member of the Platform.

Article 20.　　Measures after Termination

1. After termination of the effective term of this Agreement, Licensee must not utilize the Provided Data for any reason, and must promptly dispose of or erase all the Provided Data that it has received in the manner separately instructed by Licensor.

2. Licensor may request Licensee to submit a written document certifying that all Provided Data has been disposed of or erased.

3. After termination of the effective term of this Agreement, Licensee must not provide any third party with or cause any third party to use the Inference Engine, any products

or services containing the Inference Engine, or the Derived Data, which are prepared within the effective term hereof; provided, however, that if there is any Inference Engine or products containing the Inference Engine remaining as at the termination of this Agreement, Licensee may sell the same upon obtaining approval from Licensor. In such case, Licensee shall continue to make payments in accordance with the payment terms specified in Article 4.

<Explanation>
1. Articles 20.1 and 20.2 are based on the discussion in accordance with the METI Guidelines (Article 15 of the METI Draft Model Contract (on page 121 of the METI Guidelines)).

2. With regard to Article 20.1, if the Provided Data remains in Licensee's possession even after the termination of this Agreement, Licensee may use the Provided Data intentionally or mistakenly, thus, in order to avoid the foregoing from occurring, Article 20.1 obligates Licensee to destroy or delete the Provided Data. Not only the Provided Data which was first provided, but since Article 6 sets forth the "Provided Data (including reproductions thereof or those substantially the same; the same shall apply hereinafter)," reproductions or those substantially the same as the Provided Data are also subject to destruction or deletion.

3. With regard to Article 20.2, since it is difficult for the outside party to confirm the fulfillment of the obligations set forth in Article 20.1, Article 20.2 sets forth that Licensor may request the submission of a document certifying that the Provided Data in its entirety has been destroyed or deleted.

4. With regard to Article 20.3, since, at the WG meeting, focus was placed on the fact that the existence of the Provided Data is essential for the Inference Engine and the Derived Data created during the effective term of this Agreement, and that the Inference Engine and the Derived Data were not able to be created without the Provided Data, Article 20.3 sets forth that, with the termination of the effective term of this Agreement, the Inference Engine and the products or services including the Inference Engine, as well as the Derived Data, shall not be provided to or used by any third party. Conversely speaking, if the continuous use of the Inference Engine and the Derived Data is requested while the Provided Data *per se* is not required, it is necessary to continue the license agreement regarding the Provided Data and pay

the consideration for the use of the Provided Data.

5. However, if there are products manufactured during the effective term of this Agreement remaining, since it is difficult for Licensee to destroy all such products, Article 20.3 allows for the sales of the Inference Engine and the products including the Inference Engine which remain at the time of termination of the Agreement, subject to approval of Licensor.　Nevertheless, even in this case, the obligations to pay the consideration for the use will remain in place.

Article 21.　　　　Elimination of Anti-Social Forces

1. Licensor and Licensee each represents and warrants that, both at present and in the future, neither it nor any of its representatives, officers, persons who substantially control the management thereof, employees, agents or intermediaries (the "**Related Persons**") falls or will fall under any of the following:

    (1) an organized crime group (as stipulated in Article 2(2) of the Act on Prevention of Unjust Acts by Organized Crime Group Members of Japan (the "**Anti-Organized Crime Act**"));

    (2) a member of an organized crime group (as stipulated in Article 2(6) of the Anti-Organized Crime Act);

    (3) a quasi-member of an organized crime group;

    (4) a company related to an organized crime group;

    (5) a corporate extortionist ("*sokaiya*"), etc., a racketeer advocating a social movement ("*shakaiundohyobogoro*"), a racketeer advocating political activities ("*seijikatsudohyobogoro*"), or a special intelligence criminal organization ("*tokushuchinoboryokushudan*");

    (6) a person/organization that is closely involved with any of the foregoing (including, without limitation, any act of providing funds or other benefits); or

    (7) a person/organization equivalent to any of the foregoing.

2. Licensor and Licensee each warrants that neither it nor any of its Related Persons directly or indirectly engages in any of the following acts:

    (1) making a violent demand;

    (2) making an unreasonable demand going beyond a legal responsibility;

    (3) engaging in threatening behavior (including, without limitation, informing that it or any of its Related Persons constitutes any person stipulated in the

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preceding paragraph) or committing a violent act with respect to transactions;

(4) damaging the reputation of the other party or interfering with the other party's business by spreading rumors, or using fraudulent means or force; or

(5) any other act equivalent to any of the foregoing.

3. If Licensor or Licensee finds that the other party is in breach of any of the representations or warranties stipulated in the preceding two (2) paragraphs, such party may terminate this Agreement without being required to make any demand whatsoever.

4. If Licensor or Licensee terminates this Agreement pursuant to the provision of the preceding paragraph, such party shall not be liable for any damage, loss or expense incurred by the other party due to such termination.

