

# TERMS AND CONDITIONS OF MODERN ART PART II AUCTION

(Date Revised: June 2025)

Any “Modern Art Part II Auction” carried out by SHINWA AUCTION CO., LTD. (hereinafter referred to as “the Company”) shall be conducted in accordance with the Terms and Conditions of Modern Art Part II (hereinafter referred to as the “Terms and Conditions”). All concerned parties—including any person who consigns objects of art for sale to the Company, places a bid, or concludes a contract of sale with the Company—shall agree to and comply with the Terms and Conditions, except where a separate agreement with the Company has been concluded, in which case that agreement shall govern.

## Section I LOTS (Objects Subject to Auction)

### (Objects Subject to Auction)

#### Article 1

The Company shall auction an object consigned to it for sale by auction (such object of shall hereinafter be referred to as “the Lot”) under the Company’s own name.

### (No Warranty)

#### Article 2

On the grounds that the Lot will usually be by its very nature old and is to be sold on an “as is” basis, the Company shall in no way be responsible for stains, scratches, or any other defects of the Lot or for any latent defect of the Lot.

The Company offers no guarantee whatsoever concerning the true characteristics of the Lot, including but not limited to such matters as certificate, identification, original case, calligraphy, signature, seal, explanatory leaflets, and any guarantee that may be said to be connected to the Lot.

### (Preview)

#### Article 3

1. The Company shall arrange a preview of the Lot for prospective bidders before the auction.
2. Prospective bidders may inspect and examine the Lot at the preview (where they shall not be permitted to touch the Lot except when necessary and with the Company’s consent;

the same shall apply hereinafter). Any person who places a bid does so at their own judgment and responsibility, giving due consideration to the condition of the Lot (including any defects) and the true characteristics including but not limited to such matters as certificate, identification, original case, calligraphy, sign, seal, explanatory leaflets, and any guarantee that may be said to be connected to the Lot.

3. The Company may ask any person desiring admittance to the preview to present proof of identity and may, at its discretion and without explanation, refuse admittance thereto.

(Catalogs)

#### Article 4

1. The Company shall prepare catalogs providing information on Lots and distribute the same to prospective buyers at a price.

2. Illustrations contained in the catalogs are intended solely for the purpose of identification and reference and may not be taken to accurately represent the color or shape of the Lot nor to indicate the conditions or qualities thereof. The Company shall in no way be responsible for any discrepancy between the illustrations contained in the catalogs and the actual objects.

3. The descriptions and comments that appear in the catalogs (including but not limited to artist, manufacturer's name, title, kind, material, restorations, signature, size, time and place of production, expert opinion, certificate, identification, original case, calligraphy, signature, seal, provenance, bibliography, archive) are compiled by the Company with due care and attention. Nevertheless, these descriptions and comments appear solely for the reference of prospective bidders, and the Company shall in no way be responsible for any errors in the statements made or any discrepancies between the catalog descriptions and the actual object. Prospective bidders shall inspect and examine the actual objects at the above-mentioned preview and shall place a bid at their own examination and on their own responsibility, having formed their own judgment with respect to the matters contained in the descriptions and comments.

4. The Company may publish the appraised value of the Lot in its catalogs. The appraised value is given as the range between a high and low figure designated in yen and does not include the buyer's premium and consumption tax thereon. The appraised value is an estimate the Company considers appropriate based on factors such as present market conditions and shall be used solely for reference for prospective bidders. In view of the very nature of an auction, the actual sales price shall in no way be determined by the appraised value. Therefore, the actual price may be out of the range of the appraised

value. However, no sale shall be made at a price below the reserve price (which shall be held confidential and which may be above the minimum appraised value) if any as provided for in Paragraph 2 of Article 20.

#### (Changes to Catalog Entries)

##### Article 5

Descriptions and comments in the catalogs are subject to change without notice. Any change shall be posted in writing at the auction site or announced orally by the auctioneer immediately before the auction of the Lot in question. In the case of any changes, the auction shall be regarded as having been conducted according to the updated terms.

