

Terms of Service for the AI Image Analysis Service “GeXeL”

Chapter 1. General Provisions

Article 1 (Purpose and Scope)

1. These Terms of Service (hereinafter, “the Terms”) set forth the conditions under which a customer (hereinafter, “the Subscriber”) who has entered into a service agreement (hereinafter, “the Agreement”) with KNiT Inc. (hereinafter, “the Company”) may use the Company’s AI image analysis service “GeXeL” (hereinafter, “the Service”).
2. These Terms constitute the entire agreement between the Subscriber and the Company regarding the Service. Neither party shall bear any obligations or liabilities beyond those expressly stated herein.
3. These Terms apply solely to Subscribers who have entered into an Agreement directly with the Company. If a Subscriber has entered into a separate agreement with a distributor, reseller, or other intermediary (hereinafter, “Distributor”), these Terms shall not apply; instead, the relationship shall be governed by the contract concluded between the Subscriber and such Distributor. The Company shall bear no responsibility for the Subscriber’s use of the Service under such third-party agreements.

Article 2 (Definitions)

1. Subscriber / Applicant: Any person or entity who applies for, or has entered into, the Agreement with the Company upon accepting these Terms.
2. AI Model: The trained artificial intelligence model(s) provided by the Company.
3. Agreement: The contract for use of the Service entered into between the Subscriber and the Company.
4. Subscriber Equipment: Computers, telecommunications equipment, software, and other systems prepared by the Subscriber to access the Service.
5. Service Infrastructure: The computers, communication lines, servers, software, and related facilities operated or leased by the Company for provision of the Service.
6. User ID: A code assigned to identify the Subscriber or authorized personnel.
7. Password: A code used in conjunction with the User ID for authentication.

Chapter 2. Registration

Article 3 (Application for Agreement)

1. The Agreement shall be deemed concluded when the Applicant submits an online application via the Company's designated website and receives confirmation of acceptance from the Company. Submission of the application constitutes full acceptance of these Terms.
2. The Company reserves the right to reject an application at its discretion if any of the following applies:
 - (1) False or inaccurate information is provided.
 - (2) There is reason to believe the Applicant may fail to pay fees.
 - (3) Technical difficulties prevent provision of the Service.
 - (4) The Applicant has previously violated agreements with the Company.
 - (5) The Applicant breaches any representation under Article 10 (Exclusion of Antisocial Forces).
 - (6) The Applicant operates or is affiliated with a business directly or indirectly competing with the Company.
 - (7) The Company deems the application inappropriate for any other reason.
3. If any information provided in the application changes, the Subscriber shall promptly notify the Company pursuant to Article 11 (Notification of Changes).

Chapter 3. Service Content

Article 4 (Scope of the Service)

1. The type, content, and pricing of the Service shall be as set forth in the Service Specification provided by the Company.
2. The Subscriber acknowledges and agrees that:
 - (1) The Service may experience malfunctions not attributable to the Company, as specified in Article 19 (Disclaimer and Limitation of Liability).
 - (2) The Company shall bear no liability for defects or failures of the Service not caused by the Company.

Chapter 4. Conditions of Use

Article 5 (Restrictions on Use)

1. All software, content, and related materials provided by the Company are protected by copyright and intellectual property laws. Unless otherwise permitted in writing, the Subscriber shall not resell,

sublicense, reproduce, modify, decompile, disassemble, reverse-engineer, or otherwise commercially exploit any portion of the Service.

2. The Subscriber acknowledges that the Service is not designed for use in applications requiring extreme reliability or safety—such as nuclear control systems, aviation control, air traffic management, medical life-support equipment, or weapon systems. The Company shall not be liable for any damages arising from such unauthorized use.

Article 6 (Subscriber's Equipment and Responsibility)

1. The Subscriber shall, at its own cost and responsibility, prepare and maintain the Subscriber Equipment in accordance with the Service Specification.

2. Internet connectivity required for Service use shall be secured by the Subscriber at its own cost.

3. The Company bears no obligation to provide the Service in cases of malfunction or insufficiency in the Subscriber's environment or connection.

Article 7 (Management of User ID and Password)

1. The Subscriber shall manage and safeguard its User ID and Password and shall not lend, transfer, sell, or share them with any third party.

2. The Subscriber shall be solely responsible for any loss or damage resulting from inadequate management, misuse, or third-party use of its credentials. The Company shall bear no liability.

Article 8 (Data Management)

1. The Subscriber shall back up any data deemed important at its own responsibility and expense.

2. Upon termination of the Agreement, the Subscriber will lose access to all data stored via the Service.

Article 9 (Prohibited Acts)

1. The Subscriber shall not engage in any of the following acts when using the Service:

(1) Infringement of intellectual property, privacy, or other rights of the Company or third parties.

(2) Transmission of computer viruses or harmful code.

(3) Interference with the operation of the Service.

(4) Alteration or deletion of accessible data.