<u>\<Explanation\></u>

1. If the other party to this Agreement is found to be a person related to an organized crime group, Article 21 makes it possible to cancel this Agreement without making any demand.

2. The Tokyo Metropolitan Ordinance for the Elimination of Organized Crime Groups requires business operators to endeavor to confirm that the other party to this Agreement does not fall under a person related to an organized crime group at the time of execution of an agreement, and to endeavor to set forth provisions eliminating any organized crime groups.

Article 22.   Survival

Even after the termination of this Agreement, Article 3 (Handling of Derived Data), Article 9 (Prohibition of Use), Article 11 (Intellectual Property Rights in Provided Data), Article 13 (Limitation of Liability, Etc.), Article 14 (Confidentiality), Article 17 (Compensatory Damages), Article 18 (Force Majeure), Article 19.2 (Termination), Article 20 (Measures after Termination), Article 21.4 (Elimination of Anti-Social Forces), this Article 22 (Survival), Article 23 (No Assignment of Rights and Obligations) and Article 25 (Governing Law and Jurisdiction) [and Article 28 (Non-Competition Obligation)] shall remain in full force and effect.

<Explanation>

Explanation of this Article is omitted herein.

Article 23.　　No Assignment of Rights and Obligations

Neither party may, without obtaining prior written approval from the other party, assign, pledge as collateral or otherwise dispose of any of its rights, obligations or contractual status under this Agreement.

<Explanation>

The contents of the Article are the same as those set forth in the METI Guidelines, thus, the explanation of this Article is omitted herein.

Article 24.　　Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the provision of the Provided Data, and any agreements, understandings and other arrangements made with respect to provision of the Provided Data prior to the execution of this Agreement shall cease to be effective by execution of this Agreement.

<Explanation>

The contents of the Article are the same as those set forth in the METI Guidelines, thus, the explanation of this Article is omitted herein.

Article 25.　　Governing Law and Jurisdiction

This Agreement shall be governed by the laws of Japan.　Any dispute in relation to or incidental to this Agreement shall be subject to the exclusive jurisdiction of the Tokyo Summary Court or the Tokyo District Court according to the value of the subject matter of the litigation.

<Explanation>

The contents of the Article are the same as those set forth in the METI Guidelines, thus, the explanation of this Article is omitted herein.

Article 26.　　Good Faith Consultation

Any matter not stipulated in this Agreement and any matter regarding which any doubt arises shall be resolved upon mutual good faith consultation between Licensor and

Licensee.

<u>\<Explanation\></u>

The contents of the Article are the same as those set forth in the METI Guidelines, thus, the explanation of this Article is omitted herein.

Article 27.   Notice

1. Unless otherwise stipulated in this Agreement, any notice provided by Licensor or Licensee under this Agreement shall be provided through "My Page" on the AIDC website or through postal mail or email to the respective person in charge specified below.   Any fees pertaining to postal mail shall be borne by the party sending the same.

	Licensor	Licensee
Person in charge		
Address		
Email address		

2. The notice provided pursuant to the preceding paragraph shall become effective as at the time of its arrival to the other party or at the time when it should arrive at the other party.

3. If Licensor or Licensee changes its address stipulated in Article 27.1, such party must notify the other party to such effect in advance.

<u>\<Explanation\></u>

1. This Article sets forth a manner of notification to be made in accordance with this Agreement.   With regard to Licensor and Licensee, the name of the person in charge, company address and email address shall be described, respectively.

2. Notification on the My Page section on the AIDC website, postal mail, or transmission of email are planned as manners of notification.

5. Optional Provision

Article 28.   (Non-Competition Obligation)

During the effective term of this Agreement and for ● years after termination of the effective term of this Agreement, Licensee must not use, by itself, or cause any third

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party to use, the Derived Data and the Inference Engine for the same or similar business to that operated by Licensor.

<u><Explanation></u>

1. This Article imposes the Non-Competition Obligation on Licensee. In principle, Licensee may use the Derived Data and the Inference Engine in accordance with the Purpose set forth in Article 1 (5) and so long as Licensee complies with the measures to be taken after the termination of the Agreement as set forth in Article 20 after the termination of the Agreement (See Article 3); provided, however, that this Article requires Licensee not to provide any third party with the Derived Data and the Inference Engine and not to grant any third party a license to use the Derived Data and the Inference Engine, in order to use the Derived Data and the Inference Engine for the same or similar business to that operated by Licensor. From the perspective of placing emphasis on the safety of data transactions and the promotion of distribution, this Article is not established as a default provision, rather the Licenser may choose whether or not to set forth this Article in this Agreement.

   This Article covers (1) the case where Licensee uses the Derived Data and the Inference Engine by itself, in order to use the same for the same or similar business to that operated by Licensor, and (2) the case where Licensee provides, etc. any third party with the Derived Data and the Inference Engine in order for any third party to use the Derived Data and the Inference Engine for the same or similar business to that operated by Licensor, as restricted by the Non-Competition Obligation.