## Section II AUCTION PROCEDURES

#### (Bidder Registration)

##### Article 6

1. Any person who wishes to be admitted to the auction site and to place a bid must register their name (or in the case of a corporation, the names of the corporation and its representative) and address. If they act as an agent or messenger for a principal (including persons who place a bid for a corporation; the same shall apply hereafter), they must register the name and address of their principal as well as their own name and address. Any agent or messenger shall submit a proxy issued by the principal. (Note that Paragraph 5 of Article 8 below applies for agents or messengers.) Registration shall be conducted with the Company prior to the date of auction.
2. The Company may from time to time request appropriate identification from persons who wish to register.
3. The Company may, at its discretion and without explanation, refuse to allow any person to register or refuse to admit any person to the auction site, including persons who have completed registration.
4. Persons who have registered in advance shall obtain confirmation of their registration at the reception desk on the day of the auction.

#### (Bidding Paddles)

##### Article 7

1. The Company shall distribute numbered paddles to registered persons at the reception desk on the day of the auction.

2. The numbers on the paddles allow the auctioneer to identify individual bidders. If the auctioneer asks a bidder to make their paddle easily visible, the bidder shall immediately comply with the auctioneer's instructions.
3. A bidder shall at all times remember their paddle number and pay attention to the numbers that the auctioneer calls out.
4. Any person who has received but subsequently misplaced their paddle shall immediately inform the clerk in charge of the particular auction site. Furthermore, any person who has received a paddle shall return it once the auction has closed or at any time they leave the auction site.

#### (Method of Auction)

#### Article 8

1. The auction shall be presided over by an auctioneer appointed by the Company and conducted as a series of progressively higher bids in the manner described below. The bid price shall not include the buyer's premium and the consumption tax thereon. In addition to the bid price, a bidder agrees to pay to the Company upon the conclusion of any sale the premium and consumption tax thereon, as prescribed in Article 12.
2. The Company shall not announce the name of a consignor or the reserve price if the reserve price has been placed according to Paragraph 2 of Article 20, except where the consignor's consent has been obtained.
3. The auction shall progress in sequence following the numbers of the Lot ("Lot Number") in the catalog. However, the Company may withdraw a scheduled Lot from the auction without prior notice, or auction separately a number of Lots originally listed under the same Lot Number, or auction several numbered Lots together as a single Lot.
4. The auctioneer shall have discretion in the conduct of the auction and shall be completely free to set the opening bid and the increment of each successive bid. (Where the reserve price has been placed according to Paragraph 2 of Article 20, the opening bid shall be set regardless of the reserve price and may fall below or exceed it.)
5. Every bidder shall be deemed to act as principal unless they have notified the Company that they act as an agent or messenger for another party for which the Company has given approval. Furthermore, two or more persons shall not be permitted to bid under a joint name.
6. Bids can be made by raising a paddle or by gesturing (e.g., using signs, movements, or nodding of the head). If the auctioneer appears to have overlooked a bid, the bidder shall immediately attempt to get the auctioneer's attention.

7. Bids may be placed in writing as well as by personal attendance at the auction. Bids in writing shall be subject to Article 10.
8. If a reserve price has been placed, as provided for in Paragraph 2 of Article 20, the Company shall, in order to attain the reserve price, bid on behalf of the consignor until a bid from another bidder reaches or exceeds the reserve price. It may do so either through the auctioneer or in any other manner the Company may deem appropriate.
9. The auctioneer may, at their discretion, refuse any bid without explanation.
10. Any person who has placed a bid shall be bound by that bid until a higher one is placed (including a bid by the Company as referred to in Paragraph 8). If a higher bid is placed, the previous bid shall become null and void, except if the higher bid is invalidated due to refusal by the auctioneer or other circumstances, in which case the previous bid shall remain binding.
11. A bid shall also become null and void if it is refused by the auctioneer, or if the auction closes without reaching the reserve price, as provided for in Paragraph 2 of Article 20, or if the relevant Lot is put up for re-auction by the auctioneer.
12. Once the auctioneer has called the highest bid price (compared to all other bid prices) two times and lets the hammer fall, a contract of sale for the highest bid price shall take effect between the Company and the highest bidder, who shall then become the purchaser. The bidder who has become the purchaser as above shall be hereinafter referred to as the “successful bidder” and the price shall be hereinafter referred to as the “hammer price.”
13. If the highest bidder wishes to withdraw their bid before the hammer falls, the decision as to whether the highest bidder or the next highest bidder shall become the purchaser is up to the auctioneer.
14. Any question or dispute concerning the auction shall be settled by the auctioneer at their discretion, and all parties involved shall abide by said decision. Where a question or dispute arises, the auctioneer may at their discretion refuse a bid, decide on the highest bidder, continue the auction and accept further bids, or declare all previous bids on the Lot in question null and void and put the Lot up for re-auction.
15. No protests are permitted once the successful bidder has been decided upon and the auctioneer has begun the auction of the next Lot.

