

Terms and Conditions for a Grant

(The Conditions That a Grantee Shall Fulfill, etc.)

1. A Grantee shall fulfill the conditions mentioned in each of the following subparagraphs:

(i) The Grantee shall be fully responsible for the project that receives a Grant (hereinafter referred to as “Grant Project”);

(ii) The Grantee shall use the Grant only for the purpose of the Grant Project, including any interest, etc., accrued from the Grant, in accordance with the substance of the decision to provide the Grant and the conditions attached to such decision;

(iii) The Grantee shall promptly report to, and seek instructions from, the Japan Foundation (hereinafter referred to as the “Foundation”) if there is a change in the basic information of the Grantee (corporate status, etc.);

(iv) The Grantee shall report to, and obtain approval from, the Foundation in the event of any change in the Grant Project (except changes which the Foundation considers “minor changes”);

The following fall under the category of the above “minor changes”:

(a) If required to allow a flexible implementation among project elements that are closely related to the achievement of the objectives of the Grant Project;

(b) If a change does not effect any change to the objectives of the Grant Project and is considered to contribute to further efficient achievement of the objectives of the Grant Project by allowing the Grantee to change its plan with its free inventive ideas; and

(c) If changes are in details of project plans that are not related to the objectives of the Grant Project and the project efficiency.

As the following cases do not fall under the category of “minor changes”, the Grantee must report to the Foundation in advance and obtain its approval.

- (a) Any change in involvement of the major participating or collaborating organizations/individuals, including any change in the number of those;
 - (b) Any change in the project contents or its theme;
 - (c) Any change in the project schedule;
 - (d) Any change in the form or the methodology of the project (e.g., international conference, symposium, seminar, workshop, etc. / open to the public or closed, etc.); and
 - (e) Any change in the dissemination of project results.
- (v) The Grantee shall report to, and obtain approval from, the Foundation in the event of any change in the allocation of expenses for the Grant Project (except changes which the Foundation considers “minor changes”);
- “Minor changes” must meet the following three conditions:
- (a) The objective of the expense is not materially changed;
 - (b) The change in expense allocation contributes to the efficiency of the use of the expense and is considered to have no adverse effect on the achievement of the grant objective; and
 - (c) The change in the allocation among the items does not exceed 20% for any given item.
- (vi) The Grantee shall promptly report to, and obtain approval from, the Foundation in the event of discontinuance or cancellation of the Grant Project;
- (vii) The Grantee shall promptly report to, and seek instructions from, the Foundation if it becomes clear that the Grant Project will not be completed within the scheduled period or if it has become difficult to execute the Grant Project.
- (viii) The Grantee shall acknowledge the Foundation’s financial support when the Grantee publicizes the Grant Project.
- (ix) The Grantee shall submit to the Foundation two (2) copies of any publications, brochures, etc., which are issued as a result of the Grant Project; and
- (x) In addition to the above conditions, the Grantee shall comply with

the substance of the decision to provide the Grant or any of the conditions attached thereto, the Foundation's Basic Policy and the Enforcement Procedures for Providing Grants upon the execution of the Grant Project, in good faith.

2. When the Foundation approves any change reported to the Foundation by the Grantee in accordance with Paragraph 1 –(iv) or (v), the Foundation may change the substance of the decision or the conditions attached to the decision, as deemed necessary.

(Acceptance of or Dissatisfaction with the Decision to Provide a Grant)

3. By the due date set forth in the Notice of Decision to Provide a Grant, the applicant for the Grant must submit to the Foundation either an Acceptance of Decision to Provide a Grant (if the applicant intends to accept the substance of the decision to provide the Grant and the conditions attached to the decision) or a Petition for Withdrawing the Application for a Grant (if the applicant is dissatisfied with the substance of the decision to provide the Grant or the conditions attached to the decision).
4. If the applicant for the Grant does not submit the Written Acceptance of the Decision to Provide a Grant by the due date set forth in the Notice of Decision to Provide a Grant, the Foundation may deem that the applicant has withdrawn its Application for the Grant.
5. If an Application for a Grant is withdrawn as set forth in Paragraphs 3 and 4, the particular decision to provide the Grant shall become null and void.

(Revocation of Decisions Due to Changes in Circumstances)

6. The Foundation may revoke a decision to provide a Grant in whole or in part, or change the substance of the decision or the conditions attached to the decision, if it is particularly necessary to do so as a result of changes in circumstances that have occurred after the

decision to provide the Grant. However, the foregoing shall not apply to any part of the Grant Project that relates to periods that have already elapsed.

