

NFT Terms and Conditions

To use NFTs issued through "Adam byGMO" operated and provided by Adam, you must read and agree to these Terms and Conditions (these "**Terms**").

Section 1 (Application)

1. These Terms apply to users using NFTs issued through "Adam byGMO" operated and provided by Adam, and set out the rights and obligations, between users and Creators, and between users and other users. If any agreement, between a user and a creator, or between a user and any other user contradicts with or is not consistent with the provisions of these Terms, then these Terms will control.
2. *Adam is not a party to these Terms, which means that Adam is a third party to these Terms, except for the case where Adam is the Creator. In addition, Adam has no contractual relationship with the users, and assumes no liability to the users.*

Section 2 (Definitions)

In these Terms, the following definitions apply:

- (1) "**Adam**" means GMO Adam, Inc., incorporated under the laws of Japan.
- (2) "**NFT**" means a unique and non-fungible token on the blockchain (Non-Fungible Token), and unless otherwise specified in these Terms, refers to NFTs issued through "Adam byGMO" operated and provided by Adam.
- (3) "**Creation**" means digital content associated with an NFT.
- (4) "**Creator**" means the right holder who legally and validly owns the intellectual property rights, moral rights as well as other rights and interests relating to the Creation, and the person who has been legally and validly entrusted with the management of the intellectual property rights, moral rights as well as other rights and interests relating to the Creation.
- (5) "**Content Use**" means to display as an owner of, copy, act, perform, show, publicly transmit, dictate, exhibit, distribute, transfer, lend, adapt, publish, modify, display names of, analyze information of, and otherwise use the NFT's underlying Creation.
- (6) "**Content Licenses**" means the scope of the license of the Content Use granted by the Creator to the owner of the NFT.
- (7) "**Unauthorized Creation**" means; (i) a Creation that infringes or is likely to infringe third parties' intellectual property rights, moral rights, or trade secrets or know-how; or (ii) a Creation that violates or is likely to violate these Terms, Laws and Regulations, or public policy and morals.
- (8) "**Owner**" means a person who has purchased an NFT and whose purchase of that NFT has been recorded on the blockchain.
- (9) "**Laws and Regulations**" means treaties, laws, ordinances, ministerial ordinances, regulations, notices, judgments, decisions, arbitral awards, orders, notices, guidelines, and policies of administrative agencies.
- (10) "**Intellectual Property Rights**" means patent rights, utility model rights, breeder's rights, design rights, copyrights, neighboring rights, trademark rights, as well as other rights and legally protected interests in intellectual property.
- (11) "**Personal Rights**" means the rights of honor, rights to privacy, rights of portrait, publicity, moral rights, and other rights and interests.
- (12) "**Antisocial Forces**" means organized crime groups, members of an organized crime group or any persons for whom five years have not elapsed since such person ceased to be a member of an organized crime group, quasi-members of an organized crime group, companies associated with an organized crime group, corporate racketeer groups, groups engaging in criminal activities under the pretext of conducting social campaigns

or crime group specialized in intellectual crimes, any other persons having a relationship with any of the above, or any other persons similar to any of the above.

Section 3 (Amendments to these Terms)

These Terms will be amended from time to time if there is any:(i) enactment, amendment, repeal, or alteration of the interpretation, of Laws and Regulations; (ii) disposition, order, or guidance by administrative agencies; (iii) establishment, revision, or abolition of self-regulatory organizations' rules, or (iv) other necessity in the course of business. Any amendment, amended provisions, and the effective date of that amendment will be announced in advance on the website (URL: <https://adam.jp/>), on which these Terms are published.

Section 4 (Intellectual Property Rights)

1. The Creators own all Intellectual Property Rights, Personal Rights, trade secrets, know-how and the like with regard to their NFTs' underlying Creations.
2. The Owner who has legally and validly purchased an NFT has the Content Licenses with regard to the NFT's underlying Creation granted by the Creator and has the right to engage in Content Use within the scope of such Content Licenses. However, if the Owner violates any of these Terms, the Content Licenses granted to the Owner will lose its effectiveness so long as the Owner retains the NFT.
3. The Content Licenses granted by the Creator to the Owner who has purchased the NFT includes the following conditions:
 - (1) permanent and irrevocable license;
 - (2) world-wide license;
 - (3) the Intellectual Property Rights of the NFT's underlying Creation is not assigned to the licensee;
 - (4) if the NFT is sold to a new Owner, then the Content Licenses associated with the NFT's underlying Creation will also be assigned to the new Owner;
 - (5) non-sublicensable license; and
 - (6) other conditions expressly set out in the description section of the NFT.
4. If the Owner who legally and validly purchased the NFT sells the NFT to a new Owner, then the NFT's ownership and Content Licenses will be assigned to the new Owner, which means that the new Owner will obtain the NFT's ownership and Content Licenses and the previous Owner will lose the NFT's ownership and Content Licenses.

