

Basic principles for Toys Safety Standard and Safety Toy Mark Program

【Purpose】

Article 1 This Principles governs implementation of Toys Safety Standard and Safety Toy Mark Program managed and operated by The Japan Toy Association (hereinafter referred to as “Association”)

【Toys Safety Standard】

Article 2 The Association shall establish certain technical standards (hereinafter referred to as “Toys Safety Standard (ST Standard) ” as the basis to ensure safety for certain kinds of toys, and shall endeavor to have it prevail in the society for the purpose of preventing potential injury or damage to safety and health of children.

2. The Association shall review Toys Safety Standard (ST Standard) from time to time and keep it updated to be as an appropriate state as possible, taking into consideration reported historical cases or possible future cases of accidents caused by toys and other risks that may be found from time to time.
3. If any part of Toys Safety Standard (ST Standard) is changed, revised, modified or amended, the Association shall notify such change promptly to Members of the Association, Designated Testing Bodies, business proprietors (hereinafter referred to as “ST Mark Licensee”) who have entered into Safety Toy Mark License Agreement (hereinafter referred to as “ST Mark License Agreement”) with the Association, and other parties concerned.

【Safety Toy Mark Program】

Article 3 For the purpose of promoting the prevalence of toys that conform to ST Standard as well as ensuring safety and health of consumers and establishing framework for indemnification for damages that may be caused by accidents arising from the use of toys, the Association shall establish and implement Safety Toy Mark Program (hereinafter referred to as “ST Mark Program”) as set forth below.

2. ST Mark Program shall be defined as a program where: (i) the Association enters into ST Mark License Agreement with a business proprietor who manufactures, imports or sells toys, (ii) the Association conducts a ST Standard Conformity Test on toys manufactured, imported or sold by such

business proprietor, (iii) the Association licenses such business proprietor to put on the market the toys bearing Safety Toy Mark (hereinafter referred to as “ST Mark”) defined in Article 4 hereof on them or their packages if such toys have been accepted in the ST Standard Conformity Test and approved as conforming to ST Standard, and (iv) the Association indemnifies ST Mark Licensees for losses or damages suffered by ST Mark Licensees by reason of accidents caused by a defect of toys bearing ST Mark, in accordance with the provisions of Article 13 hereof.

3. ST Standard Conformity Tests set forth above shall be conducted by testing bodies designated by the Association (hereinafter referred to as “Designated Testing Body”).
4. If toys have been accepted and approved in a ST Standard Conformity Test conducted by Designated Testing Bodies, such result shall remain in effect for two (2) years from the date of acceptance at the Test.
5. While the Association adheres to the licensing rule of ST Mark set forth in the second paragraph of this article, it may refrain from licensing ST Mark in the following cases :
 - (1) where the Association considers that a toy, due to its unique characteristics, presents potential risk which is not covered by ST Standard;
In the case that such risk is considered to be addressed by the business proprietor itself, the Association shall, by informing the business proprietor concerned of the potential risk, recommend such proprietor to address the risk;
 - (2) where the Association considers that it is not appropriate to approve the use of ST Mark from the perspective regarding the healthy development of youths;

【ST Mark】

Article 4 The actual image of ST Mark shall be as illustrated below, which may be marked on toy products that have been approved as conforming to ST Standard, or on their packages.



2. ST Mark shall be marked in black color.

Provided that, if a single color is used for the body of the toy or the printing on the package, the same or similar color may be used for the ST Mark used thereon, unless use of such same or similar color deteriorates visibility and legibility of marking.

3. The size of ST Mark shall be a block of 18mm (length) by 20mm (width), in principle. Provided that, the size of ST Mark may be reduced up to the smallest of 80% of the original size set forth above, by reducing both length and width by the same proportion.
4. It is recommended that ST Mark should be placed near the product's barcode so that distributors, retailers and consumers can recognize the ST Mark easily.
5. For the time being, ST Mark shall only be used on toys that have a JAN Code and the JAN Code of each toy shall also serve as the Certification No. (13-digit number) marked together with the letters of "Accepted for Toys Safety Standard".
6. Numerals shown on the right side of the symbol "ST" shall mean the last two digits of the calendar year in which the application for ST Standard Conformity Test (or the application for the same for renewal, in case of renewal of ST Standard Conformity Test) is submitted.

(Example)

If an application is submitted in 2010 and the date of approval is January 2011, the numerals shall be shown as "10".

7. If a business proprietor who manufactures or sells toys is a member of any of the industry organizations defined in 6.3 hereof and enters into ST Mark License Agreement with the Association by way of such industry organization, official certification marks prescribed by such industry organization subject to prior written approval of the Association may be used in lieu of ST Mark, as having the same effect as that of ST Mark.

【Example】

ST number

The last two digits of the calendar year



- Certification Mark approved by Japan Inflatable Vinyl Products Manufacturers Association
- Certification Mark approved by Japan Plastic Toy Manufacturer's Association

【Obligation to Comply with ST Standard】

Article 5 ST Mark Licensees shall ensure that all their toys bearing ST Mark put on the market shall conform to ST Standard.

