

# Conditions of Carriage—Domestic Cargo

**AIRDO Co., Ltd.**

## **Part 1: Introduction**

### **Section 1: Definitions**

The Conditions of Carriage—Domestic Cargo (hereinafter, “Conditions of Carriage”) are the conditions related to the contract that is signed between the cargo owner and the Carrier, and which comprise the transport agreement itself.

### **Section 2: Scope of Application**

The Conditions of Carriage apply to air transport of cargo on the Carrier’s domestic routes and to operations associated with that air transport. Operations associated with domestic air transport are operations of the Carrier that range from receiving cargo from the consignor to the issuing of cargo waybills (hereinafter, “waybills”) and the handover of that cargo to the consignee.

### **Section 3: Enactment and Changes**

In order to enact and change the Conditions of Carriage, permission from the Minister of Land, Infrastructure, Transport and Tourism is required. (Article 106, Civil Aeronautics Act)

### **Section 4: Special Agreements**

Should any special agreement be made with respect to a particular provision of these Conditions of Carriage, that special agreement shall apply notwithstanding the provisions of the Conditions of Carriage. The original Conditions of Carriage themselves are special agreement provisions that have been approved by the relevant regulatory agency, and if a special agreement that differs from them is made, it is necessary to notify the Civil Aviation Bureau, which is the relevant regulatory agency in all such instances.

### **Section 5: Publication**

1. The Conditions of Carriage must be posted at the Carrier’s airport business premises in a manner that makes them easy for the general public to see, in accordance with Article 107 of the Civil Aeronautics Act.
2. Agencies specified by the company (hereinafter, “agencies”) must always be in possession of the Conditions of Carriage and must make them available for consignors to see.

## **Part 2: Provisions**

### **Chapter 1: General Provisions**

#### **Article 1: Application of Conditions**

1. These Conditions of Carriage shall apply to domestic cargo transport and operations incidental to domestic cargo transport.
2. The Conditions of Carriage and any regulations established under them that are effective on the cargo waybill's date of issuance shall apply to that transport.
3. Should any special agreement be made with respect to a particular provision of these Conditions of Carriage, that special agreement shall apply notwithstanding the stipulations of that provision.

#### **Article 2: Changes to Conditions of Carriage and/or Relevant Regulations**

These Conditions of Carriage and any regulations established under them may be changed. When changes are made, notification regarding the contents of those changes to the Conditions of Carriage shall be made by an appropriate method, such as being posted to the website, within a reasonable period of time.

#### **Article 3: Publication**

Cargo shipping rates and fees, flight schedules, and other required items shall be published at the Carrier's business premises.

#### **Article 4: Consent of the Consignor**

The consignor shall be deemed to have given consent to these Conditions of Carriage and to any regulations established under them.

#### **Article 5: Governing Law**

Transport contracts and related lawsuits based on these Conditions of Carriage shall be subject to the laws of Japan.

## **Section 2: Cargo Waybills**

### **Article 6: Creation of Cargo Waybills**

1. Whenever a consignor commissions the Carrier to transport cargo, a cargo waybill must be created for each cargo unit, and it must specify the following items.
  - (1) Cargo name, cargo description, weight, packaging, shipping marks, and quantity
  - (2) Valuation
  - (3) Address and personal name or company name of consignor
  - (4) Origin
  - (5) Destination
  - (6) Address and personal name or company name of consignee (or, in the case of a consignee's agent, that agent's contact information)
  - (7) Method of payment of shipping rates and fees
  - (8) Date of waybill creation
  - (9) Other required items related to the shipping of the cargo
2. Creation of the cargo waybill can be done by the Carrier at the consignor's request. However, it is the consignor's responsibility.

### **Article 7: Responsibility for Contents**

The Carrier shall not be liable for the contents of the cargo specified on cargo waybill, with the exception of cargo quantity, packaging, and weight, even if the actual cargo differs from the waybill.

