Basic Procurement Agreement

The parties hereunder agree as follows.

（Purchaser）

（Seller ）

1. (Principles)
2. Seller and Purchaser mutually make efforts in research, creation, and enhancement of competitiveness under the spirit of co-existence and co-prosperity, and by way of constructing an open and fair transactional relationship, attain a long-term and stable growth, and by so doing contribute to social and economic development.

1. In order to achieve the purposes set forth in the preceding paragraph, Seller and Purchaser stipulate basic terms and conditions of transactions between the parties by this Agreement, and implement this Agreement in accordance with the good faith principle under the spirit of trust and cooperation.
2. Seller and Purchaser may refuse to execute this Agreement, when the other party to this Agreement turns out to be a crime syndicate, a member thereof, an organized crime group company or association or its related person, or a part of other anti-social forces (hereinafter referred to as “Anti-Social Forces”).
3. (Scope)
4. Terms and conditions of this Agreement shall apply to all Individual Contracts unless otherwise stipulated herein.
5. In case either Seller or Purchaser desires to amend, add, or exclude one or more terms and conditions in this Agreement, Seller and Purchaser shall discuss and execute a letter of agreement, a memorandum or other documents.
6. Should matters stipulated in Individual Contracts conflict with matters stipulated in this Agreement, those stipulated in the Individual Contracts shall prevail.
7. (Individual Contracts)
8. An Individual Contract will come into effect by offer from Purchaser to Seller in the form designated by Purchaser and acceptance by Seller thereof. Should there be any question or objection to the offer made by Purchaser, Seller shall so notify to Purchaser without delay. If Seller, within five (5) days (excepting holidays of Purchaser) after the offer by Purchaser, fails to notify to Purchaser of rejection, it shall be deemed that the Individual Contract has come into effect.
9. When Purchaser requires an urgent formation of an Individual Contract in order to maintain its production and sales, or due to other circumstances, Seller shall cooperate with Purchaser in a proactive manner upon discussion with Purchaser.
10. An Individual Contract contains matters set forth in each of the following items. Provided, however, that matters which are common to each Individual Contract may be stipulated in advance upon discussion between Seller and Purchaser.
11. Manner of payment.
12. Delivery acceptance conditions.
13. Other detailed agreed matters.

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1. Seller and Purchaser may change the contents of Individual Contracts with the consent from the other party when it acknowledges that it is necessary to change the quantity, delivery date, etc. of the incoming goods. Provided, however, that, if, as a result thereof, either Seller or Purchaser incurs any damage, Seller and Purchaser will determine contents of compensation upon discussion between them. However, if there is a circumstance which is not attributable to Seller, after discussion thereupon between the parties, the said compensation amount may be reduced or exempted.
2. Amendment to Individual Contracts follows the procedure set forth in paragraph 1 of this Article.
3. (Delivery)
4. Delivery shall be made by Seller in accordance with the Individual Contract accompanied by a shipping slip which lists the required items or other documents of Purchaser’s designation.

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1. When it has turned out that Seller is unable to deliver all or a part of the incoming goods on the delivery date, or it is so likely, Seller shall immediately notify to Purchaser as such in writing, and implement necessary countermeasures without delay under the direction of Purchaser.
2. (Title and Risk of Loss)

Title to the incoming goods and risk of loss or damage thereto shall pass from Seller to Purchaser upon acceptance thereof.

1. (Price)

Price of the incoming goods is determined upon discussion between Seller and Purchaser. For that purpose, Seller shall, upon request from Purchaser, submit a quotation and its attached materials.

1. (Payment)
2. Purchaser shall pay to Seller for the incoming goods in a manner separately determined.
3. Manner of payment for the incoming goods shall be determined upon discussion between Seller and Purchaser.
4. When Purchaser has a pecuniary claim payable by Seller, it may set off the payment of this Article 7.1 against its claim thereof.
5. In case of the set-off of the preceding paragraph, Purchaser may send its detailed statement or invoice instead of set-off notification.
6. (Assignment)

Neither party may assign, delegate, or pledge its rights or obligations under this Agreement or Individual Contracts, without the prior written consent of the other party.