2. The Association may, at its discretion, take appropriate measures that it considers necessary to maintain reputation and reliability of ST Mark from society.

【Safety Toy Mark (ST Mark) License Agreement】

Article 6 Any person who wishes to participate in ST Mark Program shall enter into ST Mark License Agreement with the Association.

2. ST Mark License Agreement shall be prescribed in Annex of this Principles. .
3. Business proprietors who belong to any of the following industry organization shall be entitled to enter into ST Mark License Agreement with the Association by way of the organization to which they belong.

Name of industry organization	Address	
Cooperation of 'Toy Manufactures' Cooperatives in Tokyo	4-22-4 Higashi-Komagata, Sumida-ku 130-8611 Tokyo	T
Japan Plastic Toy Manufacture's Association	2-24-7 Higashi-Nihonbashi, Chuo-ku 103-0004 Tokyo	P
Japan Inflatable Vinyl Products Manufacturers Association	2-24-7 Higashi-Nihonbashi, Chuo-ku 103-0004 Tokyo	V
Japan Plamodel Industry Association	4-20-12 Kuramae, Taito-ku 111-0051 Tokyo	J
Osaka Toy Industry Association Osaka Branch, The Japan Toy Association	1-2-11 O-Imazato Minami, Higashinari-ku, 537-0013 Osaka	B
Tokyo Toy & Doll Wholesalers Co-operative Association	2-28-14 Asakusabashi, Taito-ku 111-0053 Tokyo	D
Chubu Toys & Dolls Manufacturers Co-operative	2-15-17 Shinmichi, Nishi-ku, Nagoya 451-0043 Aichi Pre.	C
Japan Balloon Association	3-12-11 Matsunoki, Suginami-ku 166-0014 Tokyo	R

4. Any person who wishes to enter into ST Mark License Agreement with the Association shall submit duly signed ST Mark License Agreement, Application Form for Execution of Safety Toy Mark (ST Mark) License Agreement (Form 1), Summary Statement of Business (Form 2), Application Form for Toys Product Liability Mutual Aid Project (Form 3) to the Association.
5. If any part of the name or the company name, address, the name of authorized representative (in case of legal entity) of a ST Mark Licensee is changed, such ST Mark Licensee shall notify such change to the Association.
6. If a ST Mark Licensee closes, quits or relinquishes its toy business, such ST Mark Licensee shall notify such fact to the Association.
7. If a ST Mark Licensee assigns the whole part of its toy business or if the whole part of such toy business is transferred to a surviving company, transferee company or successor in connection with merger, amalgamation or corporate

separation involving a ST Mark Licensee, such assignee, surviving company, transferee company or successor who takes over the whole part of such toy business shall be deemed as succeeding to such ST Mark Licensee for its toy business.

8. Any person or company deemed to be succeeding to a ST Mark Licensee under the provisions of the previous paragraph shall notify such fact to the Association without delay.

【Agreement Number】

Article 7 The Association shall issue a unique Agreement Number that consists of one alphabet letter (A, E, K or M) and four-digit Arabic numerals for each ST Mark License Agreement.

2. In the cases where a ST Mark Licensee enters into ST Mark License Agreement by way of any of the industry organizations set forth in 6.3 hereof, the Agreement Number for such Agreement shall consist of one alphabet letter assigned to each organization (as defined in the right-end column of the table in 6.3 hereof) and a unique registration number (four-digit Arabic numerals) issued by such industry organization.

【Designation of Testing Bodies】

Article 8 The Association shall designate a Designated Testing Body for each ST Mark License Agreement who conducts ST Standard Conformity Test for toys covered under such ST Mark License Agreement.

2. Designation of Designated Testing Bodies set forth above for each ST Mark License Agreement shall be defined in the table below corresponding to the alphabet letter used in the Agreement Number of each ST Mark License Agreement.

If a circumstance arises where a single ST Mark Licensee has two or more Agreement Numbers at the same time as a result of merger or amalgamation between different ST Mark Licensees or for other reasons, the Association shall give instructions as appropriate depending on the cases.

Alphabet used in Agreement No.	Name of organization	Address
A · E · M D · K · T	Japan Recreation and Miscellaneous Goods Safety Laboratory (MGSL)	4-22-4 Higashi-Komagata, Sumida-ku 130-8611 Tokyo
B	Osaka Branch, Japan Recreation and Miscellaneous Goods Safety Laboratory (MGSL)	3-6-14 Mizuhai, Higashi-Osaka city 578-0921 Osaka
C · P · V J	High Polymer Test & Evaluation Center, Japan Chemical Innovation Institute	2-11-17 Shinonome, Koto-ku 135-0062 Tokyo
R	Tokyo Branch, Chemicals Evaluation and Research Institute	1600 Shimo-Takano, Sugito-machi, Kita-Katsushika-gun 345-0043 Saitama Pref.

