

[English translation]*

* This English translation is provided for reference purposes only. In the event of any discrepancy between the Japanese original version and this English translation, the Japanese original version shall prevail.

**AGREEMENT TO RULES
FOR PARTICIPATION IN ONLINE AUCTION**

In participating in the Select Sale 2026 online auction, I (we) hereby consent to, and agree to comply with, the Rules for Participation in Online Auction.

Signature: _____

Name (Please print): _____

* If the participant is a corporation, please provide its corporate name and the name of CEO or equivalent.

Address: _____

Rules for Participation in Online Auction

Article 1 (Obligation to comply with these Rules)

For purposes of Select Sale 2026 (“Select Sale”), persons who participate in online auction (“Online Auction”) (each of such persons is hereinafter referred to as “Online Participant”) shall comply with these Rules as well as the Horse Market Operating Regulations (the “Regulations”); it being agreed and understood that in these Rules the term “Online Participant” shall include applicants for participation in Online Auction.

Article 2 (Application and Treatment of Purchaser Registration Number, etc.)

1. If both of Purchaser and his/her Purchasing Agent are unable to physically attend auction on the premises of Select Sale on certain day of the sale, such Purchaser may apply for participation in Online Auction for such day. Online Participant shall apply for registration as participant in Online Auction in accordance with the procedures described in the following paragraphs.
2. Online Participant shall check the box of “Participate in Online Auction” in the form of Application for Purchaser Registration and submit it to the Japan Racing Horse Association (“Auction Holder”), together with a statement notifying the estimated amount of purchase price (being a total of the estimated amount of purchase price up to which Online Participant intends to pay for each horse which such Online Participant intends to buy, hereinafter “Estimated Amount of Purchase Price”) and his/her email address as well as the signed Agreement to these Rules.
3. If Auction Holder accepts the application upon examining the Application for Purchaser Registration and its attachments submitted by the Online Participant, Auction Holder will request the Online Participant to pay the prepayment deposit described in the following paragraph by way of emailing instructions for payment of the prepayment deposit sent to the email address notified in advance by the Online Participant.
4. Upon confirming receipt of the prepayment deposit, Auction Holder will send to the Online Participant via email the URL of the website that provides guide on online participation and via postal mail the Purchaser’s Registration No., Online Participation ID and password to the mailing address designated by the Online Participant.
5. If Purchaser or his/her Purchasing Agent participated in auction at physical site of the sale on the first day of the sale and further if he/she intends to participate in the auction through online on the second day, such a person shall return the purchaser’s registration number tag back to the purchaser registration counter of the Auction Holder by the time of closure of auction sale on the first day of the sale. If such a person fails to return the purchaser registration number tag by the above deadline, no application for online auction by such a person will be accepted. The purchaser registration number tag for a person who will participate in online auction on the first day of the sale and also in auction sale at physical site of the sale on the second day will be given to him/her prior to commencement of the auction sale on the second day.

Article 3 (Prepayment deposit)

1. Online Participant shall pay as prepayment deposit an amount equal to 50% of (i) the Estimated

Amount of Purchase Price notified to Auction Holder at the time of filing the application or (ii) Twenty Million Yen (¥20,000,000) being the minimum amount of prepayment deposit, whichever is higher.

2. Auction Holder may exempt Online Participant from payment of prepayment deposit by taking into consideration such factors as the Online Participant's record of purchases made during the three (3) years immediately preceding the year of the relevant Online Auction. As a matter of principle, Auction Holder may allow such exemption to occur only if the Estimated Amount of Purchase Price notified by the Online Participant does not exceed the average of the actual annual purchases made by the Online Participant during the aforesaid three (3) years.

Article 4 (Upper limit amount for bidding in Online Auction)

The upper limit amount for a bid that Online Participant may enter shall be an amount which is twice the amount of prepayment deposit paid by Online Participant ("Upper Limit Amount"). The Online Auction system is so designed as not to accept any bid that exceeds the Upper Limit Amount.

Article 5 (Computer and operating system)

In order to participate in Online Auction and operate the online bidding system, Online Participant must use a personal computer with Windows 11 or any of its successor operating systems.

Article 6 (Management of ID and password and liability in case of mismanagement)

Online Participant shall not disclose or leak to any third party or permit any third party to use the ID and password provided by Auction Holder and shall implement strict management over the ID and password to prevent them from being stolen. Entering bids (including successful bids) for purchase by using such ID and password shall be deemed to have been made by the Online Participant and the Online Participant shall assume full legal liability for the outcome of such bidding including successful bidding.