- (5) Impersonation of the Company or third parties.
 - (6) Actions that disrupt the Service infrastructure.
 - (7) Criminal, unlawful, or immoral conduct.
 - (8) Any act the Company deems inappropriate.
2. The Company may, without prior notice, suspend access and/or delete data, where necessary, without prior notice in the event of violation, and shall not be liable for resulting losses.
 3. The Subscriber shall resolve, at its own cost and responsibility, any claim or dispute brought by the Company or third parties arising from the Subscriber's acts.
 4. If the Subscriber causes damage to the Company in connection with use of the Service or breach of these Terms, the Subscriber shall compensate the Company for such damage.

Article 10 (Exclusion of Antisocial Forces)

1. Both parties represent and warrant that neither they nor their officers or employees are, or will become, members of any antisocial forces (including, without limitation, organized crime groups or equivalent entities), and that they have no relationship and will not have any relationship with such forces.
2. If either party breaches this representation, the other may immediately terminate the Agreement without prior notice. The breaching party shall have no claim for damages resulting from such termination.

Article 11 (Change of Subscriber Information / Termination by Subscriber)

1. The Subscriber shall notify the Company in writing or through designated means at least five (5) days before any change in corporate name, address, or contact details necessary for the provision of the Service.
2. The Subscriber may terminate the Agreement by submitting a termination request to the Company at least five (5) days prior to the desired termination date, after the minimum subscription period has elapsed. The Agreement shall terminate when the Company deletes the Subscriber's access rights.
3. The Company shall not be liable for any loss incurred due to the Subscriber's failure to notify changes.

Chapter 5. Information Management

Article 12 (Personal Information)

1. The Company handles personal information in compliance with applicable laws and standards and maintains appropriate safeguards.

2. Personal information may be used for the following purposes:

- (1) Customization of content for Subscribers;
- (2) Improvement and development of the Service;
- (3) Understanding Service usage and operational status;
- (4) Use of anonymized, non-identifiable statistical information.

3. The Company maintains an internal control framework and takes reasonable security measures to prevent unauthorized access, loss, destruction, alteration, or leakage.

4. Except as provided below, the Company will not disclose personal information to third parties without the individual's consent:

- (1) Where the individual has consented;
- (2) Where disclosure to a subcontractor is necessary to achieve the stated purposes and such subcontractor is bound by confidentiality obligations;
- (3) Where disclosure is required by law or regulation.

5. Personal information may be entrusted to service providers solely to the extent necessary to deliver services to the individual, under appropriate supervision.

6. The Company implements reasonable security controls to prevent leakage, tampering, loss, or damage, and will dispose of personal information when retention is no longer necessary.

Article 13 (Confidential Information)

1. "Confidential Information" means all data, materials, and records that the Subscriber uses, creates, or stores through the Service. Secret-marked documents, diagrams, communication records (including emails), electronic media (such as USB drives or CD-ROMs), samples, and orally disclosed information designated as confidential are included.

2. Confidential Information does not include information that:

- (1) Was already in the recipient's possession at the time of disclosure;
- (2) Was public at the time of disclosure;
- (3) Becomes public through no fault of the recipient after disclosure;
- (4) Is independently developed without use of the Confidential Information;
- (5) Is lawfully obtained from a third party without confidentiality obligations;

(6) Has been irreversibly transformed (e.g., creation of AI models via neural networks, encryption, or conversion into non-identifiable statistics).

3. The Company shall not provide, disclose, or leak Confidential Information to third parties without the Subscriber's consent and shall limit internal access to personnel with a need to know.

4. Notwithstanding the foregoing, the Company may disclose Confidential Information to third parties upon notice to the Subscriber if:

(1) Disclosure is compelled by law;

(2) Disclosure is made to attorneys, CPAs, or other professionals bound by legal confidentiality obligations to the extent necessary;

(3) The Company outsources all or part of the Service or related operations to third parties under written confidentiality obligations equivalent to those herein.

5. The Subscriber authorizes the Company to use Confidential Information, to the extent necessary, for: (i) customized content; (ii) Service improvement and development; (iii) understanding usage and operations; and (iv) creating non-identifiable statistical information.

6. Upon termination of the Agreement or the Service, the Company shall promptly return, delete, or destroy Confidential Information at the request of the other party; provided, however, that secondary outputs such as AI models, training datasets, and derivative databases generated within the Service in a non-identifiable, statistical form need not be returned or deleted.

7. The Subscriber acknowledges and agrees that the Company may provide the Service to other users utilizing such secondary outputs (e.g., AI models, training datasets, and databases) generated within the Service, and shall not object to such use.

Chapter 6. Modifications, Suspension, and Termination

Article 14 (Modification of Terms)

1. The Company may amend or supplement these Terms without prior consent of the Subscriber.

2. In the event of amendment, the Company shall give notice via the Service platform or by email at least one (1) month prior to the effective date.