1. (Confidentiality)
2. Seller and Purchaser shall not, without an approval from the other party, use for other purposes than implementing this Agreement or Individual Contracts, or disclose or disseminate to a third party any secrecy in business or technology of the other party which comes to its knowledge during the transaction relationship under this Agreement.
3. Seller and Purchaser shall follow instructions of the other party and take necessary measures with respect to its employees’ entry into any designated premises of the other party and secrecy of information.
4. (Handling of Personal Information)
5. Seller and Purchaser may use information which can identify a specific individual by name, address, date of birth or other description contained in such information (hereinafter referred to as “Personal Information”) which comes to its knowledge during the performance of this Agreement only for the purpose of conducting its performance herein, and shall never use it for any other purposes.
6. Seller and Purchaser shall not disclose Personal Information to a third party. And they shall take security measures to prevent loss, falsification, dissemination, etc. thereof.

ARTICLE 11(Termination at Will)

Seller and Purchaser may, at any time during the effective term set forth in the Article 15 herein, terminate this Agreement with six (6) month prior written notice to the other party.

ARTICLE12(Notice Obligation)

Seller and Purchaser shall promptly notify to the other party when an event in any of the following items has occurred.

1. Transfer of business or consolidation.
2. Change of address, representative, board directors, statutory auditors, company name, or organizations pertinent to the transaction with the other party.
3. An event set forth in each item of Article 14.

ARTICLE13 (Termination)

Either Seller or Purchaser may immediately terminate all or a part of this Agreement and Individual Contracts without requirement of a demand or other procedures, if any one of the events in the following items occurs on the part of the other party. And this Basic Procurement Agreement don’t apply to Indonesia civil code 1266.

1. When it has received a disposition of suspension of business or revocation of business license.
2. When a petition of bankruptcy, reorganization or other insolvent proceedings (including those amended or enacted after execution of this Agreement) is filed and ordered by a court initiation of proceedings or such petition is filed by itself.
3. When it has passed a resolution of dissolution.
4. When it has received a provisional injunction, a provisional disposition, or an execution. However, a case which does not directly affect its credit status is excepted.
5. When it has fallen into suspension of payments, or inability to pay debts, or received a disposition of warning or dishonor from a clearinghouse.
6. When there has arisen an event which makes performance of this Agreement or Individual Contracts difficult due to disaster, labor dispute or others.
7. When it turns out to be Anti-Social Forces.
8. When it expresses or acts in a threatening manner, uses violence, or damages the credit or obstructs the business of the other party by spreading rumors or by use of fraudulent means or force, or engages in acts of the similar kind.
9. When it conducts a forcible requirement, or requires an unreasonable burden to the employees of the other party or other people concerned.
10. When a significant event of business has occurred as equivalent to those set forth in the preceding items. In addition, when a breach of material obligation under any provisions of this Agreement or Individual Contracts has occurred.

ARTICLE14(Survival Clauses)

Seller and Purchaser shall not be relieved of the obligations stipulated in Article 10, and other obligations intended to survive termination of this Agreement for ten (10) years after termination thereof. However, the term may separately be determined upon discussion between Seller and Purchaser.

ARTICLE15(Term)

Term of this Agreement shall be from [mm/dd/yyyy] to [mm/dd/yyyy]. If neither party gives notice of termination three (3) months prior to the expiration of such period, this Agreement shall be deemed automatically renewed for a one-year term, and the same applies thereafter.

Notwithstanding the above, Seller or Purchaser may, at any time, terminate this Agreement according to article 11 hereto.

ARTICLE16(Force Majeure)

Neither party to this Agreement shall be held responsible for damages of any failure or delay in performance under this Agreement or all or a part of Individual Contracts, where such performance failure or delay is rendered by earthquake, typhoon, flood, tsunami, fire or other natural disaster, civil war, civil commotion, war, terrorism, strikes, lock-out, sabotage, and other labor disputes, enactment, amendment or abolition of laws and regulation, or other causes beyond reasonable control of the parties.

