

**Standard Form of Business Entrustment Contracts**

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(Table of Contents)

Standard Form of Business Entrustment Contracts

(Table of Contents)

1. Form of Business Entrustment Contracts
2. General Conditions of Business Entrustment Contracts

(1) Main Body

Chapter I. Performance of Contract Work (Articles 1 to 9)

- Chapter II. Amendment Procedures (Articles 10 and 11)
- Chapter III. Estimated Payment and Final Settlement Payment (Articles 12 to 19)
- Chapter IV. Management, Etc. of Acquired Property (Articles 20 to 22)
- Chapter V. Handling of Technical Results and Intellectual Property Rights
  - Section 1. Definitions (Article 23)
  - Section 2. Handling of Technical Results (Articles 24 to 27)
  - Section 3. Intellectual Property Rights (Articles 28 to 35)
- Chapter VI. Miscellaneous Provisions (Articles 36 to 54)
  - Special Provisions
  - Supplementary Provisions
- (2) Forms
- (3) Appended Tables
- (4) Calculation Criteria for Contract Work Expenses

**1. Form of Business Entrustment Contracts**

This entrustment contract (this "Contract") is made and entered into by the National Research and Development Agency New Energy and Industrial Technology Development Organization ("NEDO") and \*\*\*\* (the "Entrustee").

**Article 1 (Contract Work)**

NEDO agrees to entrust business relating to the research and development items mentioned below (the "Contract Work") to the Entrustee and the Entrustee agrees to accept such entrustment.

Research and development items: "\*\*\*\*\* (Major item) \*\*\*\*\* (Second item) \*\*\*\*\* (Third item)"

**Article 2 (Contract Amount, Etc.)**

NEDO shall pay to the Entrustee the expenses necessary for the Entrustee to perform the Contract Work within the limit of the contract amount specified below (the "Contract Amount").

Contract Amount JPY \*\*\*\*

(including consumption tax and local consumption tax of JPY \*\*\*\*)

Notwithstanding the foregoing, the maximum amount of expenses for performance of the Contract Work that NEDO shall pay to the Entrustee in each of the following fiscal years (which shall refer to one year, from April 1 to March 31 of the following year) shall be as follows:

FY \*\*\*\* JPY \*\*\*\*

(including consumption tax and local consumption tax of JPY \*\*\*\*\*)

FY \*\*\*\* JPY \*\*\*\*

(including consumption tax and local consumption tax of JPY \*\*\*\*\*)

FY \*\*\*\* JPY \*\*\*\*

(including consumption tax and local consumption tax of JPY \*\*\*\*\*)

(Note: This proviso shall be included only in the case of multi-year contract.)

### **Article 3 (Contract Period)**

The period for performance of the Contract Work (the "Contract Period") shall be as follows:

Contract Period                      From [Month, day, year]                      to [Month, day, year]

### **Article 4 (Performance of Contract Work)**

1. The Entrustee shall perform the Contract Work in accordance with the General Conditions adopted by NEDO and the Special Conditions attached to the General Conditions (the "Conditions") as well as the laws, regulations, and provisions hereof.

2. The Conditions defined in the preceding paragraph shall include:

General Conditions of Business Entrustment Contract

General Conditions of Business Entrustment Contract (for Universities and National Research and Development Agencies, Etc.)

Special Conditions (\*\*\*\*)

(Note: In case of multiple Entrustees, specify the name of the General Conditions or Special Conditions applicable to each Entrustee.)

3. In case any article, paragraph, or item in the Conditions mentioned in the preceding paragraph is revised by NEDO after execution of this Contract, the revised Conditions shall apply. In such cases, the Entrustee may request NEDO to prepare a written amendment to this Contract.

### **Article 5 (Execution Plan)**

The purpose, contents, and main site of the Contract Work as well as a breakdown of the expenses necessary for performing the Contract Work shall be stipulated in an execution plan for the Contract Work to be separately approved by NEDO (the "Execution Plan").

### **Article 6 (Contract Guarantee)**

NEDO shall exempt the Entrustee from payment of a full contract guarantee for this Contract.

### **Article 7 (Agreed Foreign Exchange Rate)**

In case the Entrustee (including its Re-Entrusted Contractor or Joint Contractor) is a juridical person organized under laws other than the laws of Japan and the currency in which the expenses necessary for performing the Contract Work are disbursed is \*\*\*\*, the exchange rate to be used to convert the amount to be paid by NEDO under this Contract into

JPY shall be as follows:

Agreed exchanged rate      yen/\*\*\*\*

(Note: If the above provision on an exchange rate is unnecessary, delete this Article and renumber Article 8 to Article 7, and renumber Article 9 to Article 8.)

**Article 8 (Measures Against Misconduct, Etc.)**

In case the Entrustee engages in misconduct or makes a false report in connection with this entrustment contract, NEDO may take any measures necessary for the prevention and correction of such acts.

**Article 9 (Survival Clause)**

Both parties agree that the provision of the preceding Article shall survive expiration of the Contract Period or termination of this Contract until the subject of the measures ceases to exist.

IN WITNESS WHEREOF, both parties have executed this Contract in \*\*\*\* by placing their respective signatures and seals thereon, and each party shall keep one original.

[Month, day, year]

NEDO: 1310 Omiya-cho, Saiwai-ku, Kawasaki City Kanagawa Prefecture Japan  
National Research and Development Agency New Energy and Industrial Technology  
Development Organization

Chairperson

Entrustee:

## **2. General Conditions of Business Entrustment Contracts**

### **(1) Main Body**

#### **Chapter I. Performance of Contract Work**

##### **Article 1 (Performance of Contract Work)**

1. The Entrustee shall perform the Contract Work in accordance with the Execution Plan. In case of any change in the Execution Plan, the Contract Work shall be performed in accordance with the changed Execution Plan.
2. In the event an accident or other serious event that may prevent performance of the Contract Work occurs during the process of performance of the Contract Work, the Entrustee shall immediately notify NEDO, take necessary measures, and report the cause of the incident and its impact, etc., on the Contract Work to NEDO within seven days of the occurrence of the event.

##### **Article 2 (Re-Entrustment, Etc.)**

1. The Entrustee shall not entrust all or part of the Contract Work to a third party ("Re-Entrustment"); provided, however, that this shall not apply to Re-Entrustment of the part of the Contract Work that is stipulated in the Execution Plan and approved by NEDO. The amount of any permitted Re-Entrustment by the Entrustee shall in principle be less than 50 percent of the Contract Amount (which shall be the Contract Amount for the Re-Entrusting Entrustee in case of multiple Entrustees).
2. In case of Re-Entrustment of part of the Contract Work under the proviso of the preceding paragraph, the Entrustee shall be fully responsible to NEDO for any act of the third party to which the Entrustee entrusts the Contract Work (the "Re-Entrusted Contractor").
3. In case part of the Contract Work is Re-Entrusted, the Entrustee shall enter into an agreement with the Re-Entrusted Contractor regarding matters necessary for the Entrustee to comply with this Contract and matters designated by NEDO.  
Notwithstanding the provisions hereof, in case the Entrustee Re-Entrusts part of the Contract Work to a national or public research institute, incorporated administrative agency (including a national research and development agency), national university corporation, or any other organization equivalent thereto ("National Institutes, Etc.") of Japan, such Re-Entrustment may be governed by rules for entrusted research of the relevant National Institutes, Etc. if the Entrustee guarantees the provisions in the following items:
  - (i) If NEDO wishes to perform an inspection of a Re-Entrusted Contractor as deemed necessary, it may do so in the presence of the Entrustee.
  - (ii) If NEDO performs the inspection mentioned in the preceding item, the Entrustee shall request that the Re-Entrusted Contractor cooperate in the submission of reports and materials that may assist in the inspection.
4. The provisions of Paragraphs 1 to 3 of this Article shall apply mutatis mutandis to cases in

which the Entrustee performs part of the Contract Work jointly with a third party ("Joint Performance"). In this case, in these provisions the term "Re-Entrustment" shall be replaced with "Joint Performance," the term "Re-Entrusted Contractor" shall be replaced with "Joint Contractor," and in Paragraph 3 the term "rules for entrusted research" shall be replaced with "rules for Joint Performance".

### **Article 3 (Assignment of Rights and Obligations)**

1. If the Entrustee intends to assign or transfer any right or obligation under this Contract to a third party, the Entrustee shall submit a Request for Approval of Transfer of Rights and Obligations (Form No. 19) to NEDO and obtain the approval of NEDO in advance.
2. The Entrustee shall not assign, transfer, pledge or make any other encumbrance or disposition to a third party any of its claims arising from this Contract, except as approved in advance by NEDO.
3. The Entrustee shall not create any mortgage, pledge, or security interest on the Acquired Property set forth in Article 20.

### **Article 4 (Control of Contract Work)**

1. NEDO may take the measures listed in the following items if such measures are deemed necessary for NEDO to understand the status of the progress of the Contract Work:
  - (i) To request the Entrustee to report on the progress and performance method of the Contract Work.
  - (ii) To dispatch personnel of NEDO to the sites of the Contract Work and observe performance of the Contract Work.
2. NEDO may discuss with the Entrustee and give the Entrustee any instructions necessary for performance of the Contract Work if it is deemed particularly necessary after the measures under the preceding paragraph are taken. Notwithstanding the foregoing, in cases where the instruction to be given by NEDO relates to any change in the Execution Plan, the provisions of Article 10 or Article 11 shall apply.
3. If in case of a contract with multiple parties for one specific Contract Work item it is deemed appropriate to have one of the contractors perform the inspections provided for in Paragraph 1 and Paragraph 2 Item 1 of Article 14, NEDO may have the contractor (the "Representative Party") perform the inspections set forth in Paragraph 1 and Paragraph 2 Item 1 of Article 14 on the expense amount to be paid by NEDO under Article 15 to contractors other than the Representative Party. In this case, the Representative Party shall be responsible for the inspection of contractors other than the Representative Party.
4. In case the Representative Party performs the inspections provided for in Paragraph 1 and Paragraph 2 Item 1 of Article 14 under the provisions of the preceding paragraph, the Representative Party shall promptly report the results to NEDO using an Inspection Completion Report (Form No. 1).

5. The provisions of Paragraphs 3 to 6 of Article 14 shall apply mutatis mutandis to inspections under the provisions of Paragraph 3. In this case, the term "NEDO" in Paragraphs 3 to 6 of Article 14 shall be replaced with "the Representative Party."

**Article 5 (Incurrence of Expenses Necessary for Performing Contract Work)**

The Entrustee shall incur expenses necessary for performing the Contract Work in accordance with the items listed in the estimated expense table of the Execution Plan. In case of any change in the Execution Plan, expenses shall be incurred in accordance with the items listed in the estimated expense table of the changed Execution Plan. However, if the distribution of the items specified in the estimated expense table in the Execution Plan is to be changed through disbursement based on the Calculation Criteria for Contract Work Expenses, the Entrustee may divert expenditures, but only up to 20 percent of the total of the following major items I. to III. (except for diversion from or to item IV. Indirect expenses and item V. Costs for Re-Entrustments/Joint Performance).

- I. Costs for machinery
- II. Labor costs
- III. Other expenses
- IV. Indirect expenses
- V. Costs for Re-Entrustment/Joint Performance

**Article 5-2 (Application of Operational Policy to Adopted Subjects for Special Zone for Innovative Technology)**

In case the Entrustee applies for the Special Zone for Innovative Technology under the "Basic Policy on Economic and Fiscal Reform 2008" (Cabinet Decision dated June 27, 2008; such a special zone shall hereinafter be referred to as the "Super Special Zone"), and all or part of the Contract Work is selected as an adopted subject for the Super Special Zone, expenses may upon notification of such selection be handled in a comprehensive and efficient manner under the "Policy for Comprehensive and Efficient Operation of Research Funds in Super Special Zones" (the "Operational Policy") regardless of the provisions of this Contract.