【Testing Bodies】

Article 9 Designated Testing Bodies shall have necessary qualifications and technical expertise that are sufficient to conduct ST Standard Conformity Test.

2. The Association may take necessary measures to confirm that Designated Testing Bodies have sufficient qualifications and technical expertise set forth above.
3. When a ST Mark Licensee requests a Designated Testing Body to conduct a ST Standard Conformity Test, such ST Mark Licensee shall pay ST Standard Conformity Test Fee prescribed by the Association to such Designated Testing Body.

【Test by Testing Bodies】

Article 10 Designated Testing Bodies shall conduct ST Standard Conformity Test in a fair and appropriate manner that conform to ST Standard.

2. Designated Testing Bodies shall record and document the results of ST Standard Conformity Tests and maintain such records together with related documents.

【Acceptance of Results of Tests Conducted by certain Testing Bodies at home and abroad】

Article 11 The Association shall designate certain Domestic Testing Bodies other than Designated Testing Bodies, or Foreign Testing Bodies as qualified inspectors who are eligible to conduct ST Standard Conformity Test for a certain part of ST Standard (limited to Part 3 of ST Standard: “Chemical Properties ” only), and shall accept results of ST Standard Conformity Tests conducted by such Testing Bodies as having the same effect as those conducted by Designated

Testing Bodies to the extent that such result shall be effective for one (1) year from the date of the ST Standard Conformity Test.

2. The Domestic Testing Bodies or Foreign Testing Bodies designated under the provision of the previous paragraph shall be as follows:

	Name	Address
	Hong Kong Standards and Testing Center	10,Dai Wang Street, Taipo Industrial Estate, NT, Hong Kong
	CMA Industrial Development Foundations Limited	Room 1302, Yan Hing Center, 9-13 Wong Chuk Yeung Street, Fo Tan, N.T. Hong Kong
	Osaka Branch, High Polymer Test & Evaluation Center, Japan Chemical Innovation Institute	Industrial Technology Support Institute of Higashiosaka City, 1-5-3 Takai-Tanaka, Higashi-Osaka city, 577-0065 Osaka
	Intertek Testing Services Hong Kong Limited	6/F, Garment Centre, 576 Castle Peak Road, Kowloon, Hong Kong
	SGS Hong Kong Limited	1/F, On Wui Centre, 25 Lok Yip Road, Fanling, New Territories, Hong Kong
	SGS Thailand Limited	41/23 Soi Rama III 59, Rama III Road, Chongnonsee, Yannawa, Bangkok 10120 Thailand
	Intertek Vietnam Limited	5th, 6th and 7th Floor of lobby D, S.O.H.O Biz office Building - 38 Huynh Lan Khanh Street, Ward 02, Tan Binh District, Ho Chi Minh City, Vietnam
	Japan Recreation and Miscellaneous Goods Safety Laboratory Hong Kong Office	18/F, A-1, Block 1, Tai Ping Industrial Centre, 57 Ting Kok Road, Tai Po, N.T. Hong Kong

3. If a requesting party of a ST Standard Conformity Test submits to a Designated Testing Body results of a part of the ST Standard Conformity Test that has been conducted by Testing Bodies set forth in 11.1 above, the Designated Testing Body may omit such part of the ST Standard Conformity Test covered by the results submitted.
4. When a requesting party of a ST Standard Conformity Test submits to a Designated Testing Body results of a part of the ST Standard Conformity Test that has been conducted by Testing Bodies set forth in 11.1 above, the requesting party shall exercise reasonable care not to impose unnecessary burden to the Designated Testing Body by providing test results which have

been edited to highlight the test results relating to the acceptance of ST Standard Conformity Test conducted by Testing Bodies set forth in 11.1 above so that the Designated Testing Body can follow subsequent procedures for the ST Standard Conformity Test smoothly.

5. The provisions of Articles 9.1, 9.2 and 10 hereof shall also apply correspondingly to Testing Bodies set forth in 11.1 above.

【 Application of Other Tests Conducted by Designated Testing Bodies (Avoidance of Duplicated Tests) 】

Article 12 In the cases where a ST Standard Conformity Test has a common part with other tests previously conducted by the same Designated Testing Body to which Food Sanitation Law applies, results of such previous tests (only for such part to which Food Sanitation Law applies) may be used as having the same effect as those of such ST Standard Conformity Test.

2. The whole or a part of the result of ST Standard Conformity Test (limited to the result covered by Part 3 of ST Standard: “Chemical Properties” only) conducted by a Designated Testing Body may be used as having the same effect as that of the ST Standard Conformity Test for the same toy under application in other Designated Testing Body.
3. In the cases where the whole or a part of a toy for which an application for ST Standard Conformity Test is submitted is the same with that of other toys that have already been accepted at a ST Standard Conformity Test, the corresponding part of the results of the ST Standard Conformity Test for such other toys (limited to results covered by Part 3 of ST Standard: “Chemical Properties” only: the same shall apply hereafter in this Article) may be used as having the same effect as those of the ST Standard Conformity Test for the toy under application, on request of the applicant, in accordance with the classification defined separately by the Association, if the Association considers it appropriate.
4. In the cases where resin or other materials used in a toy for which an application for ST Standard Conformity Test is submitted is the same with that of other toys that have already been accepted at a ST Standard Conformity Test, the corresponding part of the results of the ST Standard Conformity Test for such other toys may be used as having the same effect as those of the ST Standard Conformity Test for the toy under application, with registration by the applicant of materials at the Designated Testing Bodies or other bodies, in accordance with the classification defined separately by the Association, if the Association considers it appropriate.