Section 5 (Assignments)

1. If a user legally and validly purchases an NFT, then the user will obtain the NFT's ownership and Content Licenses on condition that the user complies with these Terms.
2. The Owner who legally and validly purchased an NFT may sell the NFT to a new Owner subject to these Terms. In that case, the selling Owner shall clearly indicate these Terms to the new Owner.
3. If the Owner who legally and validly purchased the NFT sells the NFT to a new Owner, then the NFT's ownership and Content Licenses will be assigned to the new Owner, which means that the new Owner will obtain the NFT's ownership and Content Licenses and the previous Owner will lose the NFT's ownership and Content Licenses.

Section 6 (Owners' Premium Content, Goods, and Utilities associated with NFTs)

To use the Owners' premium content, goods, and utilities associated with NFTs, the Owner must deposit the NFT into "Adam byGMO" operated and provided by Adam. In that case, the Owner will be responsible for the network fee (gas fee) incurred at the time of the deposit.

Section 7 (Prohibited Activities)

1. In connection with the use of NFT, users shall not engage in any activities that fall under, or are likely to fall under, any of the following:
 - (1) a violation of Laws and Regulations, criminal acts, or conducts against public policy and morals;
 - (2) starting a pyramid scheme, soliciting a person to join a pyramid scheme, or encouraging those activities;
 - (3) multilevel marketing or encouraging those activities;
 - (4) infringing a Creator's or a third party's Intellectual Property Rights, Personal Rights, trade secrets, know-how, or other rights and interests;
 - (5) defamation of or insults to a Creator or a third party, or injuring honor or damaging their credibility;
 - (6) making a Content Use of an NFT's underlying Creation beyond the scope of the Creation's Content Licenses;
 - (7) registering a trademark of an NFT's underlying Creation;
 - (8) making cyberattacks on, illegally accessing or otherwise hacking the Ethereum blockchain, smart contracts, wallets, or the like;
 - (9) making a misrepresentation, giving a false notification, spreading a rumor, or otherwise carrying out a collusive transaction for the purpose of causing a fluctuation in the price of an NFT;
 - (10) committing, engaging in, or facilitating money laundering or terrorist financing;
 - (11) using an NFT as securities under the Financial Instruments and Exchange Act, prepaid payment instrument to which Payment Service Act applies, electronic payment instruments crypto-assets, exchange transaction or other remittance and settlement means;
 - (12) erasing a display of the Creator's name of the NFT's underlying Creation or lying about that Creator;
 - (13) diminishing or undermining the value of the NFT's underlying Creation;
 - (14) using NFTs' underlying Creations in conjunction with criminal acts, violations of Laws and Regulations, infringements of human rights, discriminations, hate speeches, violence, cruelty, hatred, intolerance, obscenity, or other expressions that violate Laws and Regulations or are against public policies and morals;
 - (15) making an NFT's underlying Creation an Unauthorized Creation;
 - (16) soliciting or assisting a third party to commit or in committing any of the activities mentioned in the preceding clauses; or
 - (17) in addition to those set out in the preceding clauses, other activities that we find inappropriate on reasonable grounds.
2. If a Creator or a third party has incurred any damage arising out of or relating to users' activity set out in Section 7.1, users shall indemnify and defend the Creator or the third party against such damages.

Section 8 (No Warranties)

1. *The NFTs are provided on an as-is basis. The Creator makes no warranty or representation to users, either expressly or impliedly, that: an NFT is fit for users' particular purpose; an NFT is complete, accurate or useful; an NFT is continuously available or error-free. The Creator makes no warranty or representation to users' that the NFT's price reflects the fair market value of that NFT, or that the NFT's price will not fluctuate unfavorably to its Owner.*
2. *If a NFT's underlying Creation has been found to be an Unauthorized Creation, that Unauthorized Creation will be deleted. In such a case, the NFT's Owner shall cooperate to delete that Unauthorized Creation.*

Section 9 (Liability for Damages)

Even if an NFT's underlying Creation is found to be an Unauthorized Creation, its Creator assumes no liability for any damage incurred by users who legally and validly purchased the NFT arising out of or relating to users' use of the NFT, whether caused by breach of contract, tort, or any other cause of action, except that its Creator assumes liability to users for such damages as caused by its Creator's intentional or negligent act. Unless such damages are caused by its Creator's intentional or grossly negligent act, the Creator's liability is limited to those actual and general damages directly caused by the Unauthorized Creation, excluding special or consequential damages, indirect damages, incidental damages, or loss of profits.