### **Article 8. Regulatory Procedures**

Regulatory procedures related to the cargo are the responsibility of the owner or the consignor. All fees related to those procedures are also the responsibility of the owner or the consignor.

## **Section 3: Rates and Fees**

### **Article 9: Cargo Rates and Fees**

1. Cargo rates and fees are determined according to a cargo rate calculation table and a fee calculation table. However, the item classification rates for live animals (excluding fish), dead bodies and ashes of deceased people, hazardous items (items defined in Article 23 Item 3) are 50% higher than the general cargo rates, and valuable items (items defined in Article 21) are 100% higher.
2. Cargo rates apply as follows.
  - (1) General rates  
General cargo rates are applied to all cargo except cargo to which the rates in following Item 2 apply.
  - (2) Item classification rates  
Item classification rates apply to cargo that contains the following items.  
Valuable items (items defined in Article 21)  
Living animals (excluding fish)  
Dead bodies and ashes of deceased people  
Hazardous items (items defined in Article 23 Item 3)
  - (3) The provisions of Item 1 notwithstanding, if the Carrier specifies a separate discount fare, the requirements stipulated separately by the Carrier shall be applied to the cargo.
3. Cargo rates are air transport rates from the airport of departure to the airport of arrival.

### **Article 10: Cargo Rates and Fee Calculation**

1. The cargo fare and fee charged by the Carrier shall be the total amount that includes the amount calculated using the methods stipulated in the following Article and in Article 12, based on the amount given by the cargo rate calculation table that is stipulated separately (hereinafter called the "net rate"), as well as the fees and other expenses stipulated by the fee calculation table.
2. Cargo rates and fees include consumption tax (including local consumption tax).

### **Article 11: Net Rate Calculation**

1. The net fare is calculated on the basis of weight, including packaging. However, this is not the case if a container approved by the Carrier in particular is used and if the weight conditions stipulated by the Carrier are satisfied. When calculating weight, fractions of less than 1 kilogram are rounded up to 1 kilogram.
2. The net fare for cargo with a volume that exceeds 6,000 cubic centimeters per kilogram shall be calculated at a rate of 1 kilogram per 6,000 cubic centimeters, with fractions of less than 6,000 cubic centimeters rounded up to 1 kilogram.
3. Volume is based on the length, width, and height at the points where these dimensions are the longest.
4. When calculating the fare rate per kilogram for item classification fares (hereinafter called the "fare rate"), fractions of less than 1 yen are rounded off to units of 1 yen.
5. Fractions of less than 5 yen for the net fare of each cargo unit are rounded up to 5 yen, and fractions of more than 5 yen but less than 10 yen are rounded up to 10 yen.

**Article 12: Priority Application of High-Weight Tiered Rates**

If applying the rate to the weight as if it belonged to the next weight tier would result in a cheaper net rate than the net rate calculated from the rate for the actual weight tier, then the net rate for the lower amount shall be applied.

Additionally, if it is the case that discount fares specified separately by the Carrier would be applied so long as the minimum weight requirement was fulfilled, then if the net rate for that discount rate calculated as if the cargo was the minimum weight results in a lower amount, the cargo shall be subject to the applicable conditions of each discount fare.

**Article 13: Excess Value Charges**

If the declared value of one cargo unit exceeds 30,000 yen, then the Carrier shall charge an excess value charge of 22 yen for each additional 10,000 yen and any fraction thereof.

**Article 14: Fare Payment Period**

Cargo rates and fees shall be paid by the consignor upon receipt of the cargo, unless a specific exception is made by the Carrier.

## **Section 4: Cargo Acceptance**

### **Article 15: Cargo Acceptance**

The Carrier shall accept transport of the cargo from the airport of departure to the airport of arrival.

### **Article 16: Cargo Units**

One cargo unit is when a shipment of cargo has the same consignor, consignee, shipping origin, and handling type and payment method at the time of delivery at the destination, and when the shipment is transported with a single waybill.

### **Article 17: Limitations on Cargo Volume, Etc.**

The volume and weight of individual items that can be accepted as cargo shall be determined separately.