【Obligation to Join Mutual Aid Projects】

- Article 13 ST Mark Licensee shall join Toys General Liability Mutual Aid Project and Toys Product Liability Mutual Aid Project run by the Association.
2. In case where ST Mark Licensees continuously sell their toys bearing ST Marks after the termination or expiration of ST Mark Licensee Agreement, they shall have them insured.
 3. Terms and conditions of Toys General Liability Mutual Aid Project and Toys Product Liability Mutual Project shall be provided separately as Policy Clauses for such Projects.

【Response to Accidents】

- Article 14 In the event of an accident caused by a defect of a toy bearing ST Mark, the ST Mark Licensee who put such toy on the market shall be responsible for taking necessary measures to respond to the accident by working in close cooperation with the Association.
2. The Association may delegate administrative processes for claim payment under the Mutual Aid Project set forth in Article 13 hereof to a third party by allowing such third party to use the name of “Mutual Aid Projects Service Center” on behalf of the Association.
 3. In case where a ST Mark Licensee goes bankrupt during term of ST Mark Licensee Agreement, the Association shall explain to those who request indemnity about the process of an insurance claim under the Insurance Act (Law 56, 2008) in relation to Mutual Aid Project defined in Article 13 hereof.

【Validation of Permission to Use ST Mark】

- Article 15 If a Designated Testing Body gives notice to a ST Mark Licensee to notify that the toy of Licensee has been approved at a ST Standard Conformity Test, such notice shall be deemed as a permission that grants a license to the Licensee to put ST Mark on the toy covered by such ST Standard Conformity Test, unless otherwise instructed by the Association.

【Reporting by Licensees Concerning Use of ST Mark】

- Article 16 ST Mark Licensees shall report to the Association the status of their use of ST Mark covered under their ST Mark License Agreement annually (once per year) using the official report form prescribed separately by the Association.

【Investigation】

- Article 17 The Association shall from time to time investigate the actual conditions on how ST Mark is used in the market and shall take necessary measures accordingly.

【Penalty】

Article 18 In the event a ST Mark Licensee breaches any of the provisions of this Principles or ST Mark License Agreement, the Association may fine such Licensee certain amount of penalty or take other disciplinary action.

2. The amount of Penalty set forth above and other relevant conditions shall be defined in ST Mark License Agreement.

【Enforcement Rules】

Article 19 The Association shall establish Enforcement Rules for implementation of this Principles.

Article 20 Any revision, modification, amendment or alteration to or termination of this Principles, or enactment or designation of Enforcement Rules under this Principles shall be adopted by resolution of the Board of Directors of the Association.

(Supplementary Provisions)

Article 1 This Principles shall come into effect on April 1, 2006.

Article 2 Toys Safety Mark Licensing Rules (enacted on July 1, 1971) shall hereby be repealed.

Article 3 Any act or conduct performed prior to enactment of this Principles in accordance with Toys Safety Mark Licensing Rules or other rules or as the established practices shall be deemed to have been performed in accordance with this Principles if any of the provisions of this Principles is applicable to such act or conduct.

Article 4 If a circumstance arises where any further adjustment or coordination is considered to be necessary upon or after enactment of this Principles, the Chairman of the Association shall determine appropriate measures to be taken for each instance subject to retroactive approval of the Board of Directors.

(Supplementary Provision, effect on January 1, 2008)

Article 1 The revised Article 3.4 of this Principle (the revision of the validity of the test result from four (4) years to two (2) years) shall apply to toys that are submitted for ST Standard Conformity Test after January 1, 2008.

(Supplementary Provision, effect on March 27, 2008)

Article 1 The revision of this Principle (the addition of Article 12.2) is in effect on March 27, 2008.

The previous Article 12.2 and 12.3 are changed into Article 12.3 and 12.4 respectively.

(Supplementary Provision, effect on April 1, 2009)

Article 1 The revised Article 8 and 11 of this Principle (the addition of the list for certain Domestic Testing Body concerning the acceptance of test results) is in effect on April 1, 2009.

(Supplementary Provision, effect on July 19, 2011)

Article 1 The revision of this Principle (the addition of Article 3.5) is in effect on July 19, 2011.

(Supplementary Provision, effect on November 16, 2011)

Article 1 The revision of this Principle (the change of address of Article 8) is in effect on November 16, 2011.