7. The Foundation may revoke the decision to provide a Grant in accordance with Paragraph 6, only when the continuance of the Grant Project has become unnecessary in whole or in part as a result of a natural disaster or other change that has occurred after the decision to provide the Grant.
8. The Foundation may, to the extent that the Foundation deems it necessary, provide a Grant for work or programs that particularly require a Grant as a result of the revocation of the decision to provide a Grant as set forth in Paragraph 6 above.

(Provision of a Grant)

9. A Grantee must submit a Request for Payment of a Grant to the Foundation when requesting the payment of a Grant by the due date set forth in the Notice of Decision to Provide a Grant.
10. Upon receipt of the Request set forth in Paragraph 9, the Foundation shall pay the Grant after examining the Request and confirming that the content of the Request is appropriate, in accordance with the pay schedule set forth in the Notice of Decision to Provide a Grant.

(Duty of Grantees)

11. Upon the execution of a Grant Project, the Grantee shall note that the Grant is from taxes collected from Japanese citizens or other valuable revenue sources and shall strive to perform the Grant Project in good faith in accordance with the purpose of the provision of the Grant.

(Execution of a Grant Project)

12. A Grantee shall carry out the Grant Project with the standard of care of a competent manager, in accordance with the substance of

the decision to provide the Grant and the conditions attached to such decision, and the measures taken by the Foundation pursuant to them. A Grantee shall not use the Grant for any purpose other than for the Grant Project.

(Report on the Status of a Grant Project)

13. The Foundation may request a Grantee to report on the status of a Grant Project at any time during the execution of the Grant Project, as deemed necessary.

(Instructions on Execution and Other Matters Related to a Grant Project)

14. If, based on any report, etc., submitted by a Grantee in accordance with Paragraph 13, the Foundation recognizes that the Grantee is not executing the Grant Project according to the substance of the decision to provide the Grant or any conditions attached to the decision, the Foundation may instruct the Grantee that the Grant Project should be executed according to the decision or the attached conditions.

15. In the event that a Grantee breaches the instructions set forth in Paragraph 14, the Foundation may instruct the Grantee to temporarily suspend the execution of the Grant Project.

(Report on the Results)

16. Upon completion of a Grant Project (including the approval of the cancellation of the Grant Project), the Grantee shall submit to the Foundation related documents in the report form designated by the Foundation by the due date set forth in the Notice of Decision to Provide a Grant (or within one month from the receipt of the approval of the cancellation of the Grant Project).

(Determination, etc., of the Amount of a Grant)

17. Upon receipt of a report on a completed or cancelled Grant Project,

the Foundation shall examine the relevant written report and other documents and conduct on-the-spot inspections, etc., as necessary to investigate and assess whether or not the results of the Grant Project conform to the substance of the decision to provide the Grant and the conditions attached thereto. If the Grant Project is found to conform to the foregoing, the Foundation shall finalize the amount of the Grant to be provided and notify the Grantee of such amount.

(Corrective Steps)

18. In the event that the results of a completed or cancelled Grant Project reported to the Foundation are found not to conform to the substance of the decision to provide the Grant and the conditions attached thereto, the Foundation may order the Grantee to take steps to ensure that the Grant Project conforms to the foregoing.
19. Paragraph 16 shall apply *mutatis mutandis* to the Grant Project carried out in accordance with the instructions set forth in Paragraph 18.

(Maintenance of Account Books, etc.)

20. The Grantee shall distinguish all revenues and expenditures relating to the Grant Project from other accountings, and enter such revenues and expenditures into account books and clearly specify the incomings and outgoings thereof. The Grantee shall duly organize receipts and other documentary proof, including those relating to all revenues and expenditures necessary to prove that the substance of the report on the results is true, as well as those relating to expenses for which the Grant has been provided, so that they may be presented at any time, and keep them for a period of five years counting from the fiscal year immediately following the fiscal year in which the Grant Project is completed.

(Revocation of Decision to Provide a Grant)

21. The Foundation may revoke a decision to provide a Grant in whole or in part if any one of the following events occurs in relation to the Grantee:

- (i) The Grantee used the Grant for any purpose other than for the Grant Project;
 - (ii) The Grantee gave false information or otherwise acted unfairly in making the Application for the Grant, carrying out the Grant Project or reporting the status or the results of the Grant Project;
 - (iii) It is recognized that there is no chance of the Grantee's execution of the Grant Project within the planned period;
 - (iv) It is recognized that the Grant Project no longer conforms to the following requirements:
 - (a) It is recognized by the Foundation that it is either impossible or difficult for the Grant Project to achieve its objectives without the provision of the Grant;
 - (b) The plan and the method of the Grant Project are appropriate to achieve the objectives of the Grant Project, and sufficient results can be expected from the Grant Project; or
 - (c) The Grant Project shall not be used for any religious or political purposes.
 - (v) The Grantee refused, hindered, or circumvented the inspection, etc., set forth in Paragraph 28 without reasonable cause;
 - (vi) The Grantee failed to comply with the instructions set forth in Paragraphs 14, 15, and 18; or
 - (vii) The Grantee is recognized to have otherwise breached the substance of the decision to provide the Grant, any of the conditions attached thereto, the Foundation's Basic Policy or the Enforcement Procedures for Providing Grants, or the measures taken by the Foundation pursuant to them.
22. Paragraph 21 shall apply even after the amount of the Grant to be provided has been finalized.