**Article 6 (Keeping Accounting Records)**

1. The Entrustee shall keep designated accounting books related to expenses necessary for performing the Contract Work, and shall clearly record the amount of each disbursement.
2. The Entrustee shall record all expenses necessary for performing the Contract Work in the accounting books provided for in the preceding paragraph in accordance with the expense items set forth in the Calculation Criteria for Contract Work Expenses, and shall organize and retain all documents for certifying or describing the contents of disbursements.
3. The period for retention of the accounting books and documents provided for in the preceding paragraph shall be 5 years from the day following the last day of a fiscal year

(which shall refer to the fiscal year of NEDO, one year from April 1 to March 31 of the following year; the same shall apply hereinafter) in which the Contract Period ends. Notwithstanding the foregoing, estimates and final drawings (including plot plan drawings for building work, civil engineering work and electrical work, and layout plans for machinery) related to the Acquired Property of NEDO as set forth in Article 20 shall be retained until the date of completion of disposal of Acquired Property.

#### **Article 7 (Performance of Interim Evaluation)**

1. NEDO may perform a technical evaluation during the Contract Period.
2. On the basis of the results of the evaluation provided for in the preceding paragraph (the "Interim Evaluation"), NEDO may amend the contents of this Contract at its own discretion even during the Contract Period.
3. Depending on the results of the Interim Evaluation, NEDO may decide not to conclude a subsequent business entrustment contract.

#### **Article 8 (Performance of Post Evaluation and Follow-Up Evaluation, Etc.)**

After the expiration of the performance period defined in a basic plan separately adopted by NEDO (or an implementation policy separately adopted by NEDO, in the case of research and development for which no basic plan has been adopted; hereinafter referred to as the "Basic Plan, Etc."), NEDO may perform a technical evaluation (the "Post Evaluation") and conduct a survey on the status of commercialization (the "Follow-Up Evaluation, Etc."). Notwithstanding the foregoing, if deemed necessary by NEDO, the Post Evaluation may be performed during the fiscal year in which the performance period ends.

#### **Article 9 (Request for Continuation)**

In case the Entrustee wishes to continue a business entrustment contract for research and development for which the performance period defined in the basic plan separately adopted by NEDO extends beyond the expiration of the Contract Period, the Entrustee shall submit Form No. 2 and specify a research outline, a research and development performance plan, necessary expenses, Etc., for continuing the contract to NEDO prior to the starting date of the following contract period.

### **Chapter II. Amendment Procedures**

#### **Article 10 (Amendment of Contract)**

1. Either party may amend the contents of this Contract with the approval of the other party in any of the following cases:
  - (i) If an amendment is necessary with regard to the Contract Amount, the Contract Period, or the purpose of the Contract Work as set forth in the Execution Plan during the performance of the Contract Work; or



- (ii) If performance of part of this Contract under the conditions set forth herein is rendered difficult due to a significant change in economic conditions or a natural disaster.
2. If this Contract has a Contract Period that extends beyond a fiscal year and an amendment is necessary due to a change in the budget or policies of the Government of Japan, NEDO may amend the contents of this Contract.

#### **Article 11 (Change in Execution Plan, Etc.)**

1. If the Entrustee intends to amend the contents of this Contract under the provisions of the preceding Article, or if a major change is necessary for other reasons with regard to the contents of the Execution Plan, the Entrustee shall submit one copy of a Request for Change of Contract Work Execution Plan (Form No. 3) to NEDO for its review. Notwithstanding the foregoing, if NEDO, upon the request of the Entrustee, determines in advance that the change is so minor as to not affect performance of the Contract Work, the provisions of Paragraphs 5 and 6 shall apply.
2. When NEDO receives the request for change of the Execution Plan from the Entrustee under the provisions of the preceding paragraph, it shall review the contents of the request and approve the change if the request is found to be appropriate.
3. In case of a request by the Entrustee under the provisions of Paragraph 1, NEDO shall notify the Entrustee of its decision to approve or reject the change within ten days after receipt of the request.
4. If NEDO approves the Request for Change of Contract Work Execution Plan under the provisions of Paragraph 2, it shall take the following procedures:
  - (i) A contract amendment shall be concluded if the contents of this Contract are amended under the provisions of the preceding Article.
  - (ii) In case of a major change in the contents of the Execution Plan under the provisions of Paragraph 1, a contract amendment shall be deemed to have been concluded upon the approval of NEDO.
  - (iii) Notwithstanding the provisions of Item 1, if the Contract Amount is amended due to reasons such as a reduction of the limit of the Contract Amount for the fiscal year in which the Contract Period ends or there is a change in the consumption tax rate (including postponement of a change in the consumption tax rate) and NEDO specifically gives instructions to amend the Contract Amount, preparation of a written contract of amendment may be omitted. In this case, the contract amendment shall be deemed to have been concluded upon the approval of NEDO.
5. In the event of a minor change in the contents of the Execution Plan as set forth in the latter part of Paragraph 1, the Entrustee shall submit one copy of a Notification of Change of Contract Work Execution Plan (Form No. 3).
6. When NEDO receives the Notification of Change of Contract Work Execution Plan under

the provisions of the preceding paragraph, a contract amendment shall be deemed to have been concluded on the date of such receipt.

7. Either party shall promptly notify the other party of any change in its representative, address, or name.

### **Chapter III. Estimated Payment and Final Settlement Payment**

#### **Article 12 (Estimated Payment)**

1. NEDO may pay any expenses necessary for performing the Contract Work to the Entrustee during the Contract Period ("Estimated Payment") if such payment is deemed necessary for the Entrustee.
2. To request Estimated Payment under the provisions of the preceding paragraph, the Entrustee shall submit an Invoice for Payment (Form No. 4-1).

#### **Article 13 (Submission of Performance Report, Etc.)**

1. The Entrustee shall submit one copy of a Contract Work Performance Report (Form No. 5), to NEDO within sixty-one (61) days from whichever is earlier, either the day following the date of completion of the Contract Work or the day following the date of expiration of the Contract Period (or within thirty (30) days from the day following the date of termination if this Contract is terminated under the provisions of Article 37, 38, or 39).
2. In case this Contract has a Contract Period extending beyond a fiscal year, the Entrustee shall, prior to May 31 of the following fiscal year, submit one copy of a Contract Work Interim Performance Report (Form No. 5) relating to the Contract Work that has been completed in the relevant fiscal year.

#### **Article 14 (Inspections and Requests for Reports)**

1. Upon receipt of the Contract Work Performance Report or Contract Work Interim Performance Report (collectively referred to as "Performance Report, Etc.") provided for in the preceding Article, NEDO shall promptly inspect the contents of the Performance Report, Etc.
2. In addition to the inspection provided for in the preceding paragraph, NEDO may conduct the inspections in the following items:
  - (i) Inspections on the status of disbursement of expenses necessary for performing the Contract Work during the Contract Period.
  - (ii) Other inspections deemed necessary by NEDO.
3. NEDO may conduct the inspections in the preceding two paragraphs on matters listed in the items below. In this case, NEDO may, if necessary, request that the Entrustee submit reports and materials that may assist in the inspections.
  - (i) Consistency between the contents of research and development described in the

- Performance Report, Etc. and disbursed expenses.
- (ii) Consistency between the contents of the Execution Plan and the Performance Report, Etc.
  - (iii) The status of plant construction, production of machinery, and plant and machinery operation.
  - (iv) Accounting books and documents listed in Article 6.
  - (v) Other matters deemed necessary by NEDO in connection with the Contract Work.
4. If NEDO determines that facts need to be confirmed, the Entrustee shall request that its suppliers cooperate in the submission of reports and materials that may assist in NEDO's inspections.
  5. NEDO may conduct the inspections provided for in Paragraphs 1 and 2 at the factories, laboratories, or other offices of the Entrustee (including the places of business of the Re-Entrusted Contractor and Joint Contractor of the Entrustee, and the Joint Contractor of the Re-Entrusted Contractor; the same shall apply hereinafter).
  6. To conduct the inspections mentioned in Paragraphs 1 and 2, NEDO shall notify the Entrustee in advance of the place, time, and date of the inspection, the personnel in charge of the inspection, and other matters necessary for performance of the inspection.
  7. If the Entrustee receives the notification set forth in the preceding paragraph, the Entrustee shall prepare the documents listed in the Appended Table of these General Conditions, and any other documents specified by NEDO in advance and shall dispatch personnel that can explain the contents of the Contract Work and accounting to the place of inspection specified by NEDO at the expense of the Entrustee.
  8. Officials of the Ministry of Economy, Trade and Industry, which is the ministry responsible for NEDO, may attend inspections if such attendance is deemed necessary by NEDO and the Entrustee shall accept such attendance.
  9. NEDO may conduct the inspections provided for in Paragraph 2 Item 2 during the five years from the day following the last day of the fiscal year in which the Contract Period ends.

#### **Article 15 (Determination of Expense Amount to Be Paid by NEDO)**

1. If as a result of the inspection provided for in Paragraph 1 of the preceding Article (including the report from the Representative Party under Paragraph 4 of Article 4), NEDO determines after completion of the Contract Work or expiration of the Contract Period that all expenses necessary for performing the Contract Work conform to the contents of this Contract, NEDO shall determine the amount which is the lesser of the amount of expenses necessary for performing the Contract Work or the Contract Amount as the amount to be paid by NEDO and notify the Entrustee of such determination.
2. The determination mentioned in the preceding paragraph shall be made in accordance with the Calculation Criteria for Contract Work Expenses.

### **Article 16 (Invoice and Payment of Determined Amount)**

1. Upon receipt of the notification provided for in Paragraph 1 of the preceding Article, the Entrustee shall request payment from NEDO of the amount determined under the provisions of Paragraph 1 of the preceding Article (the "Determined Amount") by submitting an Invoice for Payment (Form No. 4-1). Notwithstanding the foregoing, if Estimated Payment has already been made under the provisions of Article 12, the Entrustee shall request payment of the amount obtained by deducting the amount of Estimated Payment from the Determined Amount.
2. NEDO shall pay the invoice amount to the Entrustee within thirty (30) days (the "Agreed Period") after receipt of the Invoice for Payment under the provisions of the preceding paragraph.
3. Notwithstanding the provisions of the preceding paragraph, if NEDO receives an Invoice for Payment from the Entrustee and finds that all or part of it is incorrect, NEDO may return the invoice to the Entrustee with an explanation of the reason(s) for returning the invoice. In this case, the number of days from the date of the return of the invoice to the date when NEDO receives a corrected Invoice for Payment shall not be included in the Agreed Period.

### **Article 17 (Offset)**

In case the Entrustee has a monetary obligation to NEDO, NEDO may offset the amount payable to the Entrustee under this Contract by the amount of the Entrustee's monetary obligation to NEDO.

### **Article 18 (Overdue Interest)**

In case NEDO fails to pay the Determined Amount to the Entrustee within the Agreed Period, it shall pay to the Entrustee overdue interest on the unpaid amount calculated at the legal interest rate stipulated in Article 404 of the Civil Code for the period from the day following the date of expiration of the Agreed Period to the date on which payment procedures are taken at the bank of NEDO. However, if NEDO fails to pay the Determined Amount within the Agreed Period due to a natural disaster or other cause not attributable to the fault of NEDO, the duration of such a cause shall not be included in the number of days to be used for calculation of overdue interest.