### **Article 18: Limitations on Cargo Value**

If the declared value of one cargo unit exceeds 10,000,000 yen, then the Carrier shall not accept the cargo unless a special agreement between the consignor and the Carrier is arranged in advance.

### **Article 19: Limitations on Value per Aircraft**

The total declared value of the cargo loaded onto a single aircraft is limited to 200,000,000 yen. Cargo may be divided into multiple shipments if that value is exceeded.

### **Article 20: Cargo Inspections**

If the Carrier notices something suspicious regarding the information noted on the cargo waybill, the Carrier may request the attendance of the consignor or a third party and inspect the cargo.

### **Article 21: Valuable Items**

Cargo is accepted as valuable items if it contains one or more of the following items.

- (1) Platinum, gold ingots, gold coins, silver coins, gold dust, silver dust, other precious metals, and products made from precious metals
- (2) Iridium, tungsten, other rare metals, and products made from rare metals
- (3) Currency (bank notes and coins)
- (4) Stocks, bonds, other securities, financial instruments, certificates, unused postage stamps, and revenue stamps
- (5) Diamonds, rubies, green jasper, amber, pearls, other gemstones, and products made with gemstones
- (6) Works of art and antiques

### **Article 22: Cargo with Acceptance Restrictions**

The Carrier does not accept the following cargo for transport.

- (1) Items whose loading or transport is banned or restricted by the Civil Aeronautics Act, by other laws and regulations, or by government orders, restrictions, or requests

- (2) Items that are not properly packed, items that are easily damaged, items that emit unpleasant odors, unsanitary items, and other items considered by the Carrier to cause trouble
- (3) Items considered by the Carrier to endanger or cause trouble for the aircraft, any person or other cargo on board, or any other property
- (4) Items for which the Carrier considers the declaration of contents to be false.
- (5) Items deemed by other airlines to be unsuitable for air transport

#### **Article 23: Cargo with Specific Acceptance Conditions**

The following cargo will only be accepted for transport if the consignor has taken the proper steps to meet the acceptance requirements requested by the Carrier and if that cargo has also been approved by the Carrier.

- (1) Dead bodies and ashes of deceased people
- (2) Animals (including fish)
- (3) Items not included among the items prohibited under Article 194 Paragraph 1 of the Ordinance for Enforcement of the Civil Aeronautics Act (explosives, pressurized gas, corrosive liquids, flammable liquids, flammable solids, oxidizing substances, toxic substances, radioactive material, magnetic items, other harmful items, adhesive items, and guns, knives, and other weapons) due to the provisions of Article 194 Paragraph 2 even though they satisfy the conditions of Paragraph 1.
- (4) Substances with unique properties that can be transported by air with proper handling preparations.
- (5) Items for which the Carrier requires special arrangements or special equipment for transport.
- (6) Other items specified in particular by the Carrier.



## **Section 5: Transport of Cargo**

### **Article 24: Service Changes**

1. The Carrier may, without notice, change the schedule of or cancel any flight, terminate any flight, change the origin and/or destination, make an emergency landing, limit the cargo, or unload all or part of the cargo, for any reason beyond the Carrier's control, such as laws and regulations, government requests, aircraft breakdown, adverse weather, force majeure, labor disputes, riots, civil disturbances, and wars.
2. The Carrier shall not be liable for any loss or damage incurred as a result of any situation described in the preceding Paragraph.

### **Article 25: Cargo Transport Order and Method**

The order and method of cargo transport shall follow the order of acceptance. However, if necessary, the Carrier shall determine the transport date for the accepted cargo, the aircraft to carry the cargo, the order of loading and unloading, and the method of transport.

### **Article 26: Refunding Fares Due to Failure to Transport**

1. If the Carrier is unable to complete all or part of the cargo transport due to reasons described in Article 24 or other reasons pertaining to the Carrier, then fares for the routes for which transport was not completed shall be refunded at the request of the consignor.
2. In the event of a flight disruption or emergency landing, the Carrier will transport the cargo via an alternate means in accordance with the situation. In such instances, a refund will be provided if the paid fare is higher than the fare for the alternate means of transportation, but no extra amount will be charged if it is lower.