   Since the scope of use of the Provided Data is limited in accordance with the interpretation of the Purpose set forth in Article 1 (5), the Provided Data is not covered by the prohibition set forth in this Article.

2. After choosing to set forth this Article, Licensor may establish the period in which the Non-Competition Obligation shall be imposed on Licensee; provided, however, that Licensor needs to pay attention to make sure that this Article will not violate the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (the "Antimonopoly Act") and pay attention to the contents, etc., described in Part 4 "Viewpoints from Unfair Trade Practices" in "Guidelines for the Use of Intellectual Property under the Antimonopoly Act" (January 21, 2016; Japan Fair Trade

Commission)[5].

3. With regard to this Article, as stated in Paragraph 2 above, the period for the Non-Competition Obligation as established by Licensor may be found to constitute a breach of the Antimonopoly Act in view of the specific circumstances, and whether "the same or similar business to that operated by Licensor" which is set forth in this Article is relevant or not largely depends on the specific circumstances, and it is difficult to submit the operational standards which make the projection of the judgment results possible.   Therefore, the selection screen for this Article shown to Licensor indicates the following as the precautions in the case where this Article is incorporated in this Agreement.

Precautions

In choosing this Article, please carefully pay attention to the following:
-   Since the sales destinations of the Derived Data and the Inference Engine of a data purchaser are limited, if you set forth this Article, a data purchaser may be hesitant to purchase data.
-   If you establish an unduly long period for the period for the Non-Competition Obligation as established by Licensor, you may be judged to have breached the Antimonopoly Act when the specific circumstances are taken into consideration.
-   "The same or similar business to that operated by Licensor" which is set forth in this Article will be interpreted based on specific circumstances.

- End -

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[5] https://www.jftc.go.jp/dk/guideline/unyoukijun/chitekizaisan_files/chitekizaisangl.pdf

Exhibit 4: List of Standards for Entry in the Free Entry Sections in the Agreement

Articles Containing Free Entry Sections	Standards for Entry in the Free Entry Sections
Article 2. Grant of License to Use Data Licensor shall provide the Provided Data to Licensee and shall grant Licensee a license to use the same in the Region only for the Purpose during the effective term of this Agreement; provided, however, that, [●] shall be excluded.	In [●], Licensor shall enter any utilization methods that Licensor particularly wishes not to grant Licensee a license for.
Article 4. Consideration and Payment Terms **[Option (1): In the Case of Pay-Per-Use Basis]** 1. Licensee shall pay Licensor JPY ● per unit of [●] as consideration for the grant of a license to use the Provided Data.	With regard to [●], Licensor shall enter in [●] the number of data unit(s) necessary to calculate the consideration.
Article 5. Warranty Regarding the Provided Data 1. Licensor represents and warrants the following matters concerning the Provided Data: (Omitted) (5) [ ]	In the blank space, Licensor shall enter the details of what Licensor warrants to Licensee based on the content and nature of the Provided Data.
Article 6. Maintaining the Nature of "Shared Data with Limited Access" Licensee recognizes that the Provided Data falls under the "shared data with limited access" under the Unfair Competition Prevention Act of Japan and complies with the following: (3) ●	In [●], Licensor shall enter the handling and management methods for the Provided Data which Licensee should observe in order to maintain the nature of "shared data with limited access" pertaining to the Provided Data.
Article 9. Prohibition of Use 2. Notwithstanding the provision of the preceding paragraph, Licensor grants	In [●], Licensee shall enter the specific names of any third parties (including individuals) to

Licensee the right to disclose or provide the Provided Data to [●] for the purpose of performing this Agreement. In such case, Licensee shall impose upon such third party obligations equivalent to those owed by Licensee with regard to the Provided Data under this Agreement.	whom Licensee wishes to disclose or provide the Provided Data.
Article 14. Confidentiality 4. Notwithstanding the provisions of Article 14.1, Licensor grants Licensee the right to disclose or provide the Confidential Information to [●] for the purpose of performing this Agreement. In such case, Licensee shall impose upon such third party obligations equivalent to those under Article 14.1 owed by Licensee under this Agreement. 5. Notwithstanding the provisions of Article 14.1, Licensee grants Licensor the right to disclose or provide the Confidential Information to [●] for the purpose of performing this Agreement. In such case, Licensor shall impose upon such third party obligations equivalent to those under Article 14.1 owed by Licensor under this Agreement.	・ [Article 14.4] Licensee shall enter the specific names of any third parties (including individuals) to whom Licensee wishes to disclose or provide the Confidential Information. ・ [Article 14.5] Licensor shall enter the specific names of any third parties (including individuals) to whom Licensor wishes to disclose or provide the Confidential Information.

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