(Supplementary Provision, effect on May 30, 2012)

Article 1 The revised Article 11 of this Principle (the addition of the list for certain Foreign Testing Body) is in effect on July 1, 2012.

(Supplementary Provision, effect on December 26, 2012)

Article 1 The revision of this Principle (the change of address of Article 6.3) is in effect on November 27, 2012 retroactively.

(Supplementary Provision, effect on January 22, 2013)

Article 1 The revision of this Principle (the deletion of Article 4.7, the addition of Article 13.2 and the change of Article 14.3) is in effect on April 1, 2013.

(Supplementary Provision, effect on February 5, 2013)

Article 1 The revision of this Principle (the change of address of Article 6.3) is in effect on February 1, 2013 retroactively.

(Supplementary Provision, effect on September 20, 2013)

Article 1 The revision of this Principle (the change of address of Article 11.2) is in effect on August 21, 2013 retroactively.

(Supplementary Provision, effect on January 24, 2014)

Article 1 The revision of this Principle (the deletion of “Tokyo Toy Manufacturers Association” in Article 6.3, the addition of “Agreement Number, M” in Article 7.1) is in effect on February 1, 2014.

(Supplementary Provision, effect on June 27, 2014)

Article 1 The revision of this Principle (the change of address of Article 6.3) is in effect on June 27, 2014.

(Supplementary Provision, effect on February 1, 2015)

Article 1 The revised Article 11 of this Principle (the addition of the list for certain Foreign Testing Body) is in effect on February 1, 2015.

(Supplementary Provision, effect on June 29, 2017)

Article 1 The revision of this Principle (the change of address of Article 11.2) is in effect on June 22, 2017 retroactively.

[Annex]

Safety Toy Mark (ST Mark) License Agreement

This Safety Toy Mark (ST Mark) License Agreement is made and entered into by and between The Japan Toy Association (hereinafter referred to as “Licensor”) and _____ (hereinafter referred to as “Licensee”) for the licensing of Safety Toy Mark (hereinafter referred to as “ST Mark”) defined in Basic Principles for Toys Safety Standard and Safety Toy Mark Program (hereinafter referred to as “ST Principles”) on the terms and conditions set forth below:

- Article 1 Licensor hereby grants a license to Licensee to put ST Mark together with a unique Certification Number on products or their packages that have been accepted in a ST Standard Conformity Test set forth in Article 3.2 of ST Principles as conforming to Toys Safety Standard.
- 2 Validity of results of ST Standard Conformity Tests set forth above shall remain in effect for four (4) years from the date of acceptance.
- Provided that, if this Agreement is terminated prior to the expiry of the validity, such validity of the Test results shall also be terminated upon termination of this Agreement.
- Article 2 ST Standard Conformity Tests set forth in the previous article shall be conducted by inspection agencies designated and delegated authority to conduct such Tests by Licensor.
- 2 ST Standard Conformity Tests set forth above shall be conducted in accordance with Toys Safety Standard (hereinafter referred to as “ST Standard”) defined in Article 2 of ST Guidelines.
- Article 3 Licensee shall not use ST Mark or any other mark that may be observed as confusingly similar to ST Mark on any product or package unless the license of ST Mark is granted to Licensee under the provisions of Article 1 hereof.
- Article 4 Licensee shall ensure that all the products they manufacture, import or sell under the license to use ST Mark thereon shall conform to ST Standard.
- 2 All the products or their packages that use ST Mark shall clearly indicate thereon the brand of Licensee or other information such as company name and address that identify Licensee.
- Article 5 Licensor may conduct investigation to confirm that the products for which the license of ST Mark has been granted are manufactured and sold in compliance with ST Standard by requesting Licensee to submit such products to Licensor or by acquiring such products in the market, to the extent necessary to maintain reputation and reliability of ST Mark from society.
- Article 6 As a result of the investigation set forth in Article 5 hereof, if any of the products is considered as not conforming to ST Standard, Licensor may nullify the license of ST Mark granted for such product or request Licensee to take necessary measures including improvement of such product.
- 2 If the license of ST Mark for a product is nullified under the provision set forth above, Licensee shall withdraw all such products from the market, and thereafter shall not sell or display such product in the market with ST Mark used thereon.
- 3 If improvement of a product is requested under the provision set forth in 6.1 above, Licensee shall take necessary action immediately as requested.