### **Article 27: Cargo Emergency Procedures**

1. If the Carrier deems it necessary for aviation security or believes that the cargo may cause some other harm, then it may, without notice, inspect the contents, suspend or postpone transport, unload the cargo, discard the cargo, or dump the cargo in mid-flight.
2. The Carrier shall not be liable for any loss or damage incurred as a result of the procedures described in the preceding Paragraph. However, this does not apply to loss or damage incurred due to discarding the cargo or dumping the cargo in mid-flight.

## **Section 6: Consignor's Instructions**

### **Article 28: Consignor's Instructions**

1. The consignor may, due to personal circumstances, present the cargo waybill and issue the following instructions.
  - (1) Cancel transport
  - (2) Return to origin
  - (3) Change consignee
  - (4) Change destination
2. Instruction Items 1, 3, and 4 in the preceding Paragraph shall be valid only if they are issued before that cargo has been loaded onto the aircraft. Instruction Item 2 shall be valid only if it is issued before the cargo has been delivered to the consignee mentioned on the cargo waybill.

### **Article 29: Fare Refunds and Additional Charges in the Case of Transport Cancellation**

If a cancel transport instruction as described in the previous Article is given, then fare and fee refunds and additional charges shall be handled as follows.

- (1) The consignor shall be liable for the fares and fees required to return the cargo as described by Item 2 of Paragraph 1 in the preceding Article.
- (2) If the instruction described by Item 1 of Paragraph 1 in the preceding Article is received and the consignor requests a refund, then a cancellation processing fee amounting to 10% of the applicable fare shall be charged, and the difference shall be refunded.
- (3) If the destination is changed as described by Item 4 of Paragraph 1 in the preceding Article, then the difference between the fare for the new route and the fare for the original route shall be refunded or charged.

## **Section 7: Delivery and Non-Delivery**

### **Article 30: Arrival Notification**

For cargo delivered to the consignee at the Carrier's airport office, the Carrier shall send an arrival notification without delay to the consignor after the cargo arrives at the airport of arrival. The method of notification and associated fees shall be determined separately by the Carrier.

### **Article 31: Cargo Delivery**

1. The Carrier shall carry out delivery of the cargo to the consignee only at the Carrier's airport office.
2. The Carrier may refuse to carry out delivery if the transport fare and other fees have not been paid.

### **Article 32: Legitimate Consignee**

The Carrier shall demand proof that the consignee is the legitimate consignee when it delivers the arrived cargo. In such instances, the Carrier shall not be liable for any loss or damage that occur as a result of the consignee not being the legitimate consignee unless there has been intent or gross negligence by the Carrier.

### **Article 33: Handling Undeliverable Cargo**

1. The Carrier shall handle undeliverable cargo as described in the following Items.
  - (1) If the consignee cannot be identified or if the consignee neglects or refuses to accept delivery of the cargo, then the Carrier may deposit that cargo.
  - (2) If, in a situation as described in the previous Item, the consignor does not provide instructions within a reasonable amount of time after being asked to provide instruction, then the cargo may be sold at auction.
  - (3) If the cargo is perishable and the Carrier cannot wait for instructions from the consignor, it may dispose of the cargo without notice.
2. If the Carrier handles the cargo as described in the Items of the preceding Paragraph, then it shall notify the consignor to that effect.
3. The consignor shall be liable for all expenses required in order for the Carrier to handle undeliverable cargo.
4. If the auction price is insufficient to cover unpaid fares, fees, advance payments, and other expenses, then the Carrier shall charge the consignor the shortfall.
5. If a balance remains after unpaid fares, fees, and other expenses are deducted from the auction price, then that balance shall be returned to the consignor. However, if the Carrier is unable to return it to the consignor, it shall be deposited.