(Written Confirmation of Bid)

#### Article 9

1. At the auction site immediately after the conclusion of the sale, the successful bidder shall, after confirming the Lot Number and the hammer price described in the

confirmation of bid, affix their signature or seal to the confirmation of bid upon the demand of the Company. If the bidder is a corporation, the person acting as the agent or messenger of the corporation shall state the name of the corporation and affix their signature or seal; provided, however, that any sale shall be concluded at the time of the fall of the auctioneer's hammer and that the confirmation of bid shall be made solely for the record.

2. If the successful bidder fails to affix their signature or seal to the confirmation of bid immediately in accordance with the preceding paragraph, the auctioneer may, at their discretion, rescind the sale forthwith and place the Lot in question up for re-auction. In such case Paragraph 1 (4) of Article 18, shall apply *mutatis mutandis*.

3. The Company shall deliver to the successful bidder a Lot exchange slip after the bidder has affixed their signature or seal to the confirmation of bid. The successful bidder shall, upon receipt of the Lot, deliver to the Company the lot exchange slip. The Lot exchange slip shall operate solely as a certificate of discharge and serve no other purpose. The same shall apply for the Lot exchange slip as referred to in Article 10.

(Bids in Writing – Order bids)

#### Article 10

1. A bid may be placed in writing by mail or facsimile, or online via the internet system designated by the Company in advance. Such bid placed in writing shall be hereinafter referred to as a "written bid."

2. A written bid shall be submitted to the Company at least two working days before the auction by describing therein accurately the name (in the case of a corporation, the names of the corporation and its representative) and address of bidder, the Lot Number, and the maximum bid price the bidder is willing to place (excluding the buyer's premium and the consumption tax thereon), and by affixing the signature or seal of the bidder to the same. A written bid that does not include a maximum bid price shall be deemed invalid.

3. The Company shall bid on behalf of any person who has placed a written bid and may do so either through the auctioneer or in any other manner the Company may deem appropriate.

4. A person who has placed a written bid becomes the successful bidder if their maximum bid price exceeds the highest bid price of other bidders (or, if any reserve price has been placed provided for in Paragraph 2 of Article 20, both the highest bid price of other bidders and the reserve price), in which case the hammer price shall be equal to the second highest bid price (or, if any reserve price has been placed provided for in Paragraph

2 of Article 20, either the highest bid price of other bidders or the reserve price, whichever is higher), plus an appropriate increment decided upon by the auctioneer. In such a case, as with a bid in person at the auction site, the sales contract shall be concluded once the auctioneer determines the purchaser by hammering the Lot down to the highest bidder.

5. If two or more written bids for the same Lot offer the same price, precedence shall be given to whichever bid was received first by the Company. If two or more such bids are received at the same time and the Lot in question is knocked down at the bid price described under the preceding paragraph, the successful bidder shall be decided by lottery at a later time.

6. The Company reserves the right to refuse, at its discretion and without explanation, any written bid, and the Company shall in no way be liable for any failure of the notification of its intention to refuse the bid to reach the bidder except in the case of intentional misconduct or gross negligence by the Company.

7. The Company shall in no way be liable for failure to execute a written bid at the auction, whether through error or any other cause (including cases in which the Company fails to execute a written bid under the events outlined in Paragraph 3 of Article 8), except in the case of gross negligence by the Company.

8. In the case of changes to catalog descriptions or comments in catalogs as outlined in Article 5, any written bid shall be deemed as having been placed according to the terms of the changed description and comments. The Company shall do its best to notify written bidders of any relevant changes, but it shall in no way be held liable if such notification fails to reach the written bidders in advance, except in the case of intentional misconduct or gross negligence by the Company.

9. The Company shall promptly notify any written bidder of their having become the successful bidder. Immediately upon receipt of such notice, the successful bidder shall deliver to the Company a confirmation of bid to which they have affixed their signature or seal (or in the case of a corporation, the names of the corporation and its representative) after confirming the Lot Number and the hammer price set forth in the confirmation of bid. Note that any sale shall be concluded at the time of the fall of the auctioneer's hammer and that the confirmation of bid shall be made solely for the record. Thereafter, the Company shall deliver a Lot exchange slip. The successful bidder shall, upon receipt of the Lot, deliver to the Company the Lot exchange slip.