### **Article 19 (Refund of Overpayments)**

1. The Entrustee shall, upon a request by NEDO, refund an overpaid amount of expenses necessary for performing the Contract Work that have already been paid in the form of Estimated Payment (the "Overpayment of Estimated Payment" or " Overpayment") to NEDO if any of the following items apply:

- (i) If the amount of Estimated Payment exceeds the Determined Amount set forth in Paragraph 1 of Article 15.
  - (ii) If the amount of Estimated Payment exceeds the amount to be paid by NEDO under the provisions of Paragraph 1 of Article 40.
  - (iii) If the amount of Estimated Payment exceeds the amount to be paid by NEDO after deducting all or part of an obligation to be paid by NEDO under the provisions of Paragraph 2, Article 40.
  - (iv) Any other Overpayment of Estimated Payment.
2. If as a result of the inspection under Paragraph 2 Item 2 of Article 14 an overpaid amount of the expenses necessary for performing the Contract Work that has already been paid under the provisions of Paragraph 2, Article 16 (the "Overpayment of Determined Amount" or "Overpayment") is detected, the Entrustee shall upon the request of NEDO refund the Overpayment of Determined Amount to NEDO.
  3. If the Entrustee fails to refund the Overpayment provided for in the preceding two paragraphs no later than the due date specified by NEDO, it shall refund the Overpayment while adding a late charge on the unrefunded amount calculated at the legal interest rate stipulated in Article 404 of the Civil Code for the period from the day following the specified due date to the date of refund. However, this shall not apply to projects financed by a national grant.

#### **Chapter IV. Management, Etc. of Acquired Property**

##### **Article 20 (Management, Etc. of Acquired Property)**

1. Ownership of buildings, structures, machinery, vehicles, tools, instruments, and furniture (the "Acquired Property") purchased or manufactured by the Entrustee to perform the Contract Work having an acquisition cost of 500,000 yen or more and an estimated useful life of one year or longer shall be vested in NEDO upon an acceptance inspection or a completion inspection by the Entrustee. At the same time, NEDO shall allow the Entrustee to use the Acquired Property having ownership which is vested in NEDO.
2. Ownership of Acquired Property having an acquisition cost of less than 500,000 yen and an estimated useful life of less than one year shall be vested in the Entrustee upon an acceptance inspection or a completion inspection by the Entrustee.
3. The Entrustee shall manage the Acquired Property with the due care of a good manager, and Acquired Property having ownership vested in NEDO as provided in Paragraph 1 shall be managed by the Entrustee from the date of an acceptance inspection or a completion inspection by the Entrustee until the date on which the Entrustee delivers the Acquired Property to a party designated by NEDO based on the instruction of NEDO.
4. The Entrustee shall separately control the Acquired Property by attaching an identification label to distinguish the Acquired Property from other assets.
5. The Entrustee shall not use the Acquired Property for any purpose other than the

Contract Work unless approved by NEDO.

6. If the Entrustee satisfies all of the criteria listed in the following items regarding the Acquired Property belonging to the Entrustee as provided in Paragraph 2, the Entrustee shall be deemed to have obtained the approval of NEDO under the proviso of the preceding paragraph, and may use the Acquired Property for public research and development projects other than the Contract Work.
  - (i) The usage will not adversely affect the promotion of the Contract Work.
  - (ii) The Entrustee shall be responsible for the actual cost and the repair cost for using the Acquired Property.
  - (iii) When NEDO requests a report on the utilization of the Acquired Property for purposes other than the Contract Work, the Entrustee shall report to NEDO.
7. The Entrustee shall be responsible for expenses required for the management of Acquired Property which are not included in the expenses recognized by NEDO as expenses necessary for performing the Contract Work or which are incurred on or after the date of expiry or, if this Contract is terminated, termination.
8. The Entrustee shall report on the Acquired Property belonging to NEDO as provided in Paragraph 1 to NEDO in the specified manner and prior to the date that is designated separately by NEDO. In addition, the Entrustee shall report to NEDO in advance to make any changes to the site of the reported Acquired Property.
9. The provisions of Paragraphs 3 to 5 and Paragraphs 7 to 8 shall apply mutatis mutandis to the management of property owned or leased by NEDO from a third party which is installed and used at the site of performance by the Entrustee for the purpose of performance of the Contract Work.
10. The Entrustee shall promptly notify NEDO if any byproducts having value, such as electricity, hot or cold energy, liquid oil, or chemical products ("Byproducts"), are anticipated to be generated as a result of the performance of the Contract Work.
11. When notified as set forth in the preceding paragraph, NEDO shall provide the Entrustee with instructions as to the methods of disposal of the Byproducts.
12. The Entrustee shall promptly report to NEDO if it disposes of any Byproducts as provided in the preceding paragraph.

#### **Article 20-2 (Assignment of Acquired Property)**

1. NEDO agrees to sell to the Entrustee and the Entrustee agrees to purchase from NEDO Acquired Property belonging to NEDO under the provisions of Paragraph 1 of Article 20 and other assets owned by NEDO that NEDO permits the Entrustee to use for the Contract Work (which shall be collectively referred to as "Acquired Property" for the purpose of this Article) for the assignment price provided by NEDO after completion of the Contract Work or the expiration of the Contract Period (or after completion of the contract work or expiration of the contract period under a continued contract if such a contract is

concluded upon a request for continuance as set forth in Article 9; the same shall apply hereinafter).

2. In case the Entrustee purchases Acquired Property under the preceding paragraph, if the Entrustee uses the Acquired Property in connection with the Contract Work NEDO shall allow the Entrustee to use the Acquired Property after completion of the Contract Work or the expiration of the Contract Period. However, this shall not apply if NEDO instructs the Entrustee to suspend its use of the Acquired Property.
3. The assignment price to be provided by NEDO shall be the amount calculated using the calculation method set forth in the following paragraph as of the date of completion of the Contract Work or expiration of the Contract Period (or, if a contract is concluded upon a request for continuance as set forth in Article 9, the date of completion of the contract work or expiration of the contract period under the continued contract; hereinafter referred to as the "Business End Date"). However, if the contract is terminated under the provisions of Article 37, 38, or 39, the Business End Date shall be replaced with the date of termination.
4. The assignment price shall be the amount obtained by deducting (a) the Annual Amortization Amount multiplied by the number of elapsed years in the period from the date of acquisition to the Business End Date (the "Calculation Period"), and (b) the Annual Amortization Amount multiplied by the number of months included in the Calculation Period that do not add up to twelve months (a fraction of less than a month shall be counted as a month; hereinafter referred to as the "Number of Fractional Months") divided by 12 (rounded to the nearest integer), from the acquisition price. For the purpose of this Contract, the "Annual Amortization Amount" shall refer to the amount obtained by multiplying 0.9 by the acquisition price, multiplied by the value obtained by dividing one ('1') by the number of years of statutory useful life (rounded up to the third decimal place; or rounded down to the third decimal place in the case of Acquired Property acquired not later than March 31, 2007). However, the assignment price shall not be less than the amount obtained by multiplying the acquisition price by 0.05.

[Calculation Formula]

$$\text{Assignment price} = \text{Acquisition price} - (\text{Annual Amortization Amount} \times \text{Number of elapsed years} + \text{Annual Amortization Amount} \times \text{Number of Fractional Months} \div 12) \geq \text{Acquisition price} \times 5 \div 100$$

5. In connection with the purchase of Acquired Property, the Entrustee shall submit a confirmation concerning disposition of the Acquired Property using Form No. 21 (the "Confirmation Form") not later than the deadline designated by NEDO. In case any item of Acquired Property is unsuitable for assignment with payment, the Entrustee may submit the Confirmation Form specifying the method of disposal of such an item and the reasons thereof.
6. In case NEDO determines that there is a justifiable reason for any party other than the Entrustee (the "Purchaser Candidate") to purchase Acquired Property, the Entrustee shall

notify NEDO by attaching documents to the Confirmation Form that specify the following items of information:

- (i) The name and address of the Purchaser Candidate.
- (ii) A breakdown of the Acquired Property that the Purchaser Candidate desires to purchase.
- (iii) The reason(s) why it is appropriate to assign the Acquired Property to the Purchaser Candidate (including an outline of the business of the Purchaser Candidate, its relation to the Contract Work, and its plan for utilizing the Acquired Property).
- (iv) An agreement of the Purchaser Candidate for purchase of the Acquired Property at the assignment price (a written statement stating the intention of the Purchaser Candidate must be attached).

7. In case NEDO finds the contents of the Confirmation Form under Paragraph 5 to be appropriate, NEDO shall be entitled to charge the Entrustee the assignment price calculated under Paragraph 4 for the Acquired Property, excluding items of Acquired Property which NEDO will use or dispose of, which is deemed appropriate to be assigned to a specific juridical person separately designated by NEDO, or which is deemed appropriate to be assigned to the Purchaser Candidate set forth in Paragraph 6, by specifying the due date for payment. Furthermore, in case the Entrustee fails to submit the Confirmation Form no later than the specified deadline, the Entrustee shall purchase all of the Acquired Property and pay the assignment price thereof. However, this shall not apply if NEDO determines that the Entrustee has justifiable cause for its failure to submit the Confirmation Form no later than the specified deadline.
8. When the Entrustee is charged the assignment price set forth in the preceding paragraph, the Entrustee shall pay the charged amount by transferring the funds to the bank account specified by NEDO prior to the deadline specified by NEDO. The Entrustee shall be responsible for the remittance fee and other bank transfer costs.
9. In case the Entrustee fails to pay the charged amount not later than the due date set forth in Paragraph 7, NEDO may charge a late fee on the unpaid amount calculated at the legal interest rate stipulated in Article 404 of the Civil Code for the period from the date following the due date until the date when payment is made.
10. Ownership of Acquired Property shall be transferred from NEDO to the Entrustee upon payment by the Entrustee of the amount charged by NEDO under Paragraph 7.
11. After the transfer of ownership, the Entrustee shall receive the Acquired Property attended by NEDO or an individual designated by NEDO. Notwithstanding the foregoing, such attendance may be omitted with the approval of NEDO.
12. In case the Entrustee breaches any of the obligations set forth in this Article or is deemed unable to perform its obligations prior to the due date due to its own fault, NEDO may cancel assignment of the Acquired Property to the Entrustee and at its option dispose of the Acquired Property or assign it to a third party ("Optional Disposal by NEDO"). In this



case, the Entrustee shall not object to Optional Disposal by NEDO and shall provide any necessary cooperation for Optional Disposal by NEDO, including delivery of the Acquired Property. The Entrustee shall be responsible for all expenses required for Optional Disposal by NEDO.

13. In case the Entrustee fails to complete receipt of Acquired Property within a period specified by NEDO for reasons other than a natural disaster or other force majeure events or where assignment of Acquired Property is canceled under the preceding paragraph, NEDO may charge a penalty equivalent to 10 percent of the assignment price for the Acquired Property that has not been received.

14. NEDO may claim damages from the Entrustee in addition to the collection of the penalty and cancellation of assignment of the Acquired Property. However, NEDO may claim damages for a period of only one year after the deadline of receipt of the Acquired Property.

### **Article 20-3 (Replacement of Terms for Research and Development Partnership)**

In case the Entrustee is a research and development partnership (a "Partnership") under the Act on Research and Development Partnership (Act No. 81 of 1961) and members of the Partnership use the Acquired Property set forth in Paragraph 1 of the preceding Article for the Contract Work, the provisions of all the paragraphs of the preceding Article shall apply by replacing the term "the Entrustee" with the term "the members of the Partnership."

### **Article 20-4 (Demolition and Removal of Acquired Property)**

The Entrustee may implement demolition or removal (as set forth in the Execution Plan) of the Acquired Property set forth in Paragraph 1 of Article 20-2 in accordance with provisions separately established.

