

AI-NET PLUS Terms of Use

Chapter 1: Definitions

Article 1 (Purpose)

These Terms of Use set forth the bidding conditions for the Internet auction service “AI-NET PLUS” provided by Arai Shoji Co., Ltd. (hereinafter, “the Company”).

The official version of these Terms shall be in Japanese, and they shall be interpreted accordingly. Any English translation is provided solely as a reference and shall not affect the interpretation of these Terms.

Article 2 (Name)

“AI-NET PLUS” is a service provided in conjunction with the Company’s Internet auction service “AI-NET.” Based on information supplied by partner auction venues through “AI-NET,” this service allows AI-NET members to place bids over a designated period on vehicles and other items listed at partner venues. The member with the highest bid at the end of the bidding period becomes the successful bidder, and the Company will place a bid at the partner venue on behalf of that member at the corresponding winning bid price.

Article 3 (Definitions of Terms)

In these Terms, the meanings of the terms listed below shall be as defined for each respective item. For matters not provided for in these Terms, the Arai Auction Terms, AI-NET Terms, and other related regulations established separately by the Company (collectively, the “Arai Auction Regulations”) shall apply.

1. **Arai Auction / Arai A**

“Arai Auction” or “Arai A” refers to the auctions organized by the Company for used automobiles, used motorcycles, used commercial vehicles, and used construction machinery.

2. **Member**

A “Member” (also referred to as “Arai Member”) is an individual or entity that has entered into a contract with the Company regarding the use of AI-NET.

3. **This Bidding Event**

“This Bidding Event” refers to the bid-up auction conducted through AI-NET PLUS. The bidding format is as described in Article 13.

Article 4 (Awareness of Terms / Confidentiality Obligations)

1. The rights and obligations between the Company and the Member concerning these Terms shall be governed primarily by these Terms. Any matters not specified herein shall be governed by the Arai Auction Regulations.
2. When using this bidding event, Members shall fully understand and comply with these Terms, the Arai Auction Regulations, and the rules of partner venues.

Article 5 (Disclaimer)

The Company and the partner venues shall not be liable for any damages incurred by Members arising from any of the following:

1. Damages resulting from malfunctions or defects in the Member's computer hardware, peripherals, software, etc.
2. Damages caused by computer system problems or communication failures at the Company or partner venues.
3. Damages resulting from the Member's operational errors or management mistakes.
4. Damages caused by viruses, spyware, or other malicious programs.
5. Damages arising from the leakage of Member IDs, passwords, or user IDs.
6. Damages caused by natural disasters, human disasters, fire, or other force majeure events.
7. Damages incurred when using AI-NET from outside Japan.
8. Damages resulting from the inability to respond due to the end of business hours or closure of the Company or partner venues.
9. Any other damages arising from reasons not attributable to the Company or the partner venues.

Chapter 2: Operations

Article 6 (Listing Information)

The Company shall provide Members with information on vehicles listed at partner venues on AI-NET PLUS, based on listing sheets and other information supplied by those partner venues.

Article 7 (Physical Inspection)

Prospective bidders are not permitted to conduct a physical inspection of the vehicles in this bidding event.

Article 8 (Bidding Format)

1. This bidding event uses a bid-up (ascending price) method, and participation is conducted through the POS computer system. Members compete by increasing their bid prices, and the Member with the highest bid at the end of the bidding period becomes the successful bidder. If the Member's bid does not reach the seller's minimum reserve price, the item will be unsold.
2. The Company will place a bid at the partner venue on behalf of the Member at the winning bid price. Depending on the result of the auction at the partner venue, the vehicle may not be successfully purchased, in which case the winning result of this bidding event will be canceled. The Company does not guarantee the successful purchase of the vehicle at the partner venue.

Article 9 (Notification of Results)

The Company shall notify Members of the results of this bidding event and the corresponding bids placed at partner venues by posting the information on AI-NET transaction records or by sending an auction statement.

Article 10 (Fees)

The types and details of the fees to be paid by Members to the Company are as follows, and the applicable amounts shall be as stated in the attached fee schedule.

1. Winning Bid Fee

Members must pay a winning bid fee for each vehicle successfully purchased.

(See Appendix I.)

2. Other Costs

Any additional costs will be charged only if such costs are indicated in the listing data.

Article 11 (Winning Bids and Credit Limits)

Viewing and bidding on items listed at partner venues may only be conducted through AI-NET PLUS. The Company may set a winning bid limit (credit limit) for each Member. The Company may also impose restrictions on the release of purchased vehicles (such as permitting release only after settlement of the vehicle price and related charges).

Article 12 (Obligations of the Successful Bidder)

A successful bidder must fulfill the following obligations:

1. Thoroughly check the details listed for the item they intend to bid on.

2. Upon receiving the transfer documents for the purchased item, promptly verify their contents.
3. A bid application for any item cannot be canceled.

Article 13 (Authority to Invalidate Bids and Cancel Contracts)

1. Under no circumstances may a bid be invalidated or a contract be canceled in this bidding event.
2. In this bidding event, once the “Confirm (Provisional)” button on the bidding screen is clicked, it is deemed that the Member has the intention to purchase the item. Regardless of input errors, operational mistakes, or any other reason, the bid amount cannot be changed, nor can the bid be canceled after submission.

