

Agreement of Purchase and Sale

_____ (Seller's name) _____ (hereinafter "Seller")
and _____ (Buyer's name) _____ (hereinafter "Buyer")
hereby execute this Agreement of Purchase and Sale of the horse _____ (horse name)
(yearling or foal), _____ (sex), _____ (color); born in _____ (2025 or 2026), by: _____ (sire
name) _____; out of: _____ (broodmare name) _____), in order to re-confirm the
Confirmation of Sale dated _____th July, 2026 signed by Buyer.

Article 1. Agreement of Sale and Purchase and its Purchase Price

Seller and Buyer agree and confirm that at Select Sale 2026 (hereinafter the "Sale") held by
the Japan Racing Horse Association (hereinafter "Auction Holder"), Seller sold, and Buyer
bought, the horse specified above (hereinafter the "Horse") for a purchase price of
Japanese Yen (¥ _____) (auction price ¥ _____ plus consumption tax
¥ _____, hereinafter the "Purchase Price").

Article 2. Payment of Purchase Price

1. In accordance with the Horse Market Operating Regulations (hereinafter the
"Regulations"), Buyer shall pay the Purchase Price in full to Seller within ten (10) days
immediately following the last day of the Sale, provided however that if the Horse is a foal,
Buyer shall be given the option to pay the Purchase Price in two equal installments, with
fifty percent (50%) of the Purchase Price to be paid within ten (10) days immediately
following the last day of the Sale, and the remaining fifty percent (50%) to be paid by no
later than March 31 of the following year. If Buyer has already provided prepayment
deposit (including a stand-by letter of credit), paragraph 4 of this Article shall apply.
2. Title to the Horse shall pass from Seller to Buyer upon completion of full payment of (i)
the Purchase Price and (ii) the insurance premium which is payable by Buyer as provided
in Paragraph 1 of Article 12.
3. The Purchase Price shall be paid in Japanese Yen currency by wire-transfer to the bank
account maintained in the name of Auction Holder at the bank designated by Auction
Holder. The bank's handling charge for such wire-transfer shall be borne by Buyer.
4. If Buyer already provided prepayment deposit as set out in Article 27 of the Regulations
by way of wire-transfer, Buyer agrees in advance that such prepayment deposit shall be
applied to all or part of the purchase price in accordance with such regulations on the day
following the last day of the Sale. If Buyer already provided prepayment deposit by way
of stand-by letter of credit, Buyer agrees in advance that, if Buyer fails to pay the purchase
price by the due date as specified in Paragraph 1 of this Article, the exercised amount of
such letter of credit shall be applied to all or part of the purchase price. Buyer further
agrees in advance that either prepayment deposit by way of wire-transfer or stand-by letter
of credit may be applied to all or part of the penalty under Article 10 hereof.

Article 3. Delay Damages

If Buyer fails to pay the Purchase Price by the due date stipulated in Paragraph 1 of the preceding Article, Buyer shall pay to Seller delay damages in the amount of twenty percent (20%) annual interest on the unpaid portion of the Purchase Price from the day following such due date through the date of completion of payment of the Purchase Price in full. The payment of delay damages shall be made by wire-transfer to the same bank account as provided in Paragraph 3 of the preceding Article.

Article 4. Delivery of the Horse

After both the Purchase Price and the insurance premium payable by Buyer as provided in Paragraph 1 of Article 12 are paid in full, the Horse shall be delivered at such time and place as mutually agreed upon between Seller and Buyer, by way of either (i) actual delivery, (ii) constitutum possessorium (*senyu kaitei*), in which Seller who has kept the Horse expresses its agreement to Buyer to continue keeping the Horse on behalf of Buyer or (iii) transfer of custody by direction, in which Seller directs a third party custodian who has kept the Horse for Seller to continue keeping the Horse on behalf of Buyer.

Article 5. Keep of the Horse

1. Until the Horse is actually delivered to Buyer, Seller shall keep the Horse with the same duty of care as if the Horse were the property of Seller.
2. If the Horse is a foal, keep fees of the Horse shall be free until March 31 of the following year of the Sale. If the Horse is a yearling, keep fees of the Horse shall be free until 10th day following the last day of the Sale. Notwithstanding the foregoing, such special expenses as medical expenses of the Horse shall always be borne by Buyer. If Seller (or other keeper of the Horse such as a third-party farm which keeps the Horse by contract) continues to keep the Horse after the applicable dates as specified above for a foal and a yearling, the keep fee of the Horse shall be charged for the period from the day following each such date through the date of actual delivery. In such a case, both Seller and Buyer shall separately enter into a boarding agreement by no later than the said applicable dates.
3. Seller shall complete implantation into the Horse of a micro-chip with specifications stipulated by International Organization for Standardization (ISO) for the purpose of identifying each horse, by no later than the time of delivery to Buyer as set forth in Article 4 above.

Article 6. Risk of Loss

Risk of loss concerning the Horse shall pass from Seller to Buyer when Seller is determined to be its successful bidder.

Article 7. Handling of Accidents

1. Seller shall inform Auction Holder and Buyer of any major accident or illness or bad habit of the Horse which occurred during the period from the date of sale through the delivery date stipulated in Article 4 above.
2. Unless such accident, illness or bad habit has resulted from failure by Seller to fulfill the duty of care stipulated in Paragraph 1 of Article 5, Seller shall not be held liable therefor.