### **Article 21 (Reparation for Acquired Property, Etc.)**

In case the Entrustee loses or damages Acquired Property or any assets loaned by NEDO, the Entrustee shall restore the Acquired Property or assets loaned by NEDO to its original condition through repair, replacement and manufacture of components ("Restoration Work, Etc."). Notwithstanding the foregoing, the Entrustee shall follow special instructions, if any, given by NEDO.

### **Article 22 (Insurance for Acquired Property)**

1. NEDO shall take out insurance on Acquired Property belonging to NEDO as set forth in Paragraph 1 of Article 20 if such insurance is deemed necessary for smooth performance of the Contract Work. Notwithstanding the foregoing, if it is deemed appropriate for the Entrustee to take out insurance, the Entrustee may do so with the approval of NEDO.
2. In case of any accident covered by an insurance policy involving the Acquired Property for which the insurance is maintained under the provisions of the preceding paragraph, the Entrustee shall promptly take the measures specified in the following items and perform

Restoration Work, Etc., for the Acquired Property on its own or through a contract with a third party after obtaining acknowledgment from NEDO:

- (i) Measures such as preservation of evidence, photographic recording, and prevention of subsequent damage.
  - (ii) Reporting on the status relating to occurrence of the accident to NEDO (in principle, within seven days after the date of detection of the accident).
  - (iii) Measures such as changing the Execution Plan under the provisions of Article 11.
3. When Restoration Work, Etc. is completed, the Entrustee shall submit an Accident and Restoration Completion Report (Form No. 8) accompanied by a statement of the breakdown of expenses required for Restoration Work, Etc. to NEDO.
  4. Upon receipt of the Accident and Restoration Completion Report provided for in the preceding paragraph, NEDO shall confirm completion of the Restoration Work, Etc. and take measures for payment of insurance proceeds under the insurance policy to cover the expenses required for the Restoration Work, Etc.
  5. The Entrustee shall retain documents recording the expenses required for Restoration Work, Etc., the amount of insurance proceeds received, and other matters designated by NEDO for five years from the day following the last day of the fiscal year in which insurance proceeds are paid. However, if NEDO requests a revenue and expenditure report on the Restoration Work, the Entrustee shall promptly submit a Revenue and Expenditure Report on Restoration Work (Form No. 9) to NEDO.
  6. In case insurance policy proceeds are insufficient for completion of the Restoration Work, Etc., the Restoration Work, Etc. may take such a long period of time that it will be difficult to perform, or there is another special situation, both parties shall hold discussions and determine how to perform the Restoration Work, Etc.

## **Chapter V. Handling of Technical Results and Intellectual Property Rights Section 1 Definitions**

### **Article 23 (Definition of Terms)**

For the purpose of this chapter, the following terms shall be defined as follows:

- (i) "Industrial Property Rights" shall refer to patent rights, utility model rights, design rights, layout-design exploitation rights, and breeder's rights.
- (ii) "Copyrights" shall refer to all of the rights stipulated in Articles 21 to 28 of the Copyright Act (Act No. 48 of 1970), and rights equivalent thereto in foreign countries.
- (iii) "Industrial Property Rights, Etc." shall refer to the right to obtain Industrial Property Rights, Industrial Property Rights, and Copyrights.
- (iv) "Intellectual Property Rights" shall refer to Industrial Property Rights, Etc. and Know-How as set forth in Paragraph 2 of Article 29.
- (v) "Inventions, Etc." shall include:
  - (a) Inventions defined in Article 2 of the Patent Act (Act No. 121 of 1959).
  - (b) Devices defined in Article 2 of the Utility Model Act (Act No. 123 of 1959).

- (c) Creation of designs defined in Article 2 of the Design Act (Act No. 125 of 1959).
- (d) Creation of layout-designs defined in Article 2 of the Act on the Circuit Layout of Semiconductor Integrated Circuits (Act No. 43 of 1985).
- (e) Breeding of varieties of plants defined in Article 2 of the Plant Variety Protection and Seed Act (Act No. 83 of 1998).
- (f) Creation of works.
- (g) To devise Know-How as set forth in Paragraph 2 of Article 29.

## **Section 2 Handling of Technical Results**

### **Article 24 (Submission of Technical Results Report and Interim Annual Report)**

1. The Entrustee shall submit a Notification of Contract Work Technical Results Report (Form No. 10) as well as an electronic version of the Contract Work Technical Results Report and a summary thereof (the "Technical Results Report") to NEDO within sixty-one (61) days after the day following the date of completion of the Contract Work.
2. In case this Contract has a Contract Period that exceeds a fiscal year, the Entrustee shall submit to NEDO a Notification of Contract Work Interim Annual Report (Form No. 11) as well as an electronic version of the Interim Annual Report that is up-to-date as of March 31 of the first fiscal year (hereinafter referred to as "Fiscal Year-End Record Date") and not later than May 31 of the following fiscal year. However, this shall not apply if the Fiscal Year-End Record Date falls on the expiration date of the Contract Period.
3. The Technical Results Report shall state details of the results obtained by the Entrustee through performance of the Contract Work, the status of achievement in light of the objective(s) described in the Execution Plan, information concerning the disclosure of technical results, Inventions, Etc. and other technical information in a properly organized manner. However, this shall not apply to Industrial Property Rights, Etc. which have not been published or for which no application has been made, unpublished research papers, and Know-How as set forth in Paragraph 2 of Article 29.
4. Upon the request of the Entrustee, publication of the Technical Results Report may be suspended for up to two years from the date of expiration of the Contract Period (or, if the contract is made upon a request for continuance under Article 9, the expiration date of the period agreed in the contract).
5. In case NEDO acknowledges that it is technically difficult to provide a Technical Results Report in the form of an electronic file, the Entrustee may submit a Technical Results Report that is printed and bound in a book format. In this case, the summary shall be submitted in the form of an electronic file.
6. In case multiple parties jointly apply for a public call for proposals and NEDO executes multiple entrustment contracts with multiple parties in connection with a project that was the subject of the public call, when a joint research contract concerning the project is executed among the multiple parties, one of the multiple parties may collect the results of

the joint research and submit to NEDO an electronic file of the Technical Results Report together with a Notification of Contract Work Technical Results Report (Form No. 10) as provided in Paragraph 1. In this case, the provisions of Paragraph 1 shall not apply to the multiple parties, only to the one party.

7. The provisions of the preceding paragraph shall apply mutatis mutandis to the Interim Annual Report provided for in Paragraph 2. In this case, the term "Paragraph 1" shall be replaced with "Paragraph 2," the term "Notification of Contract Work Technical Results Report" in Form No. 10" shall be replaced with "Notification of Contract Work Interim Annual Report in Form No.11," and the term "Technical Results Report shall be" replaced with the term "Interim Annual Report."
8. If deemed necessary in connection with the Technical Results Report, NEDO may request that the Entrustee submit more detailed explanation documents.

#### **Article 25 (Warranty of Copyrights, Etc.)**

1. The Entrustee shall warrant to NEDO that the Technical Results Report does not infringe upon the copyright or any other rights of a third party.
2. In case of a claim of infringement of copyright or any other rights from a third party in connection with the Technical Results Report, the Entrustee shall be responsible for responding to such a claim and pay all damages that are payable.

#### **Article 26 (Announcement or Publication of Technical Results)**

1. The Entrustee shall appropriately announce or publish technical results obtained through performance of the Contract Work ("Technical Results of Contract Work") except those relating to Industrial Property Rights, Etc. which have not been published or for which no application has been made, unpublished research papers, and Know-How as set forth in Paragraph 2 of Article 29.
2. In case of an announcement or publication under the provisions of the preceding paragraph, the Entrustee shall report to NEDO in advance. In the case of such an announcement or publication, the Entrustee shall clearly indicate that the subject of the announcement or publication was obtained as a result of the Contract Work of NEDO using the following example of a statement unless there is a special reason for not doing so.  
[Example of Statement in Case of Announcement or Publication]

"These results were obtained as a result of business entrusted by the National Research and Development Agency New Energy and Industrial Technology Development Organization (NEDO)."

#### **Article 27 (Utilization and Dissemination of Technical Results)**

1. The Entrustee shall endeavor to utilize and disseminate technical results to achieve revitalization of the Japanese economy in the form of domestic production and

employment, exports, domestic and overseas licensing revenues, ripple and induction effects for domestic production, and improved convenience for the people of Japan.

2. In case the Entrustee intends to modify a plan for commercialization of technical results submitted by the Entrustee to NEDO during the selection of an Entrustee by NEDO (or, if the Entrustee modifies and submits the plan to NEDO after selection as an Entrustee, the modified plan; hereinafter referred to as the "Commercialization Plan"), and if any of the following items occur, the Entrustee shall promptly provide an explanation to that effect to NEDO:

(i) If the Commercialization Plan is to be significantly modified.

(ii) If the conditions are met that both parties designate through mutual consultation in advance as having an impact on the intent of the provisions of the preceding paragraph.

3. In the event of the preceding paragraph, if modification of the Commercialization Plan may conflict with the provision of Paragraph 1, NEDO may request that the Entrustee improve the contents of the modification.

4. If the Entrustee intends to commercialize technical results or otherwise use them to develop products, the Entrustee shall report this to NEDO. When commercialization of technical results is announced or published, the Entrustee shall clearly indicate that the commercialization is based on Contract Work entrusted by NEDO, using the following example of a statement unless there is a special reason for not doing so. In this case, the Entrustee may use the logo mark of NEDO with the approval of NEDO.

[Example of Statement in Case of Announcement or Publication of Commercialization]

"This will utilize (some of the) results obtained from business entrusted by the National Research and Development Agency New Energy and Industrial Technology Development Organization (NEDO)."

### **Section 3 Intellectual Property Rights**

#### **Article 28 (Establishment of Internal Rules Concerning Technical Results of Contract Work)**

Regarding the rights of officers and/or employees of the Entrustee ("Employees, Etc.") in and outside of Japan to obtain Industrial Property Rights and Copyrights relating to the Technical Results of the Contract Work, the Entrustee shall execute an agreement with Employees, Etc. stipulating that such rights shall be transferred from Employees, Etc. to the Entrustee promptly after execution hereof, or establish an internal rule stipulating the same. However, this shall not apply if the Entrustee has already executed an agreement with Employees, Etc. stipulating that the right to obtain Industrial Property Rights and Copyrights shall be transferred from Employees, Etc. to the Entrustee or has established an internal rule stipulating the same, and such an agreement or internal rule can be applied to the Contract Work.

#### **Article 28-2 (Prevention of Illegal Disclosure of Technical Results of Contract Work)**

1. The Entrustee shall take necessary measures to prevent illegal disclosure of Technical Results of the Contract Work to a third party, including execution of a confidentiality agreement with Employees, Etc. that stipulates an arrangement after the retirement of Employees, Etc.
2. In case of illegal disclosure of Technical Results of Contract Work to a third party, the Entrustee shall report without delay to NEDO and take appropriate measures, including legal action, against anyone that engaged in misconduct.

#### **Article 28-3 (Compliance with IP Management Basic Policies)**

In performing the Contract Work, the Entrustee shall comply with the basic policies concerning IP management given by NEDO at the time of the public call for proposals, taking into consideration the "Guidelines for Intellectual Property Management in Government-Commissioned Research and Development (May 2015, Ministry of Economy, Trade and Industry). "

#### **Article 28-4 (Compliance with Basic Policies Concerning Data Management)**

In performing the Contract Work, the Entrustee shall comply with the basic policies concerning data management given by NEDO at the time of the public call for proposals, taking into consideration the "Guidelines for Data Management in Government-Commissioned Research and Development (December 2017, Ministry of Economy, Trade and Industry)."