10. When Article 8 or 10 of the Consumer Contract Law takes precedence over this Article of the Terms and Conditions, the Company shall apply the appropriate provisions of the Consumer Contract Law in accordance with Article 27 of the Terms and Conditions.

(Telephone Bids and Live Bidding System)

Article 11

1. Bids may be placed by telephone or internet terminals installed at the auction site.
2. Any person who intends to place bids by telephone shall apply to the Company in advance and shall be subject to the Company's instructions. In such case, Paragraph 6 of Article 10 shall apply *mutatis mutandis*.
3. The Company shall in no way be liable for failure to execute a telephone bid at the auction, whether through telephone intermediary errors or any other cause, even if the bidder has already applied to bid by telephone and their application has been approved by the Company, except in the case of intentional misconduct or gross negligence by the Company.
4. When a person who has placed a bid by telephone has become a successful bidder, the successful bidder shall immediately deliver to the Company a confirmation of bid to which they have affixed their signature or seal (in the case of a corporation, the names of the corporation and its representative) after confirming the Lot Number and the hammer price set forth in the confirmation of bid. Note that any sale shall be concluded at the time of the fall of the auctioneer's hammer and that the confirmation of bid shall be made solely for the record. Thereafter, the Company shall deliver a Lot exchange slip. The successful bidder shall, upon receipt of the Lot, deliver to the Company the Lot exchange slip.
5. Any person who intends to place bids via the live bidding system shall comply with the Terms and Conditions of the Live Bidding System posted on our website in addition to these Terms and Conditions.
6. When Article 8 or 10 of the Consumer Contract Law takes precedence over this Article of the Terms and Conditions, the Company shall apply the appropriate provisions of the Consumer Contract Law in accordance with Article 27 of the Terms and Conditions.

Section III SUCCESSFUL BIDDER

(Purchase Price)

Article 12

The successful bidder shall pay, in addition to the hammer price, an amount calculated according to the following subparagraph as the buyer's premium and the consumption tax

thereon. The combined sums of the hammer price, the premium, and the consumption tax thereon shall hereinafter be referred to as the “purchase price.”

(1) 16.5% of the hammer price (including the consumption tax)

(Payment Period of Purchase Price)

#### Article 13

The successful bidder shall pay the purchase price within ten days (except for Saturdays, Sundays, and holidays as defined in the National Holidays Act) after the day of the auction. (Such period consisting of the Company’s daily hours of business shall be referred to hereinafter as “the payment period”). Payments shall be made in Japanese yen, either in cash or by check drawn on a bank as defined in the Banking Act or by remittance transferred to one of the following accounts (in which case the remittance must reach the designated account within the payment period):

Bank Name: Ginzadori Branch of Mizuho Bank

Account Name: SHINWA AUCTION CO., LTD.

Account Number: Ordinary deposit No. 2483416

Bank Name: Kyobashi Branch of Bank of MUFG

Bank Account Name: SHINWA AUCTION CO., LTD.

Account Number: Ordinary deposit No.0658207

(Delivery)

#### Article 14

1. The Company shall deliver the Lot to the successful bidder after the purchase price has been paid in full, provided, however, that if the successful bidder owes any debts to the Company that have fallen due (including miscellaneous expenses defined in Paragraph 3 of Article 16), the Company shall not deliver the Lot until the purchase price and all such debts have been fulfilled. The purchase price and all other debts owed to the Company that have fallen due shall hereinafter be called the “total amount due.”
2. The successful bidder shall receive the Lot within the payment period after having paid in full the total amount due.
3. The place of the delivery of the Lot shall be at the premises of the Company, and any expenses for receipt of the Lot shall be borne by the successful bidder. The Company shall

in no way be liable for any accidents to the Lot (including destruction, loss, theft, damage, or soiling) after the time of delivery (which shall mean the time at which the Company delivers the Lot to the successful bidder, to their agent or messenger, or to a carrier at the Company; the same shall apply hereinafter) except in the case of intentional misconduct or gross negligence by the Company. If the Company arranges a carrier upon request of the successful bidder, such arrangement is made solely as a courtesy, and the successful bidder shall take out appropriate insurance. The Company shall in no way be liable for any accidents (including destruction, loss, theft, damage, or soiling) after the time of delivery or for its selection of carrier except in the case of intentional misconduct or gross negligence by the Company. The successful bidder shall, at their own judgment, responsibility, and expense, make such packaging as they shall deem proper. The Company may, before delivering the Lot, pack the Lot in a manner it deems appropriate, but this is intended solely as a courtesy, and the Company shall in no way be liable for such packaging except in the case of intentional misconduct or gross negligence by the Company.