Section 10 (Disclaimers)

The Creator assumes no liability for any damage incurred by users arising out of or relating to one or more of the following, whether caused by breach of contract, tort, or any other cause of action:

- (1) transactions related to NFTs between users or between users and third parties;*
- (2) any force majeure event including, but not limited to, an earthquake, typhoon, tidal wave or other natural disasters, an act of God, war, riot, rebellion, the act of terrorism or other use of force, serious disease, contagious disease or other infectious diseases, enactment, amendment, repeal, or alteration of the interpretation of Laws and Regulations, order or disposition by public authority or other act by the government, or establishment, revision, or abolition of self-regulatory rules;*
- (3) a failure of or defect in a user's electronic devices;*
- (4) the performance of the Internet connection service or a failure of or defect in the Internet connection environment;*
- (5) a failure of or defect in hardware, databases, systems, software, or applications (including OSs, middleware, and DBMS) by third parties;*
- (6) hacking by a harmful program, such as a computer virus, a cyberattack, illegal access or other hacking;*
- (7) a user's failure to comply with the method or user environment of using the NFT's platform;*
- (8) a failure of or defect in telecommunications services by telecommunications carriers;*
- (9) any goods or services on any website by a third party;*
- (10) a failure, defect, or malfunction of the Ethereum blockchain, IPFS or wallet;*
- (11) fluctuations in gas fees (network fees) for the Ethereum blockchain;*
- (12) an occurrence of Hard Forks in the Ethereum blockchain; or*
- (13) other reasons not attributable to the Creator.*

Section 11 (Exclusion of Antisocial Forces)

1. Users represent and warrant the following regarding themselves at present and shall comply with the following in the future as users' covenants:

- (1) users do not fall under Antisocial Forces;
- (2) users do not have either of the following relationships with Antisocial Forces:
 - a. a relationship in which users are found to use Antisocial Forces for the purpose of seeking unlawful profits for themselves or a third party, or for the purpose of causing losses to a third party; or
 - b. a relationship in which users cooperate or are involved in maintaining and operating Antisocial Forces in such a way as providing funds or the like or affording any facility to or for the Antisocial Forces;

- (3) any of users' officers or the like (who means directors, officers, operating officers, auditors, senior advisers, a chairman or other persons of whatever title who substantially participate in users' management) is not Antisocial Forces and has no socially condemnable relationship with Antisocial Forces.
2. As users' covenants, users shall not, directly or indirectly, engage in any of the following activities:
 - (1) a demand with violence;
 - (2) an unreasonable demand beyond users' legal entitlement;
 - (3) use of intimidating words (including, but not limited to, stating that users' associate is an Antisocial Force) or actions in relation to the use of NFTs;
 - (4) an action to defame the reputation or interfere with our business by spreading rumor, using fraudulent means, or resorting to force; and
 - (5) other equivalent action of above.
3. If users breach any of the representations or warranties, or covenants set forth in Section 10.1 or 10.2, the Content Licenses granted to the user will lose its effectiveness so long as the user retains the NFT.

Section 12 (Export Restrictions and Sanctions)

1. Our products and services may be subject to U.S. export and re-export control laws and regulations and similar sanctions laws and regulations applicable in other jurisdictions (trade, economic, and financial sanctions laws administered, enforced, or executed by sanctioning authorities, including the United States, which includes, but is not limited to, the Office of Foreign Assets Control ("OFAC") of the U.S. Treasury Department and the U.S. Department of State, and the United Nations, the European Union and its member states, HM Treasury, and the Ministry of Finance Japan), sanctions regulations, embargoes, and restrictive measures. These include the Export Administration Regulations ("EAR") administered by the U.S. Department of Commerce, trade and economic sanctions measures administered by OFAC of the U.S. Treasury Department, and the International Traffic in Arms Regulations ("ITAR") administered by the U.S. Department of State, and the Foreign Exchange and Foreign Trade Act ("FEFTA") administered by Japan's Ministry of Finance and Ministry of Economy, Trade and Industry. Users represent and warrant the following regarding themselves at present and shall comply with the following in the future as users' covenants:
 - (1) users do not reside in a country to which the United States embargoes goods or otherwise applies economic sanctions in accordance with any sanctions Laws and Regulations;
 - (2) users are not a person who is prohibited from trading with under applicable export or re-export Laws and Regulations, or similar laws applicable in other jurisdictions, or otherwise on the U.S. Government's list of prohibited or restricted persons or those who are owned, controlled, or ultimately controlled by such a person; and
 - (3) users are not engaged in any act that may be in violation of those sanctions Laws and Regulations.
2. Users shall comply with all applicable export and re-export control laws and regulations, including the EAR and OFAC-administered trade and economic sanctions measures and the FEFTA. Specifically, the users shall not, directly or indirectly, use, sell, export, re-export, transfer, divert, release or otherwise dispose of any product, software, technology, including products derived from or based on such technology, or service users may receive under these Terms to any prohibited destination, entity or person under the EAR and OFAC-administered trade and economic sanctions measures, or other Laws and Regulations applicable in the United States or any other jurisdiction (including the FEFTA), without obtaining prior approval required by such Laws and Regulations from the competent government authority.

Section 13 (Severability)

If any provision of these Terms is void or unenforceable under Laws and Regulations, the remaining provisions of these Terms remain in full force.

Section 14 (Language, Governing Law, and Jurisdiction)

1. The formal version of these Terms is in Japanese. Although the English version of these Terms is created for reference, only the Japanese version is effective and controls.
2. These Terms are interpreted in accordance with and governed by the laws of Japan. The provisions of the United Nations Convention on Contracts for the International Sale of Goods do not apply to these Terms.
3. All disputes, between users, and between users and Creators, arising out of or relating to the Terms, must be submitted to the exclusive jurisdiction of Tokyo District Court.

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