#### **Article 29 (Designation of Know-How)**

1. Through consultation with the Entrustee, NEDO may designate technical information relating to the Technical Results of the Contract Work that is not subject to Industrial Property Rights, Etc. but is proprietary information that can be kept confidential, and will notify the Entrustee of such designation.
2. With regard to technical information designated by NEDO under the provision of the preceding paragraph ("Know-How"), the Entrustee shall submit such information, as well as a Notification of Contract Work Technical Results Report (Form No.10) to NEDO in accordance with the instructions provided by NEDO.
3. When notifying the Entrustee as set forth in Paragraph 1, NEDO shall specify the period of time during which Know-How should be kept confidential by NEDO and the Entrustee.
4. The period for confidentiality under the preceding paragraph shall be determined through the mutual consultation of both parties but shall in principle be five years from the day following the last day of the current fiscal year, except in the cases mentioned in the following items. Notwithstanding the foregoing, the period may be extended to ten years if both parties agree that particularly strong confidentiality of Know-How is required:

- (i) If any of the parties disclose Know-How to affiliated organizations of the Government of Japan or the government of the country to which the Entrustee belongs in order to obtain an export license, imposing confidentiality obligations.
  - (ii) If any of the parties disclose Know-How to a necessary third party to perform the Contract Work or perform its own research and development, imposing confidentiality obligations.
  - (iii) If NEDO discloses Know-How to perform its duties to the Government of Japan, imposing confidentiality obligations.
5. Regarding Know-How designated under Paragraph 1, both parties may extend or shorten the period for confidentiality through mutual consultation if such extension or shortening is required after designation.
6. When receiving Know-How from the Entrustee under the provisions of Paragraph 2, NEDO shall appropriately store it in a place where confidential information can be protected against disclosure.

#### **Article 30 (Sealing, Etc. of Technical Information)**

1. The Entrustee shall, if required by the Entrustee, document important technical information that is already possessed by the Entrustee at the start of the Contract Period specified in Article 3 of the Business Entrustment Contract, and shall submit a Request for Sealing (Form No. 12) to NEDO within two months after execution of this Contract.
2. Upon submission of the Request for Sealing provided for in the preceding paragraph, both parties shall conduct sealing in the presence of personnel from both parties.
3. Sealed documents shall be kept by the Entrustee and a list of the sealed documents shall be kept by each of the parties.
4. In case the Entrustee objects regarding the attribution of Know-How designated under the provision of Paragraph 1 of the preceding Article, technical information that relates to such an objection from within the sealed technical information may be unsealed in the presence of personnel from both parties and shall be promptly resealed.
5. In case that, as a result of the unsealing set forth in the preceding paragraph, NEDO determines that Know-How designated under the provision of Paragraph 1 of the preceding Article belongs to the Entrustee, NEDO shall cancel its designation of Know-How.
6. NEDO shall not use or disclose to a third party any technical information that it obtains as a result of unsealing.
7. In case the Entrustee does not object to the attribution of Know-How designated through mutual consultation of both parties under the provision of Paragraph 1 of the preceding Article, both parties shall remove the sealing conducted under the provision of Paragraph 2.

### **Article 31 (Attribution of Intellectual Property Rights)**

1. In case the Entrustee makes an Invention, Etc. through performance of the Contract Work, the Entrustee shall own the Intellectual Property Rights for the Invention, Etc. (excluding copyrights in a Technical Results Report, or others similar thereto) subject to reporting to NEDO under the provisions of Articles 29, 32, and 33.
2. The Entrustee shall promptly undertake procedures for application in connection with Industrial Property Rights, Etc. relating to the Contract Work.
3. The Entrustee shall comply with the provisions of the following items:
  - (i) When the Entrustee undertakes a procedure for application in connection with Intellectual Property Rights relating to the Contract Work (or obtains copyrights in the case of copyrights), the Entrustee shall promptly report to NEDO to that effect under the provisions of Articles 32 and 33.
  - (ii) If NEDO finds it particularly necessary for the public interest and makes a request, while making clear the reasons therefor, upon a request by the Government of Japan, the Entrustee shall grant to NEDO the right to use the Intellectual Property Rights without charge.
  - (iii) If NEDO finds that Intellectual Property Rights have not been utilized within a reasonable period of time and does not find any justifiable grounds as to why the Intellectual Property Rights have not been utilized, and in case NEDO finds that utilization of the Intellectual Property Rights is particularly necessary for promoting the use of the Intellectual Property Rights and makes a request making clear the reasons therefor, upon a request by the Government of Japan, the Entrustee shall grant to a third party the right to use the Intellectual Property Rights.
  - (iv) In order to transfer Intellectual Property Rights, or approve the granting or transfer of an exclusive license (including a provisional exclusive license) pertaining to a patent right, utility model right, design right, or an exclusive exploitation right pertaining to a layout-design exploitation right, or a breeder's right (hereinafter collectively referred to as "Exclusive License, Etc."), the Entrustee shall obtain the advance approval of NEDO. However, this shall not apply in case of a transfer due to a corporate merger or divestiture, or in any of the following cases:
    - (a) If the Entrustee is a stock company that transfers Intellectual Property Rights to, or approves the granting or transfer of an Exclusive License, Etc. to a subsidiary (as defined in Article 2 Item 3 of the Companies Act) or its parent company (as defined in Article 2 Item 4 of the Companies Act). (However, the above excludes the case where the subsidiary or the parent company is located outside of Japan.)
    - (b) If the Entrustee transfers Intellectual Property Rights to, or approves the granting or transfer of an Exclusive License, Etc. to an Accredited TLO or Certified Business Operator as defined in the Act on the Promotion of Technology



Transfer from Universities to Private Business Operators.

(c) If the Entrustee is a research and development partnership that transfers Intellectual Property Rights to or approves the granting or transfer of an Exclusive License, Etc. to its members.

(v) The Entrustee shall respond to the utilization survey (Bayh-Dole Survey) conducted by NEDO regarding Intellectual Property Rights.

4. In case the Entrustee does not meet any of the items of the preceding paragraph and NEDO finds that there is no just cause for not meeting them, the Entrustee shall assign without charge Intellectual Property Rights to NEDO.
5. In case the Entrustee transfers or licenses the Intellectual Property Rights specified in Paragraph 1 to a third party, the Entrustee shall ensure that the third party will make a commitment to not adversely affect application of the provisions of Paragraphs 3 and 4 of this Article, Article 31-3, Article 31-4, Article 31-5, and Articles 32 to 34.
6. NEDO shall own the copyright of the Technical Results Report and others similar thereto, and the Entrustee shall not exercise its moral rights regarding the Technical Results Report and others similar thereto.

#### **Article 31-2 (Use of Technical Results)**

1. Notwithstanding the provisions of Paragraph 1 of Article 31 as to the copyright pertaining to works such as Inventions, Etc. relating to the Contract Work (excluding the Technical Results Report and others similar thereto), the Entrustee shall be deemed to have granted NEDO the right to exercise the copyright and the right to grant a third party a license for the copyright to the extent necessary for use of that work by NEDO.
2. The Entrustee shall not exercise its moral rights against any embodiment by NEDO and the third party. In addition, if the author of the work is a person other than the Entrustee, the Entrustee shall take necessary measures to prevent the author from exercising moral rights.

#### **Article 31-3 (Approval of Transfer, Etc. of Intellectual Property Rights)**

1. In order to transfer Intellectual Property Rights relating to Contract Work to a third party other than NEDO, the Entrustee shall submit to NEDO for approval a Request for Approval of Transfer of Intellectual Property Rights determined separately by NEDO, except in cases set forth in the proviso of Paragraph 3 Item 4 of Article 31.
2. In order to approve the granting or transfer of an Exclusive License, Etc. to a third party other than NEDO regarding Intellectual Property Rights relating to the Contract Work, the Entrustee shall submit to NEDO for approval a Request for Approval of Grant of Exclusive License, Etc. determined separately by NEDO except in the cases set forth in the proviso of Paragraph 3 Item 4 of Article 31.
3. In case NEDO requires a non-exclusive license with a right to sublicense pertaining to the

Intellectual Property Rights when approving the request provided for in the preceding two paragraphs, the Entrustee shall without charge grant NEDO such a license.

4. In case NEDO finds that there is no just cause for the Entrustee to breach the provisions of the preceding three paragraphs, the Intellectual Property Rights shall without charge be assigned to NEDO.

#### **Article 31-4 (Notification of Transfer, Etc. of Intellectual Property Rights)**

1. Regarding the transfer of Intellectual Property Rights pertaining to the Contract Work, the Entrustee shall submit to NEDO in advance a Notification of Transfer, Etc. of Intellectual Property Rights determined separately by NEDO in the case of the proviso of Paragraph 3, Item 4 of Article 31.
2. In case NEDO requires a non-exclusive license with a right to sublicense that pertains to the Intellectual Property Rights in connection with submission of the notification provided for in the preceding paragraph, the Entrustee shall without charge grant NEDO such a license.
3. If a non-exclusive license with a right to sublicense is granted under the provisions of the preceding paragraph, the Entrustee shall ensure that the successor to the Intellectual Property Rights will make a commitment to not interfere with the exercise of the non-exclusive license.
4. In case NEDO finds that there is no just cause for the Entrustee to breach the provisions of the preceding three paragraphs, the Intellectual Property Rights shall be assigned to NEDO without charge.

#### **Article 31-5 (Notification of Waiver of Intellectual Property Rights)**

To waive Intellectual Property Rights pertaining to Technical Results of the Contract Work, the Entrustee shall submit to NEDO a Notification of Waiver of Intellectual Property Rights determined separately by NEDO prior to waiving the Intellectual Property Rights.

#### **Article 32 (Notification of Application)**

1. When the Entrustee files an application for Industrial Property Rights pertaining to the Contract Work, (including submission of PCT National Documents ("National Documents"), the Entrustee shall submit to NEDO one copy of a Notification of Industrial Property Rights Application separately determined by NEDO together with a copy of documents in which the application number, date of application, priority claim number, priority date, country where priority is declared, applicant's name and the name of the invention can be confirmed ("Documents Showing Bibliographic Items") within sixty days (or ninety days in the case of application or submission of National Documents to foreign authorities) after the date of application (or the date of submission in the case of submission of National Documents).

2. In order to file a domestic patent, utility model, or design application in connection with the preceding paragraph, the Entrustee shall state that the application is based on the results of research entrusted by the national government in application documents using the following example of a statement.

[Example of Entry in Patent Application Form (in the "Item Pertaining to Technical Results of Research Entrusted by the National Government" column)]

"FY\*\*\*\*, National Research and Development Agency New Energy and Industrial Technology Development Organization, \*\*\*\* entrusted research, patent application to which Article 17 of the Industrial Technology Enhancement Act applies."

3. In case the Entrustee is found to have omitted the entry provided for in the preceding paragraph and fails to follow the instructions of NEDO, the Entrustee shall without charge assign the Industrial Property Rights to NEDO.

### **Article 33 (Notification of Status after Application)**

1. When registration of establishment or a variety registration of Industrial Property Rights pertaining to the Contract Work is made, the Entrustee shall submit to NEDO one copy of a Notification of Status after Industrial Property Rights Application separately determined by NEDO together with a copy of documents in which the application number (except in the case of layout-design exploitation rights and breeder's rights), registration number, registration date, name of the rights holder, and the name of Inventions, Etc. can be confirmed within sixty days (or ninety days in the case of overseas registration) after the date of issuance of the registration bulletin or the date of the public notice concerning the registration.