Article 15 (Suspension or Discontinuation)

1. The Company may suspend or discontinue all or part of the Service without prior notice if: (i) scheduled or emergency maintenance is required; (ii) systems or networks fail; (iii) operation becomes impossible due to force majeure such as fire, power outage, or natural disasters; or (iv) the Company otherwise deems suspension necessary.

2. The Company may, for its own reasons, perform periodic maintenance, suspend or discontinue the Service, or add, change, or discontinue features, with prior notice to the Subscriber when practicable.
3. The Company shall not be liable for any loss or damage arising from actions taken under this Article.

Article 16 (Termination by the Company)

1. The Company may temporarily suspend the Service or cancel the Subscriber's registration without prior notice or demand if:

- (1) The Subscriber breaches any provision of these Terms;
- (2) Any false information is discovered in the registration;
- (3) The Subscriber becomes insolvent or files for, or is subject to, bankruptcy, reorganization, or similar proceedings;
- (4) The Service remains unused for twelve (12) months and the Subscriber fails to respond to the Company's communications;
- (5) The Company deems continued use inappropriate.

2. Upon any of the above events, all obligations owed by the Subscriber to the Company shall immediately become due and payable.

3. The Company shall not be liable for any loss arising from measures taken under this Article.

Chapter 7. Miscellaneous

Article 17 (Subcontracting)

1. The Company may, under its responsibility, subcontract all or part of the operations related to the Service (including maintenance and updates) to third parties.

2. Where subcontracted, the Company shall remain responsible for selection, supervision, and the results of the subcontractor's work and shall avoid causing inconvenience to the Subscriber.

Article 18 (Intellectual Property Rights)

1. The Subscriber warrants that any images or materials used with the Service are owned or properly licensed by the Subscriber. The Subscriber shall resolve, at its own cost and responsibility, any dispute arising between the Company and third parties due to unlicensed use, and shall hold the Company harmless.

2. If the Company creates inventions, designs, or other works using or by reference to Confidential Information, the ownership of intellectual property rights (including rights under Articles 27 and 28 of the Japanese Copyright Act) shall be determined through consultation between the Company and the Subscriber; provided, however, that “direct use or reference” shall not include secondary outputs such as AI models, training datasets, and derivative databases generated within the Service.

Article 19 (Disclaimer and Limitation of Liability)

1. The Service is provided “As Is.” The Company makes no warranties, express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, completeness, or continuity.

2. The Subscriber shall, at its own cost and responsibility, verify compliance of its use of the Service with applicable laws and industry rules; the company provides no warranty of such compliance.

3. The Company shall not be liable for damages arising from, among others: (i) force majeure; (ii) internet performance such as response times; (iii) intrusion by malware not yet addressed by third-party antivirus providers; (iv) unauthorized access or attacks that could not reasonably be prevented; (v) hardware or software not manufactured by the Company; (vi) acts of subcontractors where the Company is not at fault in selection or supervision; (vii) planned outages or maintenance; (viii) failures not caused by the Company’s willful misconduct or gross negligence; or (ix) other causes beyond the Company’s reasonable control.

4. In any case, the Company’s aggregate liability to the Subscriber for damages in connection with the Service or the Agreement shall be limited to direct and ordinary damages caused by the Company’s negligence and shall not exceed the total amount of Service fees actually received from the Subscriber for the one (1) month immediately preceding the event giving rise to liability.

5. The Subscriber shall, at its own cost and responsibility, resolve any third-party claims arising from the Subscriber’s use of the Service and shall hold the Company harmless. The same applies if the Subscriber suffers damages attributable to third parties or brings claims against third parties in connection with the Service.

6. Content transmitted or provided by the Subscriber using the Service is the Subscriber’s sole responsibility. The Company does not warrant such content and shall have no liability arising from it.

Article 20 (Notices)

1. Unless otherwise provided, notices from the Company to the Subscriber may be given by email, in writing, or by posting on the Service platform, at the Company’s discretion.

Article 21 (No Assignment)

1. The Subscriber shall not assign, transfer, pledge, or otherwise dispose of its contractual status, or any rights or obligations under these Terms, to any third party without the Company's prior written consent.

Article 22 (Governing Law and Jurisdiction)

1. These Terms shall be governed by and construed in accordance with the laws of Japan, without regard to its conflict of laws principles.

2. Any dispute, controversy, or claim arising out of or relating to these Terms or the Service shall be finally settled by arbitration administered by the Japan Commercial Arbitration Association (JCAA) in accordance with its Commercial Arbitration Rules. The seat of arbitration shall be Tokyo, Japan. The language of the arbitration shall be English. The arbitral award shall be final and binding upon the parties and may be enforced in any court of competent jurisdiction.

3. Notwithstanding the foregoing, either party may seek interim or injunctive relief before the Tokyo District Court to protect its rights or confidential information; any such application shall not be deemed incompatible with, or a waiver of, this agreement to arbitrate.