4. The successful bidder may inspect the Lot at the time they receive it. Regardless of whether the successful bidder actually inspects the Lot, when the Company delivers the Lot to the successful bidder (or to their agent or messenger, or to a carrier), the successful bidder shall neither make any claim against the Company nor terminate the sales contract for any mistake in the Lot they have received or for any damage or soiling thereof after the time of delivery except in the case of intentional misconduct or gross negligence by the Company. This provision shall not prevent the Company from requiring the return of any object that the Company has mistakenly delivered.

5. The successful bidder shall, upon receipt of the Lot, deliver to the Company the Lot exchange slip. When the Company receives the Lot exchange slip, the Company shall be relieved of any liability even if a party other than the successful bidder receives the Lot (except in the case of intentional misconduct or gross negligence by the Company).

6. When Article 8 or 10 of the Consumer Contract Law takes precedence over this Article of the Terms and Conditions, the Company shall apply the appropriate provisions of the Consumer Contract Law in accordance with Article 27 of these Terms and Conditions.

(Risk of Loss and Transfer of Ownership)

#### Article 15

1. The successful bidder shall bear any risk of loss of the Lot after the conclusion of sale (when the auctioneer hammers the Lot down to the highest bidder), which means that the

successful bidder shall bear the consequences of any loss, destruction, theft, damage, or soiling of the Lot not attributable to impropriety by the Company.

2. Ownership of the Lot shall not be transferred to the successful bidder until they pay the total amount due in full and the Company delivers the Lot to the successful bidder.

Ownership shall be transferred to the successful bidder at the time of the delivery of the Lot after the total amount due has been paid in full.

#### (Miscellaneous Expenses)

##### Article 16

1. The successful bidder shall not be required to pay any storage or insurance charges for the duration of the payment period (or until the time of the delivery if the Company delivers the Lot before the expiration of the payment period).

2. If the successful bidder is unable to receive the Lot within the payment period, they shall pay all storage and insurance charges from the expiration of the payment period until the time the successful bidder receives the Lot. In any such case, the Company shall not be required to take out insurance.

3. The storage and insurance charges to be borne by the successful bidder shall be referred to as “miscellaneous expenses.”

#### (Stolen and Lost Property)

##### Article 17

1. If, before the delivery of the Lot, a third-party claims that the Lot is lost or stolen property of which they are the rightful owner and demands its restoration, or if it is discovered that the Lot is of a type whose sale or possession is prohibited by law, the Company may rescind the sale without notice. In any such case, if the Company has received payment of the purchase price, it shall refund the purchase price without interest, and the successful bidder shall not make any further claims against the Company, including any claim for damages.

2. If the Superintendent General of the Metropolitan Police Department, the Chief of Prefectural Police Headquarters, or the Chief of Police Station directs the Company to keep the Lot in its custody for a set period in accordance with Article 21 of the Secondhand Articles Business Act, the Company shall not deliver the Lot until the expiration of that period. In any such case, the phrase “within ten days after the day of

the auction” in Article 13 shall be replaced by the phrase “within three days after the expiration of the period of custody set by the Superintendent General of the Metropolitan Police Department, the Chief of Prefectural Police Headquarters, or the Chief of Police Station.” The replacement phrase shall apply in defining “the payment period” as it appears in Articles 14, 16 and 18. Furthermore, the Company shall in no way be held responsible for the consequences which may result from any delay in the release of the Lot.

(Default of successful bidder)

Article 18.

1. If the successful bidder fails to pay the total amount due within the payment period, the following subparagraphs shall apply:

(1) The successful bidder shall pay damages for delay at an annual rate of 18% (or, in cases in which the Consumer Contract Law is applicable, at an annual rate of 14.6%) on the unpaid amount of the purchase price (excluding the consumption tax thereon) from the day following the expiration of the payment period until the total amount due (including all miscellaneous expenses) is paid in full (or, if the contract is terminated in accordance with Subparagraph (3) hereof, until the day of termination).