- Article 7 Upon conclusion of this Agreement, Licensee shall pay to Licensor ST Mark License Fee (hereinafter referred to as “License Fee”) prescribed separately by Licensor.
- 2 Upon conclusion of this Agreement, Licensee shall join Toys General Liability Mutual Aid Project and Toys Product Liability Mutual Aid Project set forth in Article 13 of ST Principles and shall pay to Licensor Mutual Aid Premium for each Mutual Aid Project in accordance with Policy Clauses for Toys General Liability Mutual Aid Project and for Toys Product Liability Mutual Aid Project prescribed separately.
 - 3 The provision of the previous paragraph (7.2) shall not apply if :
 - a) Licensee has paid Mutual Aid Premium for Toys General Liability Mutual Aid Project for three (3) successive years, or
 - b) Licensee has an effective product liability insurance that covers multiple countries including Japan, the insured amount and other terms and conditions of which corresponds to the coverage under Toys Product Liability Mutual Aid Project, AND Licensee pays to Licensor the amount equal to 25% of the Mutual Aid Premium for Toys Product Liability Mutual Aid Project as Contribution for Product Liability Management Service.
 - 4 If Licensee wishes to undergo a ST Standard Conformity Test defined in Article 2 hereof, Licensee shall pay the Test Fee prescribed separately by Licensor to the inspection agency, designated and delegated authority to conduct such Test by Licensor.
- Article 8 In the event Licensee breaches any provision of this Agreement, Licensor may request Licensee to pay a certain amount of penalty to Licensor, the amount of which may be determined by Licensor at its discretion up to the maximum of three (3) million yen.
- 2 In addition to the penalty set forth above, Licensor may request Licensee to indemnify for losses, damages or expenses suffered by Licensor to the extent necessary for Licensor to compensate consumers for their damages caused by breach of this Agreement by Licensee and claimed against Licensor.
- Article 9 In the event Licensee breaches this Agreement repeatedly, Licensor may terminate this Agreement immediately. In this case, Licensor may also request Licensee to pay the penalty set forth in Article 8 hereof to Licensor.
- Article 10 The term of this Agreement shall be one (1) year from the Effective Date.
- 2 This Agreement may be renewed if Licensee has completed the renewal procedures prescribed separately by Licensor (i.e. submission of Summary Statement of Business and Application Form for Toys Product Liability Mutual Aid Project as well as payment of License Fee and Mutual Aid Premium for the renewal term as set forth in Article 7.1 and 7.2 hereof) at least ten (10) days prior to the expiry date of this Agreement.
 - 3 If any part of the name or the company name, address, the name of authorized representative (in case of legal entity) of Licensee is changed, Licensee shall notify such change to Licensor.
 - 4 If Licensee closes, quits or relinquishes its toy business, Licensee shall notify such fact to Licensor without delay.

- Article 11 After this Agreement is terminated or expires, Licensee shall not sell or display any product with ST Mark used thereon, even though the license of ST Mark is granted for such product during the term of this Agreement. In the event Licensee breaches the provision herein, Licensor may claim damages against Licensee for the amount determined by Licensor at its discretion up to the maximum of five (5) million yen even after termination or expiration of this Agreement. In case where Licensee continuously sells its toys bearing ST Marks after the termination or expiration of this Agreement, Licensee shall have them insured and submit a statement of confirmation to the Licensor.
- Article 12 If Licensee assigns the whole part of its toy business or if the whole part of such toy business is transferred to a surviving company, transferee company or successor in connection with merger, amalgamation or corporate separation involving Licensee, such assignee, surviving company, transferee company or successor who takes over the whole part of such toy business shall be deemed as succeeding to Licensee for its toy business.
- 2 Any person or company deemed to be succeeding to Licensee under the provision set forth above shall notify such fact to Licensor without delay.
- Article 13 In the event an accident occurs in connection with use of products sold by Licensee under the license of ST Mark, Licensee shall take appropriate action in good faith in response to and as a party to such accident.
- 2 In the event a dispute arises with a third party in connection with products sold by Licensee under the license of ST Mark, Licensee shall take appropriate action in good faith after due consultation with Licensor.
- Article 14 If the permanent address or residence (or the principal place of business in case of a legal entity) of Licensee is not located in Japan, such Licensee (hereinafter referred to as "Non-Resident Licensee") shall designate an agent who has the permanent address or residence in Japan (hereinafter referred to as "Domestic Administrator") to enable Licensee to perform its obligations under this Agreement sufficiently in good faith.
- 2 The Domestic Administrator set forth above shall act as an agent to perform all of the obligations under this Agreement on behalf of Licensee and to ensure that all such obligations shall be duly performed.
- Article 15 Any other matters that are not provided in this Agreement shall be governed by ST Principles or other rules, instructions or directions given by Licensor, or determined through consultation between Licensor and Licensee unless provided in ST Principles or such rules, instructions or directions.

In entering into this Safety Toy Mark (ST Mark) License Agreement under the terms and conditions stipulated above, both Licensor and Licensee shall agree that the purpose of this Agreement is to contribute to welfare of children and maintain and enhance the trust from the society toward toy products by ensuring safety and reliability of toy products, and shall represent and warrant that both parties shall comply with the terms and conditions under this Agreement in good faith.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate, each party retaining one (1) copy, respectively.