Article 14 (Settlement of Payment for Purchased Items)

1. For all transactions conducted between the Company and the Member—including transactions in this bidding event, auction transactions, non-auction merchandise transactions, and use of all services provided by Arai A including AI-NET—the Company shall send or deliver (hereinafter collectively referred to as “deliver”) a statement (hereinafter, the “Auction Statement”) that specifies the transaction details and the amounts of receivables and payables. An Auction Statement will be delivered for each occurrence of this bidding event.
2. If a Member does not receive an Auction Statement from the Company, or if there are discrepancies or issues in the delivered Auction Statement, the Member must promptly notify the Company.
3. When fulfilling its payment obligations to the Company, the Member must make payment via bank transfer within seven (7) days including the contract date, and must settle all outstanding obligations in a single lump-sum payment. Settlement is deemed complete when the Company confirms receipt of funds. Payment by check is not permitted.
4. Consumption Tax
All purchases and fees related to this bidding event are subject to the consumption tax as required by law.

Article 15 (Transfer of Ownership)

Ownership of the purchased item transfers from the seller to the successful bidder at the time the Company confirms receipt of payment from the bidder. After the transfer of ownership, the successful bidder may remove the purchased item.

Article 16 (Damages and Offset of Claims and Obligations)

1. If a Member fails to fulfill their payment obligations to the Company, the Member shall be prohibited from participating in or using this bidding event, any auctions organized by the Company, or any services provided by the Company. The Member shall also be required to pay late damages calculated at an annual interest rate of 14.6%. This shall also apply in cases where payment for merchandise transactions between the Company and the Member (outside of auctions) is delayed.
2. If the Company advances payment of the winning bid amount or related fees to the seller on behalf of the successful bidder, but the successful bidder fails to transfer the winning bid amount and applicable fees by the designated payment deadline, the Company may notify the bidder and transfer ownership of the purchased item to the Company. The Company may then dispose of the transferred item and, after deducting the costs required for the disposal, settle the winning bid amount, advanced payments, fees, late damages, penalty charges, and other obligations owed by the bidder using the remaining balance.

The Company shall determine, at its discretion, who bears any automobile tax or name transfer-related expenses incurred during the period before disposal is completed.

Chapter 3: Removal (Delivery of Vehicles)

Article 17 (Removal)

1. The removal deadline shall be up to 14 days from (and including) the date of the winning bid.
2. The successful bidder must provide prior notice of the intended pickup date and time no later than 5:00 p.m. three days before the scheduled pickup.
3. If prior notice and permission are not provided, pickup will not be allowed. Additionally, if same-day pickup without prior notice becomes unavoidable, or if the pickup is canceled on the day of pickup, the following charges will apply:
 - (1) If unavoidable same-day pickup occurs without prior notice before the scheduled pickup date → 10,000 yen
 - (2) If direct contact is made with the pickup location without going through the Company → 10,000 yen
 - (3) Loading work at the time of pickup must be performed by the successful bidder. Any accidents or troubles are entirely the bidder's responsibility. If special work is required to remove an item that cannot move on its own, additional actual work fees will apply.

- (4) If the removal deadline is exceeded, a delay penalty of 10,000 yen per 7 days beyond the deadline will be charged.
- (5) The Company shall bear no responsibility for quality control of the item, including theft or loss, once the pickup period has passed.

Chapter 4: Documents

Article 18 (Transfer Documents)

For items requiring registration under an established sales contract, the Company shall deliver to the successful bidder the transfer documents (“Transfer Documents”), which must be issued by the seller and are necessary for new registration, transfer of registration, or deregistration. These documents must be acceptable for registration at any Transport Bureau office nationwide.

Chapter 5: Claims

Article 19 (Standards for Handling Claims)

All purchased items are delivered as-is, with no claims accepted, and the Company shall bear no liability for contractual nonconformity of any kind.

Chapter 6: Miscellaneous

Article 20 (Dispute Resolution)

1. In the event of a dispute between Members concerning the operation of the AI-NET PLUS service or these Terms, the Company may mediate by adjusting the interests of both parties from a fair and neutral standpoint and may render a decision when necessary. In such cases, both parties shall unconditionally comply with the Company’s decision.

Article 21 (Governing Law)

The formation, validity, performance, and interpretation of these Terms shall be governed by the laws of Japan.

Article 22 (Consultation and Jurisdiction)

1. If any matter not stipulated in these Terms or any ambiguity in their interpretation arises, the Company and the Member shall engage in good-faith discussions to resolve the issue.
Transactions, operations, and all matters relating to these Terms shall be interpreted in accordance with Japanese law. Any disputes arising under or in connection with these Terms or the Auction Group Regulations shall be subject to the exclusive jurisdiction of the Tokyo District Court or Tokyo Summary Court as the court of first instance.
2. The successful bidder shall be responsible for complying with any domestic or international regulations and laws applicable to the purchased item.

Article 23 (Amendment of Terms)

The Company may amend these Terms when deemed necessary and appropriate for operational reasons. In such cases, Members' rights, obligations, and all conditions regarding the Company's operations and management shall be governed by the amended Terms. The details of any amendments shall be announced on the Company's website or through other designated means.

Effective Date

These Terms shall take effect on **December 1, 2025 (Reiwa 7)**.

Appendix I (Fee Categories) Per Vehicle

Winning Bid Amount	Fee Rate	Minimum Fee	Maximum Fee
¥1,000,000 or below	5%	¥10,000	¥40,000
¥1,000,000 or above	2.5%	¥40,000	¥150,000

Note:

The winning bid fee will be the higher of (a) the fee calculated based on the fee rate or (b) the minimum fee, and will not exceed the maximum fee.