(iii) the customs duties shall be reduced to 5.7 percent *ad valorem* or 125 yen per liter, whichever is less, subject to a minimum duty of 25.52 yen per liter, on April 1 of Year 3;

(iv) the customs duties shall be reduced to 4.2 percent *ad valorem* or 125 yen per liter, whichever is less, subject to a minimum duty of 19.14 yen per liter, on April 1 of Year 4;

(v) the customs duties shall be reduced to 2.8 percent *ad valorem* or 125 yen per liter, whichever is less, subject to a minimum duty of 12.76 yen per liter, on April 1 of Year 5;

(vi) the customs duties shall be reduced to 1.4 percent *ad valorem* or 125 yen per liter, whichever is less, subject to a minimum duty of 6.38 yen per liter, on April 1 of Year 6; and

(vii) these originating goods shall be duty-free effective April 1 of Year 7;

(n) customs duties on originating goods provided for in the items in staging category B9 shall be eliminated as follows:

(i) the customs duties shall be reduced by two ninths of the base rate on the date of entry into force of this Agreement; and

(ii) the customs duties shall be eliminated from the level calculated, without rounding, in subparagraph (i) in seven annual stages beginning on April 1 of Year 2, and these originating goods shall be duty-free effective April 1 of Year 8;

(o) customs duties on originating goods provided for in the items in staging category JPB10* shall be eliminated as follows:

(i) the customs duties shall be reduced to 2.2 percent *ad valorem*, and further reduced by one ninth of that resulting rate, on the date of entry into force of this Agreement; and

(ii) the customs duties shall be eliminated from the level calculated, without rounding, in subparagraph (i) in eight annual stages beginning on April 1 of Year 2, and these originating goods shall be duty-free effective April 1 of Year 9;

(p) customs duties on originating goods provided for in the items in staging category B11 shall be eliminated as follows:

(i) the customs duties shall be reduced by two elevenths of the base rate on the date of entry into force of this Agreement; and

(ii) the customs duties shall be eliminated from the level calculated, without rounding, in subparagraph (i) in nine annual stages beginning on April 1 of Year 2, and these originating goods shall be duty-free effective April 1 of Year 10;

(q) customs duties on originating goods provided for in the items in staging category JPB11* shall be:

(i) from the date of entry into force of this Agreement until March 31 of Year 9, the difference between:

(A) the sum of:

(1) the value per kilogram obtained by multiplying the value for customs duty per kilogram by the Coefficient; and

(2) the value per kilogram set out in Column 2 of the table below; and

for the purposes of this subparagraph, the Coefficient shall be the difference between:

(3) 100 percent plus the rate set out in Column 3 of the table below; and

(4) the value obtained by dividing the value per kilogram set out in Column 2 of the table below by 897.59 yen; and

1	2	3
Year	Value per kilogram (yen)	Percent (%)
1	269.50	3.7
2	231.13	3.2
3	192.75	2.7
4	154.38	2.2
5	128.65	1.8
6	102.91	1.4
7	77.19	1.1
8	51.46	0.7
9	25.72	0.3

(B) the value for customs duty per kilogram; and