(2) The Company shall at its discretion take custody of the Lot in whatever manner it deems appropriate after the expiration of the payment period. The Company shall in no way be liable for the destruction, loss, theft, damage or soiling of the Lot for any reason whatsoever prior to receipt by the successful bidder of the Lot, nor shall the successful bidder be relieved of any obligation to pay the total amount due except in the case of intentional misconduct or gross negligence by the Company. The Company shall not be required to insure the Lot for such period.

(3) The Company may terminate the sales contract if the successful bidder fails to pay the total amount due upon receipt of a demand notice from the Company. Notwithstanding the above, provided the Company has sent a demand notice to the address the successful bidder has registered with the Company or has otherwise notified the Company of, if the demand notice remains undelivered because the addressee is absent or unknown or the successful bidder refuses receipt, the Company may terminate the sales contract. In such a case, the sales contract shall be deemed terminated as of the time the Company sends a notice of termination to the address of the successful bidder and the successful bidder shall agree thereto in advance.

(4) If the sales contract is terminated in accordance with the preceding Subparagraph (3),

the Company may sell the Lot to a third-party either by auction or a privately negotiated contract, in which case no reserve price shall be placed. In such a case, should the aggregate sum of the sales price by auction or sales contract, the buyer's premium defined in Article 12 herein, and the consumption tax thereon be less than the original purchase price, the defaulting successful bidder shall pay the Company the difference, along with damages for delay, at an annual rate of 18% (or, in cases in which the Consumer Contract Law is applicable, at an annual rate of 14.6%) from the day of that auction or conclusion of the sales contract until the amount is paid in full. On the other hand, if the price is higher than the original purchase price, the defaulting successful bidder shall not make any claim on the difference.

(5) If the sales contract is terminated in accordance with the preceding Subparagraph (3), after discussion with the consignor, the Company may return the Lot to the consignor at the request of the consignor. In such a case, the defaulting successful bidder shall pay the Company the buyer's premium which the defaulting successful bidder had to pay for the Lot as defined in Article 12 herein, the consumption tax thereon, and the damages for delay at an annual rate of 18% (or, in cases in which the Consumer Contract Law is applicable, at an annual rate of 14.6%) from the day of the auction until the amount is paid in full.

2. When Article 8 or 10 of the Consumer Contract Law takes precedence over this article of the Terms and Conditions, the Company shall apply the appropriate provisions of the Consumer Contract Law in accordance with Article 27 of the Terms and Conditions.

## Section IV CONSIGNMENT

(Consignment)

### Article 19

1. Any person who intends to consign a Lot to the Company for sale by auction in the Company's name shall apply for sale by consignment subject to the Terms and Conditions as well as to the Agreement on Sale for "Modern Art Part II Auction" by Consignment as separately specified by the Company.

2. The consignor shall guarantee to the Company that they have either complete ownership of the Lot to be consigned or the legal right to consign the Lot for sale based on complete ownership.

(Reserve Price)

#### Article 20

1. The Consignee shall sell the Consigned Lot without setting a reserve price (the minimum selling price excluding the buyer's premium and consumption tax thereon).
2. In spite of the preceding paragraph, the consignee may place a reserve price in accordance with the following subparagraphs:
  - (1) The reserve price shall be designated in Japanese yen.
  - (2) The reserve price shall be agreed upon in writing between the Company and the Seller. The reserve price may not exceed the ceiling price of the appraised value.
  - (3) If a reserve price is placed, the Company shall not sell the Lot at a price below the reserve price.
  - (4) The reserve price, if placed, may be changed or cancelled upon agreement in writing between the Company and the Seller.

(Withholding of Name)

#### Article 21

The Company shall not divulge the name of the consignor either at the auction or in the catalog without the consent of the consignor.

### Section V MISCELLANEOUS

(Changes to Terms and Conditions)

#### Article 22

The Company may change any of the Terms and Conditions. Any such changes shall be announced orally by the auctioneer on the day of the auction immediately before bidding begins for the first Lot and shall take effect forthwith.

(Prohibition of Transfer of Rights)

#### Article 23

No right or position relating to the Company under the Terms and Conditions shall be transferred or be provided as security.