Date: _____, 200__

Licensor: The Japan Toy Association

(Signature) (Seal impression)

, Chairman

4-22-4 Higashi-Komagata, Sumida-ku, Tokyo

Licensee:

(Signature) (Seal impression)

[Form 1]

Date: _____, 200__

To: The Japan Toy Association

Address : 〒

Company name :

Name of
Authorized representative:

Contract seal

Agreement No.:

Application Form for **Execution / Renewal** of Safety Toy (ST) Mark License Agreement

We hereby apply for **execution / renewal** of Safety Toy Mark (ST Mark) License Agreement, by submitting this Application Form, duly signed Safety Toy Mark (ST Mark) License Agreement, Summary Statement of Business, Application Form for Membership of Toys Product Liability Mutual Aid Project, ※Seal Certificate, and ※Certificate of Eligibility or Duplicate Tenor of Registry, for the purpose of use of the Association's proprietary Safety Toy Mark (ST Mark) on our product.

Note:

- I In the bold-faced parts, please choose either Execution (execution) or Renewal (renewal), and erase (cross out) the other side that is not applicable.
- II In case of renewal, the documents marked ※ are not required to the extent that the address, company name, name of the authorized representative, contract seal and other information remain unchanged from those shown on the documents previously submitted.

Major customers		Mount an example of the actual mark hereon by clipping it from a printed matter or a package, etc.
Capital amount		
Membership in industry organization/ association		

Annual Sales Amount

(For the last accounting period: _____, 200__ — _____, 200__)

(Unit: million yen)

Category	Example of products	ST Products	Non-ST Products
Cassette-type electronic games (hardware & software)	Console-type electronic games Portable electronic games (GB, Wonder Swan, etc.)		
Games	General games, handheld games (mini electronic games), others (party, joke, magic)		
Card games	Trading cards		
Jigsaw puzzles			
High-tech toys	Robots, cameras, cellular-phone related products, kids PCs, karaoke		
Character goods for boys			
Toys for boys	Minicars, rail toys, radio-controlled toys, electric toys, others (racing, clockwork, metal toys, etc.)		
Toys for girls	Dress-up toys (dolls, houses, etc.), play-house toys, hobby goods for girls, character goods for girls, collection goods for girls, arm-held dolls, others (accessories, girls' cosmetics)		
Stuffed toys/dolls	Character stuffed toys, Non-character stuffed toys, Japanese dolls, Western dolls, antique dolls		

Intellectual training & education	Blocks, building blocks, pre-school articles, character goods for babies, baby goods (baby toys, bath toys, other baby goods), transportation (baby cars, child seats), others (musical instruments, telephones, picture books, playthings, kids videos)		
Seasonal goods	Fireworks, summer goods, summer toys, small articles, sports goods		
Miscellaneous goods	Gifts, interiors, houseware, variety goods, stationery, apparel, Christmas goods, etc.		
Hobby	Plastic models, hobby R/C cars, railroad models, guns, others (craft hobbies, painting materials, tools)		
Others	Candy toys, figures, capsule candy toys Others: specify ()		
Sub total (sum of each column)		A	B
Other commodities or services ()			C
Total: $(B + C) \times 1 / 10$		/	
Base Sales Volume for calculation of ST Mark License Fee		A + D	

Note:

- (1) Sales amount (wholesale-price basis for manufactures) of all the commodities dealt by the company (including OEM products sold under other companies' brand names) shall be included.
- (2) If there is any source of revenue other than the sales amount from commodities (e.g. planning fee, etc.), such amount shall be entered in the box of "Other commodities or services".

[Form 3] (For New Applicant)

For new Applicant

Date: _____,

**Application Form for Membership of
Toys Product Liability Mutual Aid Project**

Address	〒 _____		
Company name			ST Mark Agreement No.
Name of authorized representative		Contract seal	
Contact person	Dept./Section: Name: Phone: () F A X: ()		Industry 1. Manufacturer 2. Wholesaler / distributor 3. Retailer 4. International trading 5. Others

To: The Japan Toy Association

We hereby apply for enrollment of Toys Product Liability Mutual Aid Fund.

1. Mutual Aid Project for Products with ST Mark and/or Certification Marks (Product Liability Insurance)

Sales amount (for the last accounting period)	Toys with ST-Mark		Vinyl boards, surfboards, floats, swimming rings with certification mark
	General toys	Paper toys	
	million yen	million yen	million yen

2. Recall Mutual Aid Project

(covers ST-Marked toys only)

(Product Collection & Disposal Cost Insurance)

Application for Recall Mutual Aid Project	Apply for Course A	Apply for Course B	Do not apply
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3. Overseas PL Mutual Aid Project

(covers domestically sold ST-Marked toys only)

(Overseas product liability insurance)

Application for Overseas PL Mutual Aid Project	Apply	Do not apply
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※ Please contact the Mutual Aid Fund Service Center for application for Exporters' Overseas PL Mutual Aid Fund.

4. Mutual Aid Project for Products Not Covered by Certification Marks

Sales amount (for the last accounting period)	①	Toys without ST Mark		Vinyl boards, surfboards, floats, swimming rings without certification mark		
		General toys	Paper toys			
		million yen	million yen	million yen		
	②	Miscellaneous goods				Stationery
		Vinyl or plastic-made	Metal-made	Fabric	Made of other materials	
		million yen	million yen	million yen	million yen	million yen
	③	Other products (enter specific description of goods)				
		million yen	million yen	million yen	million yen	million yen

※ Please enter the sales amount of toys without ST Mark in ①, miscellaneous goods (by materials used) and stationery in ②, and the other products (together with specific description of goods: e.g. electric appliances, furniture, pottery, sports goods, bicycles, health/fitness instruments, cloths, car accessories, etc.) in ③.