Article 8. Warranty

If Buyer discovers any matter specified in Paragraph 6 of Article 17 of the Regulations which matter was not announced in advance pursuant to Article 17 of these Regulations and notifies the Auction Holder in writing of such effect, with a medical certificate, etc. issued by a veterinarian attached to such written notification, within ten (10) days after the day following the date of the sale of the Horse, Buyer shall be entitled to rescind this Agreement. In the event of any defect (*kashi*) other than the matters stipulated in Paragraph 6 of Article 17, or if the written notification of such defect is made after the period stipulated above, Buyer shall not be entitled to rescind this Agreement and Seller shall have no liability to Buyer other than accepting the rescission of this Agreement due to warranty liability under this Article.

Article 9. Rescission of Agreement

If any of the following should apply to Buyer, Seller shall be entitled to rescind this Agreement immediately, without giving any notice to Buyer.

- (1) Buyer fails to pay the Purchase Price by the payment due date stipulated in Paragraph 1 of Article 2;
- (2) Buyer fails to pay the insurance premium payable by Buyer as provided in Paragraph 1 of Article 12 by the payment due date stipulated in Paragraph 3 of the said Article;
- (3) Buyer breaches any provision of this Agreement or the Regulations;
- (4) Buyer is subject to a declaration of bankruptcy (*hasan*), civil rehabilitation (*minjisaisei*), corporate rehabilitation (*kaisha kosei*) or any other insolvency proceedings of a similar nature, or resolves to dissolve itself (*kaisan ketsugi*) or commences liquidation (*seisan*);
or
- (5) Buyer becomes unable to pay its debts, or is subject to a formal disposition suspending transactions with all banks due to dishonor of notes or checks.

Article 10. Liquidated Damages for Breach

In the event that the Agreement is rescinded or terminated pursuant to Article 9 above, Buyer shall pay to Seller, through Auction Holder, liquidated damages equal to fifty percent (50%) of the Purchase Price. If Seller has already received fifty percent (50%) of the Purchase Price for the Horse as stipulated in Paragraph 1 of Article 2, Seller may at its option apply such amount to such liquidated damages.

Article 11. Prohibition of Assignment and Pledge

Until both the Purchase Price and such portion of insurance premium payable by Buyer as provided in Paragraph 1 of Article 12 are paid in full, Buyer shall not assign, transfer or pledge this Agreement or any rights or obligations under this Agreement to or in favor of any third party.

Article 12. Insurance

1. Seller and Buyer acknowledge and agree that Auction Holder will, at the respective expenses of Seller and Buyer in the ratio of 60%:40% for a foal, and 50%:50% for a yearling, take out the General Market Insurance for the Horse, that the insurance coverage will be the full amount of the Purchase Price, and that, in the event of an insured accident, Auction Holder will receive the insurance money on behalf of Seller and/or Buyer as the case may be.
2. If the Horse is a foal, the insurance coverage period shall commence when Buyer is determined to be the successful bidder and end at 4:00 p.m. on August 1 of the year after the next year of the Sale. If the Horse is a yearling, the insurance coverage period shall commence when Buyer is determined to be the successful bidder and end at 4:00 p.m. on August 1 of the following year of the Sale. Notwithstanding the foregoing, in case of both foals and yearlings, no insurance coverage will be available to any event or accident which occurs after the Horse enters export quarantine or this Agreement is rescinded or terminated in accordance with Article 9 hereof.
3. Such portion of the insurance premium as payable by Buyer shall be paid by Buyer together with the Purchase Price on the payment due date of the Purchase Price as specified under Paragraph 1 of Article 2 (in case of foals, on the payment due date for the initial 50% of the Purchase Price). Seller agrees that such portion of the insurance premium payable by Seller shall be settled by way of having it deducted from the Purchase Price which the Auction Holder pays to Seller.
4. For both foals and yearlings, the insurance money to be paid in case of occurrence of an insured event which is either death or loss of racing ability shall first be paid to and received by the Auction Holder which shall then pay it to the then owner of the horse in question. If at such time Buyer has paid part of the Purchase Price, the Auction Holder shall make appropriate adjustments to the payment of the insurance money in accordance with the proportion of the paid and unpaid amounts and pay to Buyer and/or Seller appropriately. If an insured event under the special condition concerning surgery expenses has occurred, the Auction Holder shall pay full amount of insurance money (for surgery expenses) to Buyer based upon the third sentence of Paragraph 2 of Article 5.

Article 13. Governing Law and Court of Jurisdiction

1. This Agreement shall be governed by and construed in accordance with the laws of Japan.
2. Seller and Buyer agree that the Sapporo District Court shall be the court having exclusive

jurisdiction over any disputes between the parties arising out of or in connection with this Agreement.

Article 14. Good Faith Mutual Consultation

Both parties shall mutually consult with each other in good faith with respect to any matters not specifically provided for herein.

IN WITNESS WHEREOF, Seller, Buyer and Auction Holder have executed three originals of this Agreement on this ___th day of July, 2026, and each party shall retain one original.

SELLER:

By:

Address:

* If Seller comprises co-owners, all co-owners' name (if a company, name of such company and its representative), address and telephone number shall be specified in the attached Appendix and the executive co-owner designated by all such co-owners shall print his/her/its name, address and telephone number and sign above with a note "as executive co-owner for all co-owners".

BUYER:

By:

Address

WITNESSED BY:

AUCTION HOLDER

Japan Racing Horse Association
By: Taro Kono
Chairman (Official Seal)

Address: Azabudai Building, 2-2-1 Azabudai, Minato-ku, Tokyo, Japan