ARTICLE17 (Seller and Purchaser Representations and Guaranties)

The Seller’s representative represents and warrants to Purchaser that Seller’s representative has the full power and authority to enter into this Agreement and perform his obligations hereunder.

The Purchaser’s representative represents and warrants to Seller that Purchaser’s representative has the full power and authority to enter into this Agreement and perform his obligations hereunder.

The Seller’s representative represents and warrants to Purchaser that neither the execution and delivery of this Agreement by the Seller, the consummation by the Seller of the transactions contemplated herein, nor the compliance by the Seller with the terms and provisions hereof, will conflict with, or result in a breach of, any of the terms, conditions or provisions of (i) the Seller’s Articles of Incorporation or By – Laws; (ii) any material agreement or instrument to which the Seller is a party or by which the Seller is bound; (iii) any material provision of the laws of the State or States by which the Seller is bound; or (iv) any court order, judgment, decree, writ, or injunction by which the Seller is bound.

The Purchaser’s representative represents and warrants to Seller that , at the time of the execution of this Agreement, neither the execution and delivery of this Agreement by the Purchaser, the consummation by the Purchaser of the transactions contemplated herein, nor the compliance by the Purchaser with the terms and provisions hereof, will conflict with, or result in a breach of, any of the terms, conditions or provisions of (i) the Purchaser’s Articles of Incorporation or By – Laws; (ii) any material agreement or instrument to which the Purchaser is a party or by which the Purchaser is bound; (iii) any material provision of the laws of the State or States by which the Purchaser is bound; or (iv) any court order, judgment, decree, writ, or injunction by which the Purchaser is bound.

ARTICLE18 (Indemnification)

- Indemnification by Seller. The Seller shall defend, indemnify, and hold Purchaser harmless from and against any and all losses, damages, liabilities, and expenses awarded by a court or administrative body of competent jurisdiction that are incurred or suffered by or imposed upon the Purchaser arising out of any claim, suit or litigation filed by a third party for: (i) any material failure or breach by the Seller to perform any of their material covenants, agreements, or obligations under this Agreement or, (ii) any material inaccuracy or incompleteness of any of the material representations and warranties of Seller contained in this Agreement.

Indemnification by Purchaser. The Purchaser shall defend, indemnify, and hold Seller harmless from and against any and all losses, damages, liabilities, and expenses awarded by a court or administrative body of competent jurisdiction that are incurred or suffered by or imposed upon the Seller arising out of any claim, suit or litigation filed by a third party for: (i) any material failure or breach by the Purchaser to perform any of their material covenants, agreements, or obligations under this Agreement or, (ii) any material inaccuracy or incompleteness of any of the material representations and warranties of Purchaser contained in this Agreement.

ARTICLE19(Notices and Legal Process)

All notices and other communications and legal notifications related to this Agreement shall be in writing and they shall be personally delivered, transmitted by electronic communication or facsimile, or transmitted by registered or certified mail, with postage prepaid, with return receipt requested, or by express courier, at the option of the party that gives the notice, addressed as follows:

Notices shall be deemed to have been given on the date of the receipt, if delivered personally or if delivered by registered mail with return receipt requested or on the next business day after their transmission if transmitted by facsimile or e-mail, with an appropriate evidence of the transmission. Any party hereto may change its address for purposes hereof, by notice to the other party hereto, in accordance with this Article.

ARTICLE 20. (Applicable Law and Dispute Resolution)

This Agreement shall be subject to and shall be construed in accordance with the laws of Japan. With respect to those disputes not settled by discussion concerning this Agreement, or various letters of agreement or memoranda based on this Agreement or Individual Contracts, they shall be submitted to an arbitration of Japan Commercial Arbitration Association.

ARTICLE 21 (Language)

　　　This Agreement is made in Japanese, Indonesian and English, and the English version shall be the original. If there is any conflict between the Indonesian/ the Japanese version and the English version, the English version shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate by placing their signatures and seals thereon, and each party shall keep one copy of the originals.

Date：

Place of Execution：

Purchaser

Seller