(Return of a Grant)

23. In the event that a decision to provide a grant (in whole or in part) has been revoked, the Foundation shall set a due date and order the return of the Grant (or any portion thereof) that has already been provided.

24. In the event that the Grant Project has been completed and the amount of the Grant to be provided to a Grantee has been finalized, and if the amount of the Grant already remitted by the Foundation exceeds the amount finalized after the completion of the Grant, the Foundation shall set a due date and order the return of any amount exceeding the finalized amount of the Grant.

(Additional Charges and Late Payment Charges)

25. If the Grantee is ordered to return the Grant due to any measure taken under Paragraph 21, the Grantee must pay the Foundation an additional charge that shall be calculated at an annual rate of 10.95% of the Grant from the date of receipt of the Grant that the Grantee is ordered to return until the date of repayment of such Grant (or if any part of such Grant is repaid, the additional charge calculated at said annual rate with regard to the outstanding amount remaining after the deduction of any returned amount for the period from the repayment of the returned amount until the full repayment of the Grant).

26. If a Grantee who has been ordered to return the Grant fails to return such Grant by the due date, the Grantee must pay the Foundation a late payment charge, which shall be calculated at an annual rate of 10.95% of the outstanding amount of the Grant from the date immediately following the due date of repayment of the Grant.

(Suspension, etc., of Other Grants)

27. If a Grantee who has been ordered to return a Grant fails to repay the Grant, or any additional charge or late payment charge related thereto in whole or in part, and if any other Grant is to be provided

to the same Grantee for any other Grant Project, the Foundation may temporarily suspend the provision of such Grant for a reasonable period, or set off the amount of such Grant against any outstanding amount of the original Grant.

(Inspections, etc.)

28. The Foundation may request the Grantee to submit a report, or have an officer, employee or other representative of the Foundation examine the account books and other items at the office, etc., of the Grantee, or ask questions of the parties concerned at any time if it is deemed necessary for ensuring the proper execution of the Grant Project.

(Dissolution, etc., of the Grantee)

29. When the Grantee is dissolved, wound up, or shut down upon completion of the Grant Project, the representative of the Grantee shall report such dissolution, etc. to the Foundation and notify the Foundation of the representative's contact address thereafter.

30. If the Grantee is dissolved, wound up, or shut down upon completion of the Grant Project, the representative of the Grantee shall perform in good faith the Grantee's obligation based on the substance of the decision to provide the Grant or any of the conditions attached hereto.

(Handling of Personal Information and Disclosure of Information)

31. The Foundation may use personal information relating to the Grant Project in accordance with relevant laws.

32. The Foundation may make public the name of the Grantee and other details of the Grant Project, including but not limited to personal information such as names, occupations and positions of persons involved in the Grant Project, in the Foundation's annual reports, website and other public-relations materials.

33. The Foundation may make public any publications, brochures, or

public-relations materials submitted to the Foundation by the Grantee in accordance with Paragraph 1-(9) and Paragraph 16 or voluntarily in the Foundation's Library and other Foundation's facilities and put the Materials to public use.

34. When the Foundation receives a request for information based on relevant laws, the Foundation discloses application forms, reports and other materials submitted by the Grantee in accordance with relevant laws.

(Jurisdiction)

35. Any controversy or claim arising out of or relating to the decision to provide the Grant or the conditions attached thereto, or the breach thereof, shall be submitted to the exclusive jurisdiction of the Tokyo District Court of Japan.

(Application of the Act on Regulation of Execution of the Budget with regard to Subsidy)

36. When the Grant Project is carried out in Japan or any work related to the Grant Project arises in Japan, the Act on Regulation of Execution of the Budget with regard to Subsidy (Act No.179 of August 27, 1955) and the Order for Enforcement of the same (Cabinet Order No. 255 of September 26, 1955), which shall be applied mutatis mutandis under Article 13 of the Law of the Japan Foundation Independent Administrative Institution (Law No. 137 of December 6, 2002), as well as the decision to provide the Grant and the conditions attached to such decision, apply to the provision of the Grant.

(Governing Laws)

37. The decision to provide the Grant or the conditions attached thereto shall be governed by and construed and enforced in all respects in accordance with the laws of Japan.