2. With regard to a copyright in a work such as Inventions, Etc. resulting from the Contract Work (excluding the Technical Results Report and others similar thereto) that fall under any of the following items, the Entrustee shall promptly submit to NEDO one copy of a Notification of Status after Industrial Property Rights Application separately determined by NEDO together with one copy of Documents Showing Bibliographic Items such as the date of creation or publication, the title of the work, the identity of the author, or an electronic file of the work:

(i) Copyright in works of computer programming and database works defined in Article 2 of the Copyright Act ("Copyright in Programs, Etc.").

(ii) Programming handbooks and others similar thereto.

(iii) A work for which the Entrustee exercises its copyright or grants a license to a third party.

3. When Intellectual Property Rights pertaining to the Contract Work are transferred (except in the cases mentioned in the following paragraph), the Entrustee shall within sixty (60) days (or ninety (90) days in the case of overseas) after the date of transfer submit to NEDO one copy of a Notification of Transfer of Intellectual Property Rights determined separately

by NEDO together with a copy of documents in which the fact of the transfer can be confirmed.

4. In case Intellectual Property Rights pertaining to the Contract Work are transferred with the approval of NEDO, the Entrustee shall within sixty (60) days (or ninety (90) days in the case of overseas registration) after the date of transfer submit to NEDO one copy of a Notification of Transfer of Intellectual Property Rights determined separately by NEDO together with a copy of the written approval of NEDO as set forth in Paragraph 1 of Article 31-3 and a copy of documents in which the fact of the transfer can be confirmed.

#### **Article 34 (Embodiment of Intellectual Property Rights)**

1. In case the Entrustee itself uses Intellectual Property Right pertaining to the Contract Work or grants a third party a license for such Intellectual Property Rights (except for cases in the following paragraph), the Entrustee shall within sixty (60) days (or ninety (90) days in the case of overseas registration) after the date of use or license submit to NEDO a Notification for Exercise of Intellectual Property Rights separately established by NEDO.
2. In case the Entrustee approves the granting or transfer of an Exclusive License, Etc. for Intellectual Property Rights pertaining to the Contract Work with the approval of NEDO, the Entrustee shall within sixty (60) days (or ninety (90) days in the case of overseas registration) after the date of granting or transfer submit to NEDO one copy of a Notification for Exercise of Intellectual Property Rights determined separately by NEDO together with a copy of the written approval of NEDO as set forth in Paragraph 2 of Article 31-3.

#### **Article 35 (Replacement of Terms Pertaining to Research and Development Partnership)**

In case the Entrustee is a Partnership that has a rule stipulating that Intellectual Property Rights for Inventions, Etc. shall be vested in a member of the Partnership which has succeeded to the right from an individual having made the Inventions, Etc. if the Entrustee submits to NEDO one copy of a Notification of Attribution of Intellectual Property Rights determined separately by NEDO in connection with application of the rule, the provisions of Articles 28 to 34, Paragraphs 3 to 6 of Article 29 (where Article 52 applies), Paragraphs 2 to 5 of Article 31, Articles 31-2 to 34, and Article 54 shall apply, with the term "the Entrustee" replaced with "the member of the Partnership."

Chapter VI. Miscellaneous Provisions

#### **Article 36 (Taking Effect of Notice)**

Written notices to the Entrustee by NEDO shall become effective on the date of transmission thereof by NEDO and written notices of the Entrustee to NEDO shall become effective on the date of receipt thereof by NEDO.

### **Article 37 (NEDO Right to Terminate)**

NEDO may terminate all or part of this Contract in any of the cases in the following items:

- (i) If the Entrustee breaches this Contract or NEDO's instructions given under this Contract due to a cause attributable to the fault of the Entrustee.
- (ii) If performance of the Contract Work becomes impossible or extremely difficult due to a cause attributable to the fault of the Entrustee.
- (iii) If the Entrustee makes a fraudulent or false report in connection with the entrustment contract with NEDO.
- (iv) If a registered researcher specified in the Execution Plan is found to be a person that conducts, is involved in, or is responsible for misconduct in research activity (any act of feigning, altering, or plagiarizing research results, including data; the same shall apply hereinafter) in connection with the Contract Work.
- (v) If a registered researcher specified in the Execution Plan is found to have engaged in dishonest use of public research funds (any act of using research funds for other purposes, of using funds contrary to the provisions of this Contract or conditions attached hereto, or of receiving research funds by means of a false statement or other fraudulent means; the same shall apply hereinafter) in connection with the Contract Work.

2. In cases other than those mentioned in the preceding paragraph, if NEDO decides to discontinue the Contract Work due to a major change in the budget or policies of the Government of Japan, NEDO may terminate this Contract from the date of decision of discontinuance by giving the Entrustee one month notice.

### **Article 38 (Entrustee Right to Terminate)**

The Entrustee may terminate all or part of this Contract if performance of the Contract Work becomes impossible or extremely difficult as a result of a breach of this Contract by NEDO due to a cause attributable to the fault of NEDO.

### **Article 39 (Measures in Case Implementation of Contract Work Becomes Impossible Due to Unforeseen Circumstances)**

In case the performance of the Contract Work becomes impossible or extremely difficult due to a cause that cannot be foreseen at the time of execution of this Contract and is not attributable to the fault of either party, both parties may terminate this Contract through mutual consultation.

### **Article 40 (Allocation of Risk, Etc.)**

1. If the Entrustee cannot complete all or part of the Contract Work due to termination of this Contract under the provisions of Paragraph 1 of Article 37, NEDO shall be released from the obligation to pay expenses for the part of the Contract Work that cannot be

completed due to termination (the "Terminated Part").

2. If the Entrustee cannot complete all or part of the Contract Work due to termination of this Contract under the provisions of Paragraph 2 of Article 37, Article 38, and the preceding Article, the Entrustee shall be released from the obligation to perform the Terminated Part of the Contract Work. NEDO shall determine the amount that it should pay through consultation with the Entrustee and pay such amount to the Entrustee.

#### **Article 41 (Measures Against Misconduct, Etc.)**

1. If NEDO suspects that the Entrustee has committed fraud in connection with this Contract, NEDO may instruct the Entrustee to conduct an internal audit and report on the results in writing to NEDO.
2. Upon receipt of the audit report, NEDO shall carefully examine the contents of the report and confirm whether fraud has occurred as well as the contents of the fraud, if any. In this case, NEDO may enter the factories, laboratories, or other offices of the Entrustee when such entry is deemed necessary by NEDO for its examination.
3. NEDO may take necessary measures against research activity misconduct in accordance with the Organizational Directive Concerning Responses to Misconduct in Research Activities (Organizational Directive No. 17 of 2007) separately adopted by NEDO.
4. NEDO may conduct an inspection as set forth in Paragraph 2 Item 2 of Article 14 if deemed necessary.
5. In case NEDO requests that the Entrustee refund any Overpayment of the Determined Amount as a result of the inspection provided for in the preceding paragraph, NEDO may demand interest on the amount of Overpayment of the Determined Amount calculated at the legal interest rate stipulated in Article 404 of the Civil Code or an additional amount of Overpayment of the Determined Amount of 10.95 percent per annum for the period from the date of receipt of Overpayment of the Determined Amount to the date of repayment.
6. If the existence of fraud can be confirmed, NEDO may make public the names of those involved and the contents of the fraud.
7. In addition to the measures provided for in Paragraphs 1 to 6, NEDO may take other measures deemed necessary.
8. If, in the case of an entrustment contract with multiple parties, one specific contractor out of all of the contractors falls under any of the preceding six paragraphs, the measures under the provisions of this Article shall apply only to the specific contractor.

#### **Article 41-2 (Response to Misconduct in Research Activities)**

The Entrustee shall appropriately respond to misconduct under the Guidelines for Responding to Misconduct in Research (adopted by the Ministry of Economy, Trade and Industry on December 26, 2007).

### **Article 41-3 (Response to Dishonest Use of Public Research Funds)**

1. The Entrustee shall endeavor to establish systems that have an adequate mechanism for suppression of dishonest use under the Guidelines for Responding to Dishonest Use, Etc. of Public Research Funds (adopted by the Ministry of Economy, Trade and Industry on December 3, 2008).
2. NEDO may require that the Entrustee report on the status of establishment of its systems as provided for in the preceding paragraph and may conduct an on-site investigation if deemed especially necessary to prevent dishonest use. If NEDO determines that the status of establishment of the systems of the Entrustee includes problem areas, NEDO may take any measures deemed necessary against the Entrustee.

### **Article 42 (Late Charge)**

In case the Entrustee submits a Performance Report, Etc., Interim Annual Report or Technical Results Report later than the due date due to a cause attributable to the fault of the Entrustee, the Entrustee shall pay NEDO a late charge equivalent to the amount obtained by multiplying one-thousandth (1/1000) of the Contract Amount by the number of days, from the day following the due date to the date of submission of the report.

Notwithstanding the foregoing, the Entrustee may be exempted from payment of the late charge if the delay in submission of the report is found to be due to an unavoidable situation.

### **Article 43 (Penalty)**

1. In case NEDO terminates all or part of this Contract under the provisions of Paragraph 1 of Article 37, the Entrustee shall pay NEDO a penalty equivalent to 10 percent of the Contract Amount corresponding to the Terminated Part (excluding days belonging to the fiscal year following the one in which this Contract is terminated, or to any subsequent fiscal year).
2. In case the Entrustee terminates all or part of this Contract under the provisions of Article 38, NEDO shall pay the Entrustee a penalty equivalent to 10 percent of the Contract Amount corresponding to the Terminated Part (excluding days belonging to the fiscal year following the one in which this Contract is terminated, or to any subsequent fiscal year).
3. If NEDO or the Entrustee fails to pay the penalty provided for in the preceding two paragraphs not later than the due date specified by the other party, it shall pay an overdue fee on the unpaid amount calculated at the legal interest rate stipulated in Article 404 of the Civil Code for the period from the day following the due date to the date of payment. However, this shall not apply to projects funded by a national grant.

### **Article 44 (Special Provisions for Foreign Corporations)**

If the Entrustee is a foreign corporation, the following provisions shall apply with regard to the validity or procedures of this Contract:

- (i) The existence, interpretation, and validity of this Contract shall be governed by the laws and regulations of Japan in effect.
- (ii) The starting and ending time of a period mentioned in this Contract shall be based on Japan Standard Time.
- (iii) To ensure the mutual exchange of opinions, the Entrustee shall use the Japanese language for the documents, research papers, reports, etc. in this Contract that are separately specified by NEDO, or shall attach a Japanese language translation thereto, and shall at the expense of the Entrustee, take necessary measures, including procurement of an interpreter, to use the Japanese language for any discussion, communication, and consultation pertaining to this Contract.
- (iv) The Entrustee shall appoint an agent in Japan that can send and receive the documents, research papers, reports, etc., specified in this Contract or perform any necessary communication. In case of a change in the agent or its address, the Entrustee shall promptly notify NEDO.

#### **Article 45 (Liability for Compensation)**

1. NEDO shall not be responsible in any way for compensation for damage to the Entrustee, or for damage to any third party that may arise from performance of the Contract Work by the Entrustee or from the Acquired Property; provided, however, that this shall not apply to damage caused by the willful misconduct or gross negligence of NEDO.
2. When NEDO receives a claim from a third party as provided for in the preceding paragraph and provides compensation based on a reasonable reason such as a court decision, NEDO shall claim the amount of liquidated damages from the Entrustee; provided, however, that this shall not apply to damage caused by the willful misconduct or gross negligence of NEDO.

#### **Article 46 (Location for Amendment of Contract)**

If both parties enter a contract for amending this Contract under the provisions of Article 10, such a contract shall be executed at the location of the principal place of business of NEDO as stated in its corporate registration.

#### **Article 47 (Jurisdiction)**

Both parties agree that any dispute arising in connection with this Contract shall be subject to the exclusive jurisdiction of the Yokohama District Court in the first instance. However, this shall not apply if exclusive jurisdiction is prescribed by law.