(Limitation of Liability)

#### Article 24

1. The Company shall not be liable for any damages for any reason in the case that the Terms and Conditions provide for non-liability of the Company.

2. The Company shall in no way be liable for any damage in the case that such damages are caused by force majeure, natural disaster, war, civil unrest, nuclear accident, or labor disputes.

3. If the Company is obliged to take custody of the Lot for the successful bidder and if the Lot is destroyed, lost, stolen, damaged, or soiled due to negligence by the Company in a way that does not fall under any of the previous paragraphs, the Company shall, in relation to the successful bidder, be subject to the following:

(1) If the Lot has been destroyed, lost, stolen, or seriously damaged or soiled, the sales contract between the Company and the successful bidder shall automatically be terminated, and the successful bidder shall be relieved of any obligation to pay the purchase price. If the Company has already received the purchase price, the Company shall return it without interest.

(2) If the damage to or soiling of the Lot is not serious, the Company shall reduce the purchase price in proportion to the degree of such damage or soil.

(3) The burden of proof of demonstrating damage or soiling shall be on the successful bidder.

(4) The Company shall in no way be liable for its custody of frames, glass, mountings, and cases shall not be liable for any destruction, loss, theft, damage, or soiling thereto except in the case of intentional misconduct or gross negligence by the Company.

(5) The amount of damage to be paid by the Company under this paragraph shall be appropriated by insurance money to be received by the Company based on the damage insurance contract concluded between the Company and the insurance company.

4. Except as otherwise provided for in the preceding paragraphs, the Company shall in no way be liable for any damages except in the case of intentional misconduct or gross negligence on the part of the Company. If the Company is to be held liable for intentional misconduct or gross negligence, the range of compensation for the loss shall be limited to the extent of the general loss or damage and the damages reasonably foreseeable to the Company at the point in time when the intentional misconduct or gross negligence occurred.

5. The Company does not guarantee that any concerned parties (including any person who consigns objects of art for sale to the Company, places a bid, or concludes a contract of sale with the Company) will earn profits. Except as provided for explicitly in the preceding paragraphs, the Company will not compensate any such parties for damages incurred.

(Qualification restriction)

## Article 25

1. The Company will not cooperate or do business with any person or entity of the type described in any of the following subparagraphs:

(1) A person or entity that engages in or has the intent of engaging in activities such as money laundering, or that engages in or has the intent to engage in raising funds making use of illegal or improper methods, inappropriate pressure, violence, or fraud or within the past five years has engaged in or has the intent of engaging in any activities of an anti-social group or member (hereinafter referred to as an “anti-social group or member”). Such groups or members include but are not limited to an organized crime group, a member or associate member of an organized crime group, a corporation related to an organized crime group, a group that engages in criminal activities under the pretext of conducting social campaigns or political activities, or a crime group organized by special intelligence.

(2) A person or entity that participates in an auction accompanied by an anti-social group or member, or that intends to allow an anti-social group or member participate in an auction by introduction

(3) A corporation in which a director or auditor belongs to an anti-social group

(4) A person or entity that uses threatening behavior or violence with regard to business with the Company

(5) A person or entity that damages the Company’s trust by spreading a false rumor, uses trickery, deception, or inappropriate pressure, or interferes with the Company’s activities in any way

(6) A person or entity that does not adhere to the Company’s Terms and Conditions or its rules

2. The Company shall cancel business with any person or entity that, in the Company’s sole judgment, meets any of the descriptions contained in the subparagraphs above and shall refuse to do business with any such person or entity now and in the future.

(Applicable Law)

## Article 26

The Terms and Conditions shall be governed by and interpreted under the laws of Japan, and any matters not provided for herein shall be subject to the laws of Japan.

(The Consumer Contract Law)

## Article 27

Where applicable, the Consumer Contract Law takes precedence over the Terms and

Conditions. In addition, the Terms and Conditions shall be read and applied in accordance with other civil laws of Japan.

(Jurisdiction)

Article 28

Any lawsuit arising under this agreement shall be brought exclusively under the jurisdiction of the Tokyo District Court and Tokyo Summary Courts of Japan.

Article 29

This English translation of the original document in Japanese is provided for the convenience of customers; however, in the case of any discrepancy between the English and Japanese versions or any question of interpretation, the Japanese document shall govern.