Article 7 (Operating procedures for online bidding system)

1. Online Participant shall log-in the website of Online Auction by entering the ID and password in the designated space on the site screen of the online bidding system ("Site Screen"). At that time, the Online Participant must acknowledge on the Site Screen that he agrees to all the terms of the Horse Market Operating Regulations, Agreement of Purchase and Sale, and Notes Concerning Auction Market General Insurance.
2. Online Participant may enter a bid only for the price called by Auctioneer and may not enter a bid for the price that the Online Participant has chosen on his own that is different from the price called by Auctioneer.
3. There are two ways for Online Participant to enter a bid:
 - (1) Immediately after Online Participant clicks "BID" icon on the Site Screen, there appears a screen requesting the Online Participant to confirm his intent to enter the bid and the bid is entered when the Online Participant clicks "CONFIRM" icon on that screen.
 - (2) Without display of the screen requesting the Online Participant to confirm his intent, the bid is entered upon clicking of "BID" icon on the Site Screen.

Online Participant shall choose on the Site Screen in advance by which way of the above (1) or (2) the Online Participant will enter a bid.

4. Online Participant shall exercise utmost care at all times when operating and entering information in the online bidding system. If Online Participant should enter a bid or make a purchase through successful bidding by an input error, the Online Participant shall not be permitted to claim that the bid has no effect or claim exemption from liability by reason of such input error.

Article 8 (Obligation to log-in for testing purposes in advance)

By no later than 5 days prior to the first day of Select Sale 2026, Online Participant must log-in the online auction site by using ID and password which he/she received from Auction Holder and view each relevant page of the site for testing purposes on his/her own personal computer.

Article 9 (Handling of multiple online bids)

If two (2) or more Online Participants have entered a bid for the same price, only the bid that was entered first shall be relayed to the online spotter who shall relay that bid to Auctioneer.

Article 10 (Acknowledgment of existence of time lags and restrictions on entry of online bids)

In participating in Online Auction, Online Participant shall acknowledge the following conditions in advance and raise no objection to such conditions:

- (1) Existence of time lags with the physical auction site:
The visual image, voice and sound and the price called and posted on-site on the premises of Select Sale will reach the Site Screen a few or several seconds later.
- (2) Delay in arrival of a bid entered due to time lags:
If Online Participant enters a bid at the time that is close to fall of the hammer, there may be cases where the bid is not relayed in time for falling of the hammer on the successful bid, and another Purchaser may become the successful bidder.
- (3) Restriction on online entry of a bid that exceeds twice the amount of prepayment deposit:
Online Participant may not enter a bid online for the price called that exceeds twice the amount of the prepayment deposit that he paid.

Article 11 (Request for re-auction)

Auction Holder will not accept a request by Online Participant for re-auction (including a request for contacting the seller for re-auction on behalf of the Online Participant); provided, however, that Online Participant may participate in ascending bidding on a horse put up for sale by re-auction.

Article 12 (Acknowledgment of sale and purchase agreement taking effect)

1. If Online Participant has made a successful bid, the Online Participant shall click the "Confirm this sale and purchase agreement taking effect" icon on the Confirmation of Sale screen that is displayed immediately following the successful bidding.

2. Even if Online Participant does not click the icon mentioned in the preceding paragraph, the sale and purchase agreement has come into force simultaneously with the fall of hammer upon successful bidding, and the Online Participant must perform all obligations arising from the successful bidding, including but not limited to signing the Agreement of Purchase and Sale and paying the purchase price and insurance premium.
3. If the Online Participant who made successful bidding fails to click the icon mentioned in paragraph 1 above, the Online Participant not only shall perform all obligations described in the preceding paragraph, but also may not enter any further bid on horses for sale on any subsequent auctions during the Select Sale.

Article 13 (Disclaimer)

1. Auction Holder (including its officers, staff and other related parties; hereinafter the same in this Article) shall not be liable for any disadvantage or damage incurred by Online Participant due to any system or operational failure, including but not limited to, malfunction of the Online Auction site caused by transmission line outage, computer or server outage or software failure regardless of the reasons for such occurrence that results in the Online Participant's inability to timely receive messages or enter a bid on the Site Screen or by reason that a bid entered by the Online Participant does not timely reach Auctioneer due to a time lag between bidding at the physical auction site and online bidding.
2. Auction Holder may offer information or advice as need arises for the convenience of Online Participant on questions or problems regarding the use of the Online Auction system, provided that Auction Holder shall not guarantee, or assume any liability for or in relation to, accuracy or usefulness of such information or advice.

Article 14 (Matters not stipulated in these Rules)

With regard to matters not stipulated in these Rules, Auction Holder shall determine in accordance with the Regulations and the terms of the relevant Agreement of Purchase and Sale, and Online Participant shall follow instructions given by Auction Holder.