## **Section 8: Changes to Air Transport Companies and Aircraft Models**

### **Article 34: Changes to Air Transport Companies**

1. The Carrier may change the air transport company used for the cargo it accepts as long as there is no special agreement in writing. In such instances, the Carrier shall be regarded as a proxy for the consignor.
2. If the Carrier changes the air transport company as described in the preceding Paragraph, the cargo that is transported by that air transport company shall be handled in accordance with Conditions of Carriage established by the air transport company carrying out the transport and any regulations established under them, unless otherwise specified in these Conditions of Carriage.

### **Article 35: Liability of the Air Transport Company**

1. In the case of loss, damage, delays, and other problems related to cargo that arise due to transport by an air transport company other than the Carrier as described in the preceding Article, the air transport carrier that carries out transport shall be liable in accordance with the Conditions of Carriage established by the air transport company that carried out the transport and any regulations established under them.  
However, the Carrier shall be liable if that loss or damage is proven to have occurred as a result of the Carrier's intent or negligence.
2. The provisions of Articles 38 through 41 shall apply if the Carrier is liable as described by the provisions of the preceding Paragraph.

### **Article 36: Changes to Aircraft Model**

The model of aircraft used by the air transport company to transport the cargo shall be determined by the air transport company that conducts the cargo transport as long as there is no special agreement in writing.

## **Section 9: Liability**

### **Article 37: Liability of Carrier**

The Carrier shall be liable for any loss or damage that arises due to the cargo being lost, damaged, delayed, or affected by some other incident. However, this shall not apply if it is proven that there was no intent or negligence by the Carrier.

### **Article 38: Compensation Amount**

1. If the Carrier is liable for loss or damage affecting cargo for which a value has been declared, then compensation shall be as follows.
  - (1) In the case of complete loss, compensation shall be limited to the declared value.
  - (2) In the case of partial loss or damage, the declared value shall be multiplied by percentage of value reduction calculated according to the value of the cargo at the destination on the date of delivery.
2. If the Carrier is liable for loss or damage affecting cargo for which no value has been declared, then if the value at the destination on the date of delivery or intended date of delivery is less than 30,000 yen per cargo unit, the value at the destination shall be regarded as the declared value, and if it is 30,000 yen or more, then the declared value shall be regarded as being 30,000 yen and shall be handled in accordance with the Items of the preceding Paragraph.

### **Article 39: Disclaimer**

The Carrier shall not be liable for delays, loss, breakage, or any other damage affecting the cargo if any of the following apply.

- (1) If the reason is that described in Article 24.
- (2) If it is due to cargo transformation, consumption, or defect, or due to the death or illness of an animal.
- (3) If the reason is due to improper packing, damaged packaging, deficient labeling, incomplete instructions or cargo waybill details, or other error or negligence on the part of the consignor.
- (4) If it is due to contact with the cargo or another incident that would be likely to occur on board.
- (5) If it is due to rainfall, snowfall, strong wind, or other adverse weather, and not due to carelessness by the Carrier.
- (6) If the consignor's declaration of contents was false as described in Article 6.

### **Article 40: Compensation Claim Period for Accident Cargo**

1. Claims for compensation related to cargo must be submitted in writing within the period described by the Items below.
  - (1) In the case of partial loss or damage, within 7 days from receipt of the cargo
  - (2) In the case of delayed arrival, within 7 days of the cargo's arrival
  - (3) In the case of non-arrival, within 14 days of the day on which it should have been possible to learn about the situation
2. The Carrier shall not be liable for compensation if it does not receive a claim within the period described in the preceding Paragraph.

**Article 41: Liability of Consignor**

If the Carrier suffers loss or damage due to the intent or negligence of the consignor or due to the consignor's failure to obey these Conditions of Carriage and any regulations established under them, then it may seek compensation for the amount corresponding to that loss or damage.

Supplementary Provisions: These Conditions of Carriage shall come into effect as of July 1, 2020.