#### **Article 48 (Delegation of Related Procedures)**

The Entrustee may delegate the reporting, notifications, requests, etc., of the forms set forth herein (excluding Form No. 19) to the person responsible for operational management



specified in the Execution Plan or their supervisor without giving prior notice to NEDO.

**Article 49 (Administration of Collected Personal Information)**

1. The Entrustee shall administer personal information (which shall refer to information about a living individual from which it would be possible to identify that specific individual, due to its inclusion of a name, date of birth, or other such information (including any information that can be readily collated with other information, and thereby identify that specific individual), and information including personal identification code; the same shall apply hereinafter) that it collects through performance of the Contract Work with the due care of a good manager.
2. When NEDO determines that the personal information provided for in the preceding paragraph should be appropriately administered, NEDO may separately provide the Entrustee with instructions as to necessary matters and the Entrustee shall follow such instructions.

**Article 49-2 (Management of Information Security)**

1. The Entrustee shall exercise caution in maintaining the confidentiality of all information that it obtains through the Contract Work, and shall be responsible for the prevention of disclosure.
2. Information supplied by NEDO for the Contract Work shall not be used by the Entrustee for any purpose other than the Contract Work.
3. If, as a result of completion of the Contract Work or termination of this Contract, information that was provided or specified by NEDO to the Entrustee either on paper or by an electronic medium (including a copy thereof) and which was designated as confidential by NEDO is no longer required, the Entrustee shall promptly return the information to NEDO or destroy or otherwise erase the information so that it is unrestorable or illegible by using such means as crushing, dissolution, or incineration, and shall report on such disposal to NEDO. Notwithstanding the foregoing, the Entrustee shall follow special instructions provided by NEDO, if any.
4. In case of any actual or potential security issues during the process of performance of the Contract Work, such as information disclosure, the Entrustee shall promptly take all necessary measures and report the issue to NEDO. In addition, the Entrustee shall follow instructions provided by NEDO, if any.
5. The Entrustee shall take information security measures, provide information security education to employees who handle information obtained through the Contract Work, and if requested by NEDO to confirm the status of performance of information security measures, the Entrustee shall promptly report on the actual situation. In addition, NEDO may conduct an investigation to confirm the status of progress on information security measures by the Entrustee, if deemed necessary.

6. In case the Entrustee entrusts part of the Contract Work to a third party under Article 2 or outsources it to a third party, the Entrustee shall ensure that the third party will comply with the measures provided for in Paragraphs 1 to 5.
7. When requested by NEDO, the Entrustee shall promptly establish an information management system for the Contract Work in accordance with the provisions separately determined by NEDO, and report to NEDO immediately after execution of this Contract. In addition, in the event of a change in the information management system, the Entrustee shall report to NEDO. If deemed necessary, NEDO may consult with the Entrustee and provide necessary instructions to the Entrustee.

#### **Article 50 (Utilization of Electronic Data Processing System)**

Requests and notifications made by the Entrustee through the use of an electronic data processing system provided by NEDO shall be governed by provisions separately established. However, this shall not preclude the Entrustee from submitting the forms specified in these General Conditions.

#### **Article 51 (Cooperation)**

For the purpose of smooth performance of the Contract Work, the Entrustee shall, at its own expense, cooperate with NEDO in the matters listed in the following items. Notwithstanding the foregoing, the expenses required for Item 3 shall be borne by NEDO.

- (i) Preparation of materials and responses to hearings related to the budget of the Government of Japan pertaining to the Contract Work.
- (ii) Preparation of materials pertaining to Post Evaluation and Follow-Up Evaluation after expiration of the Contract Period or termination of this Contract; responses to surveys on the status of acquisition and commercialization of Industrial Property Rights; and provision of information, responses to hearings, and attendance at committee meetings.
- (iii) Payment of taxes and public dues on NEDO property that is managed by the Entrustee under the provisions of Paragraph 3 of Article 20, and purchase of insurance against damage to such property.

#### **Article 52 (Survival Clause)**

Both parties agree that the provisions of the Articles listed in the following items shall survive expiration of the Contract Period or termination of this Contract under the provisions of Article 37, 38, or 39:

- (i) Matters that are in effect during a period specified in the relevant provisions: Paragraph 3 of Article 6, Paragraph 1 of Article 13, Paragraph 9 of Article 14, Paragraph 5 of Article 22, Paragraphs 1 and 4 of Article 24, and Paragraphs 3 to 6 of Article 29.

- (ii) Matters that are in effect until the subject of the relevant provisions ceases to exist:  
Article 3, Article 19, Paragraphs 3 to 7 and Paragraph 9 of Article 20, Paragraphs 1, 2, and 7 to 14 of Article 20-2, Article 21, Article 25, Article 26, Paragraphs 1 and 4 of Article 27, Article 28-4, Articles 31 to 34, Article 41, Articles 42 to 45, Article 47, Article 49, Paragraph 1 to 6 of Article 49-2, and Paragraph 1 Item 3 of Article 51.
- (iii) Matters that remain in effect for one year after the day following the last day of the fiscal year in which the Contract Period expires or is terminated:  
Article 9, and Paragraph 1 Items 1 of Article 51.
- (iv) Matters that remain in effect for ten years after the day following the last day of the fiscal year in which the Contract Period expires or is terminated: Paragraph 1 Item 2 of Article 51.

**Article 53 (Validity of Contracts Which Extend Beyond Medium to Long-Term Plan)**

Notwithstanding the provisions concerning the Contract Period, with regard to the fiscal years after the final fiscal year of the Medium to Long-Term Plan of NEDO, as stipulated in the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999; the "General Rules Act"), this Contract shall be effective subject to the authorization of a subsequent Medium to Long-term Plan of NEDO by the Minister of Economy, Trade and Industry under the provisions of Article 35-5 of the General Rules Act.

**Article 54 (Handling of Other Matters Not Stipulated Herein)**

Any question as to provisions hereof or matters not stipulated herein shall be resolved by both parties through mutual consultation.

**Special Provisions**

**[Special Provisions 1]**

**Article 1 (Termination of Contract Due to Misconduct Such as Bid Rigging)**

NEDO may terminate this Contract in any of the cases in the following items.

1. If, as a result of any act of the Entrustee in violation of the provisions of Article 3 or Item 1 of Article 8 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947; the "Antimonopoly Act"), the Entrustee falls under any of the following items:
  - (i) A Cease and Desist Order, as defined in Article 49 of the Antimonopoly Act, has become final and binding.
  - (ii) A Surcharge Payment Order, as stipulated in Paragraph 1 of Article 62 of the Antimonopoly Act, has become final and binding.
  - (iii) A notice to the effect that a surcharge payment order is not issued pursuant to Paragraph 7 of Article 7-4 or Paragraph 3 of Article 7-7 of the Antimonopoly Act, is made.

2. If a sentence of punishment on the Entrustee under the provisions of Paragraph 1 of Article 89 or Paragraph 1 Item 1 of Article 95 of the Antimonopoly Act has become final and binding in regard to this Contract.
3. If a sentence of punishment on the Entrustee (including its officers and/or employees, if the Entrustee is a corporation) under the provisions of Article 96-6 or 198 of the Penal Code (Act No. 45 of 1907) has become final and binding in regard to this Contract.

**Article 2 (Submission of Copy of Written Notice Pertaining to Misconduct Such as Bid Rigging)**

In case the Entrustee falls under any of the items in Paragraph 1 of the preceding Article, the Entrustee shall submit a copy of one of the documents in the following items to NEDO:

- (i) A Cease and Desist Order as stipulated in Paragraph 1, Article 61 of the Antimonopoly Act.
- (ii) A Surcharge Payment Order as stipulated in Paragraph 1, Article 62 of the Antimonopoly Act.
- (iii) A notice to the effect that a surcharge payment order is not issued pursuant to Paragraph 7 of Article 7-4 or Paragraph 3 of Article 7-7 of the Antimonopoly Act.

**Article 3 (Compensation for Damage Due to Misconduct Such as Bid Rigging)**

1. In case the Entrustee falls under any of the paragraphs of Article 1 in connection with this Contract, the Entrustee shall pay an amount equivalent to 10 percent of the Contract Amount or, if the Contract Amount is amended after execution hereof, the amended Contract Amount (if the calculated amount contains a fractional amount that is less than 100 yen, it shall be rounded down to the nearest 100 yen increment), as a penalty (liquidated damages) within the period specified by NEDO regardless of whether or not NEDO terminates this Contract and without NEDO being required to demonstrate the occurrence and amount of damage.
2. The provision of the preceding paragraph shall apply even after performance under this Contract is completed.
3. In the case of Paragraph 1, in cases where the Entrustee is a trade association that has already been dissolved, NEDO may seek payment of a penalty by a person that was formerly a representative or member of the Entrustee. In this case, persons who were representatives or members of the Entrustee shall be held jointly and severally responsible for payment of the penalty.
4. If the amount of actual damage caused to NEDO exceeds the amount of the liquidated damages provided for in Paragraph 1, the provisions of said paragraph shall not preclude NEDO from seeking the Entrustee to pay compensation for the amount of the damage that exceeds the liquidated damages.
5. If the Entrustee fails to pay the penalty in Paragraph 1 or the damages in the preceding

paragraph within the period specified by NEDO, the Entrustee shall pay NEDO overdue interest on the unpaid amount calculated from statutory interest rate specified by Section 404 Civil Code for the period from the day following the date of expiration of the period until the date on which payment is made.

## **[Special Provisions 2]**

### **Article 4 (Termination of Contract Based on Attribute Requirements of Involvement with Organized Crime Groups)**

In case it is found that the Entrustee falls under any of the following items, NEDO may terminate this Contract without advance notification:

- (i) If the Corporation, Etc., (which shall refer to an individual, corporation, or organization) is an organized crime group (which shall refer to an Organized Crime Group as defined in Item 2, Article 2 of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991); the same shall apply hereinafter), or any Officer of the Corporation, Etc., (which shall refer to the individual itself in the case of an individual, an officer or a representative of a branch office or business office (where contracts of the Corporation, Etc. are regularly executed) in the case of a corporation, or a representative, director, or any other individual substantially involved in management in the case of an organization; (the same shall apply hereinafter) is an organized crime group member (which shall refer to an Organized Crime Group Member as defined in Item 6, Article 2 of the Act; the same shall apply hereinafter).
- (ii) If an Officer uses an organized crime group or an organized crime group member for the purpose of ensuring unjustified benefits to itself, their company, a third-party, or for the purpose of inflicting harm on a third party.
- (iii) If an Officer provides funds or benefits to an organized crime group or an organized crime group member, thereby directly or indirectly cooperating with or becoming involved in the maintenance and operation of the organized crime group.
- (iv) If an Officer intentionally retains a socially condemnable relationship with an organized crime group or an organized crime group member.

### **Article 5 (Termination of Contract in Connection with Subcontracts, Etc.)**

1. In case it is found that a subcontractor for this Contract (which shall refer to a subcontractor (including subcontractors of all tiers in the case of multi-layered subcontracting), a re-entrusted contractor (including all contractors subsequent to re-entrusted contractors), and a third party with which the Entrustee, its subcontractor, or re-entrusted contractor, enters into any individual contract in connection with this Contract; (the same shall apply hereinafter)) is a party for termination (which shall refer to a party falling under the requirements set forth in the preceding Article; the same shall

- apply hereinafter), the Entrustee shall immediately terminate its contracts with such a subcontractor or have its subcontractor terminate contracts with the party for termination.
2. NEDO may terminate this Contract if the Entrustee enters into a contract, or approves a contract entered into by a subcontractor knowing that the relevant subcontractor is a party for termination, or unreasonably fails to terminate the contract with the relevant subcontractor or to take measures for making its subcontractor terminate the contract.