5. Total sales amount (sum of 1 and 4 above) ※ Please note that mutual aid money may not be paid if the sales amount of the last accounting period is entered incorrectly.

Total sales amount:	million yen
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Other insurance contract common area coverage having this	Insurer's name _____ Policy No. _____
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The Term of the agreement shall be one (1) year commencing on the 1st day of the following month if the mutual aid premium is paid by the 20th of this month, or commencing on the 1st day of the second following month if the mutual aid premium is paid on or after the 21st of this month.

※Before submitting this Application Form, please refer to "Introduction of Mutual Aid Projects" for details.

※ Continued overleaf: there are other entry items on the back.

6. Additional Insured

Character licensors of products manufactured and/or sold by a member company of Toys Product Liability Mutual Aid Project shall also be eligible to be covered under the Project. Please enter the company name(s) and address(es) of such licensor(s) below if necessary. (applicable to Toys Product Liability Mutual Aid Project only)

※ Use an extra copy of this sheet if the number of licensors exceeds the number of rows provided below.

	Company name	Address
1		
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Underwriters:

(Managing Insurer) Aioi Insurance Co., Ltd.

(Deputy Managing Insurer) NIPPONKOA Insurance Co., Ltd.

Application Form for Toys Product Liability Mutual Aid Project

Address	〒 —		
Company name			ST Mark Agreement No.
Name of authorized representative			Contract seal
Contact person	Dept./Section: Name: Phone: () F A X: ()		Industry 1. Manufacturer 2. Wholesaler / distributor 3. Retailer 4. International trading 5. Others

Tb: The Japan Toy Association

We hereby apply for enrollment as a member of Toys Product Liability Mutual Aid Project.

1. Mutual Aid Project for Products with ST Marks and/or Certification Mark (Product Liability Insurance)

Sales amount (for the last accounting period)	Toys with ST-Mark		Vinyl boards, surfboards, floats, swimming rings with certification mark
	General toys	Paper toys	
	million yen	million yen	million yen

2. Recall Mutual Aid Project

(covers ST-Marked toys only)

(Product Collection & Disposal Cost Insurance)

Application for Recall Mutual Aid Project	Apply for Course A	Apply for Course B	Do not apply
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3. Overseas PL Mutual Aid Project

(covers domestically sold ST-Marked toys only)

(Overseas product liability insurance)

Application for Overseas PL Mutual Aid Project	Apply Do not apply
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※ Please contact the Mutual Aid Project Service Center for application for Exporters' Overseas PL Mutual Aid Project.

4. Mutual Aid Project for Products Not Covered by ST Marks or Certification Mark

Sales amount (for the last accounting period)	①	Toys without ST Mark		Vinyl boards, surfboards, floats, swimming rings without certification mark			
		General toys	Paper toys				
		million yen	million yen	million yen			
	②	Miscellaneous goods					Stationery
		Vinyl or plastic-made	Metal-made	Fabric	Made of other materials		
		million yen	million yen	million yen	million yen	million yen	
	③	Other products (enter specific description of goods)					
		million yen	million yen	million yen	million yen	million yen	million yen

※ Please enter the sales amount of toys without ST Mark in ①, miscellaneous goods (by materials used) and stationery in ②, and the other products (together with specific description of goods: e.g. electric appliances, furniture, pottery, sports goods, bicycles, health/fitness instruments, cloths, car accessories, etc.) in ③.

5. Total sales amount (sum of 1 and 4 above) ※ Please note that mutual aid money may not be paid if the sales amount of the last accounting period is entered incorrectly.

Total sales amount:	million yen
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Other insurance contract common area coverage having this	Insurer's name _____ Policy No. _____
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The Term of the agreement shall be one (1) year commencing on the 1st day of the following month if the mutual aid premium is paid by the 20th of this month, or commencing on the 1st day of the second following month if the mutual aid premium is paid on or after the 21st of this month.

※Before submitting this Application Form, please refer to "Introduction of Mutual Aid Projects" for details.

※ **Continued overleaf: there are other entry items on the back.**

6. Additional Insured

Character licensors of products manufactured and/or sold by member company of Toys Product Liability Mutual Aid Project shall also be eligible to be covered under the Project. Please enter the company name(s) and address(es) of such licensor(s) below if necessary. (applicable to Toys Product Liability Mutual Aid Project only)

※ Use an extra copy of this sheet if the number of licensors exceeds the number of rows provided below.

	Company name	Address
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Underwriters:

(Managing Insurer) Aioi Insurance Co., Ltd.

(Deputy Managing Insurer) NIPPONKOA Insurance Co., Ltd.