#### **Article 6 (Compensation for Damages)**

1. If NEDO terminates this Contract under the provisions of Article 4 or Paragraph 2 of the preceding Article, NEDO shall not be held responsible for compensation for or indemnification of any damages caused to the Entrustee by such termination.
2. If NEDO terminates this Contract under the provisions of Article 4 or Paragraph 2 of the preceding Article, the Entrustee shall be held responsible for compensation for damages caused to NEDO.
3. In case the Entrustee falls under the provisions of the preceding paragraph in connection with this Contract, the Entrustee shall pay an amount equivalent to 10 percent of the Contract Amount or, if the Contract Amount is amended after execution hereof, the amended Contract Amount (if the calculated amount contains a fractional amount that is less than 100 yen, it shall be rounded down to the nearest 100 yen increment) as a penalty (liquidated damages) within the period specified by NEDO regardless of whether or not NEDO terminates this Contract and without NEDO being required to demonstrate the occurrence of and amount of damage.
4. The provisions of the preceding paragraph shall apply even after performance under this Contract is completed.
5. In Paragraph 3, in case the Entrustee is a trade association that has already been dissolved, NEDO may seek payment of said penalty by a person that was formerly a representative or member of the Entrustee. In this case, persons who were representatives or members of the Entrustee shall be held jointly and severally responsible for payment of the penalty.
6. If the amount of actual damage caused to NEDO exceeds the amount of the liquidated damages set forth in Paragraph 3, the provisions of the paragraph shall not preclude NEDO from seeking the Entrustee to pay compensation for the amount of the damage that exceeds the liquidated damages.
7. If the Entrustee fails to pay the penalty in Paragraph 3 or the damages in the preceding paragraph within the period specified by NEDO, the Entrustee shall pay NEDO overdue interest on the unpaid amount calculated at the legal interest rate stipulated in Article 404 of the Civil Code for the period from the day following the date of expiration of the period until the date on which payment is made.

## **Article 7 (Notification and Report of Unlawful Intervention)**

In case the Entrustee or its subcontractor is subject to unlawful intervention such as unlawful demands or obstruction of business ("Unlawful Intervention") by anti-social forces, including by an organized crime group, organized crime group member, or a person related to an organized crime group, the Entrustee shall reject and have its subcontractor reject the Unlawful Intervention, promptly report to NEDO about the Unlawful Intervention, notify the police, and provide any cooperation necessary for investigation by the police.

### **Supplementary Provision**

This Standard Form shall come into effect as of April 1, 2004.

#### Supplementary Provision

This Standard Form shall come into effect as of April 1, 2005.

### Supplementary Provision

This Standard Form shall come into effect as of April 1, 2006.

### Supplementary Provisions

1. This Standard Form shall come into effect as of April 1, 2007.
2. The provisions of Article 5 of the revised General Conditions and the revised Calculation Criteria for Contract Work Expenses shall apply to contracts newly executed on and after the effective date of this Standard Form, and with regard to contracts executed prior to said date, the provisions then in force shall remain applicable.

### Supplementary Provisions

1. This Standard Form shall come into effect as of March 10, 2008, and shall be applicable to projects commencing from fiscal year 2008.
2. Notwithstanding the foregoing, the provisions of Paragraph 1 of Article 31, Article 31-2, and Paragraph 2 of Article 33 of the revised General Conditions shall become applicable on the date on which the revision of Article 27 of the Statement of Operational Procedures of the New Energy and Industrial Technology Development Organization is approved by the Minister of Economy, Trade and Industry.

### Supplementary Provisions

1. This Standard Form shall come into effect as of March 10, 2009, and shall be applicable to projects commencing from fiscal year 2009.
2. The provisions of the revised Calculation Criteria for Contract Work Expenses shall apply to contracts newly executed in fiscal year 2009, and with regard to contracts executed prior to fiscal year 2009, the provisions then in force shall remain applicable.

### Supplementary Provisions

1. This Standard Form shall come into effect as of June 22, 2009.
2. Notwithstanding the foregoing, the provisions of Articles 31 to 34 of the revised General Conditions shall apply to contracts newly executed on and after April 1, 2009, and with regard to contracts executed prior to such date, the provisions then in force shall remain

applicable.

Supplementary Provision

This Standard Form shall come into effect as of January 1, 2010.

Supplementary Provisions

1. This Standard Form shall come into effect as of March 10, 2010, and shall be applicable to projects commencing from fiscal year 2010.
2. The provisions of the revised Calculation Criteria for Contract Work Expenses shall apply to contracts newly executed in fiscal year 2010, and with regard to contracts executed prior to fiscal year 2010, the provisions then in force shall remain applicable.

Supplementary Provisions

1. This Standard Form shall come into effect as of March 10, 2011, and shall be applicable to projects commencing from fiscal year 2011.
2. Notwithstanding the foregoing, the provision of Paragraph 3 Item 5 of Article 31 of the revised General Conditions shall apply to contracts newly executed on and after April 1, 2011, and with regard to contracts executed prior to such date, the provisions then in force shall remain applicable.

Supplementary Provision

1. This Standard Form shall come into effect as of March 12, 2012, and shall be applicable to projects commencing from fiscal year 2012.

Supplementary Provisions

1. This Standard Form shall come into effect as of February 25, 2013, and shall be applicable to projects commencing from fiscal year 2013.
2. Notwithstanding the foregoing, the provisions of Articles 20-2 and 20-3 of the revised General Conditions shall apply to contracts newly executed on and after April 1, 2013, and with regard to contracts executed prior to such date, the provisions then in force shall remain applicable.

Supplementary Provision

This Standard Form shall come into effect as of January 22, 2014.

Supplementary Provisions

1. This Standard Form shall come into effect as of March 14, 2014, and shall be applicable to projects commencing from fiscal year 2014.
2. Notwithstanding the foregoing, the provisions of Paragraph 2 of Article 3, Paragraph 4 of Article 14, Paragraph 2 of Article 26, and Paragraph 2 of Article 27 of the revised General Conditions shall apply to contracts newly executed on and after April 1, 2014, and with regard to contracts executed prior to such date, the provisions then in force shall remain applicable.

Supplementary Provisions

1. This Standard Form shall come into effect as of March 18, 2015, and shall be applicable to projects commencing from fiscal year 2015.



2. Notwithstanding the foregoing, the provisions of Paragraph 3 of Article 2, Paragraph 3 Item 4 of Article 31, and Paragraphs 1, 3, and 4 of Article 31-3 of the revised General Conditions shall apply to contracts newly executed on and after April 1, 2015, and with regard to contracts executed prior to such date, the provisions then in force shall remain applicable.

#### Supplementary Provisions

1. This Standard Form shall come into effect as of July 1, 2015.
2. Notwithstanding the foregoing, the provisions of Article 28-3, Article 31, Article 31-3, Article 31-4, Article 31-5, Article 35, and Article 48 of the revised General Conditions shall apply to contracts newly executed on and after November 15, 2015, and with regard to contracts executed prior to such date, the provisions then in force shall remain applicable.

#### Supplementary Provision

1. This Standard Form shall come into effect as of March 25, 2016, and shall be applicable to projects commencing from fiscal year 2016.

#### Supplementary Provision

1. This Standard Form shall come into effect as of April 1, 2017, and shall be applicable to projects commencing from fiscal year 2017.

#### Supplementary Provisions

1. This Standard Form shall come into effect as of March 30, 2018, and shall be applicable to projects commencing from fiscal year 2018.
2. Notwithstanding the foregoing, the provisions of Articles 28-4 of the revised General Conditions shall apply to projects publicly called on and after April 1, 2018, and with regard to projects publicly called prior to such date, the provisions then in force shall remain applicable.

#### Supplementary Provision

1. This Standard Form shall come into effect as of March 20, 2019, and shall be applicable to projects commencing from fiscal year 2019.

#### Supplementary Provisions

1. This Standard Form shall come into effect as of March 25, 2020, and shall be applicable to projects commencing from fiscal year 2020.
2. Notwithstanding the foregoing, the provisions of Paragraph 3 Item 4 of Article 31 and Article 45 of the revised General Conditions shall apply to contracts executed on and after April 1, 2020, and with regard to contracts executed prior to such date, the provisions then in force shall remain applicable.

#### Supplementary Provision

- This Standard Form shall come into effect as of July 1, 2020.

#### Supplementary Provisions

1. This Standard Form shall come into effect as of March 24, 2021, and shall be applicable to projects commencing from fiscal year 2021.
2. Notwithstanding the foregoing, the provisions of Paragraph 7 of Article 49-2 of the revised General Conditions shall apply to contracts executed on and after April 1, 2021, and with regard to contracts executed prior to such date, the provisions then in force shall remain applicable.

#### Supplementary Provision

1. This Standard Form shall come into effect as of March 15, 2022, and shall be applicable to projects commencing from fiscal year 2021(excluding projects in which the Contract Period expires in fiscal year 2021).

#### **(2) Forms**

Form No. 1 Inspection Completion Report

Form No. 2 Request for Continuation

Form No. 3 Request for / Notification of Change of Contract Work Execution Plan

Form No. 4-1 Invoice for Payment

Form No. 4-2 Request for Registration of Payment Account Number

Form No. 5 Contract Work Performance Report / Interim Performance Report

Form No. 6 Deleted

Form No. 7 Deleted

Form No. 8 Accident and Restoration Completion Report

Form No. 9 Revenue and Expenditure Report on Restoration Work

Appendix: Detailed Statement of Revenue and Expenditure

Form No. 10 Notification of Contract Work Technical Results Report

Form No. 11 Notification of Contract Work Interim Annual Report

Form No. 12 Request for Sealing

Appendix 1 List of Items to Be Sealed

Appendix 2 Power of Attorney

Form No. 13 Deleted

Form No. 14 Deleted

Form No. 15-1 Deleted

Form No. 15-2 Deleted

Form No. 16 Deleted

Form No. 17 Deleted

Form No. 18 Deleted

Form No. 19 Request for Approval of Transfer of Rights and Obligations

Form No. 20 Deleted

Form No. 20-1 Deleted

Form No. 21 Confirmation Concerning Disposition of Acquired Property

Form No. 22 Deleted

### **(3) Appended Tables**

Appendix 1-1 Incurred Expenses Record

Appendix 1-2 Incurred Expenses Record (Breakdown of Corrected Amounts)

Appendix 1-3 Incurred Expenses Record (Summary Table)

Appendix 2-1 Itemized Monthly Detailed Statement (for those requiring asset registration)

Appendix 2-2 Itemized Monthly Detailed Statement (for those not requiring asset registration)

Appendix 3 Estimate of Design and Manufacturing Cost/ Processing Cost

Appendix 4 Health Insurance Grade Certificate

Appendix 5 Salary Certificate

Appendix 6-1 Deleted

Appendix 6-2 Labor Hours Certificate (for managers, discretionary working system and advanced professional system)

Appendix 7 List of Labor Unit Cost for NEDO Contract Work (unit cost per hour)

Appendix 8 Contract Work Daily Report

Appendix 9 Estimate of Labor Cost

Appendix 10 List of Labor Unit Cost for NEDO Contract Work (for Contract Work effort researchers)

Appendix 11 Contract Work Monthly Record

Appendix 12-1 Deleted

Appendix 12-2 Certificate of Effort for Contract Work

Appendix 13 Deleted

Appendix 14 Deleted

Appendix 15 Deleted

Appendix 16 Deleted

Appendix 17 Certificate of Exclusive Use

### **(4) Calculation Criteria for Contract Work Expenses**