(c) produced entirely in one or both of the Parties, using non-originating materials provided such materials satisfy the applicable change in tariff classification requirement under the Product-Specific Rules of Origin set forth in paragraphs 17 through 19 and the table below,

and the good satisfies all other applicable requirements of these Rules of Origin and Origin Procedures.

3. The United States shall provide that for the purposes of paragraph 2, a good is wholly obtained or produced entirely in one or both of the Parties if it is:

(a) a plant or plant good, grown, cultivated, harvested, picked, or gathered there;

(b) a live animal born and raised there;

(c) a good obtained from a live animal there;

(d) an animal obtained by hunting, trapping, fishing, gathering, or capturing there;

(e) a mineral or other naturally occurring substance, not included in subparagraphs (a) through (d), extracted or taken from there; and

(f) a good produced there, exclusively from goods referred to in subparagraphs (a) through (e), or from their derivatives.

4. (a) Except as provided in subparagraph (c), for a good listed in the Tariff Schedule of the United States, the United States shall provide that a good that contains non-originating materials that do not satisfy the applicable change in tariff classification requirement specified in the Product-Specific Rules of Origin set forth in paragraphs 17 through 19 and the table below is nonetheless an originating good of Japan if the value of all such materials does not exceed 10 percent of the value of the good and the good meets all the other applicable requirements of these Rules of Origin and Origin Procedures.

(b) Subparagraph (a) applies only when using a non-originating material in the production of another good.

(c) Subparagraph (a) does not apply to non-originating materials of headings 04.01 through 04.06, or non-originating dairy preparations containing over 10 percent by dry weight of milk solids of subheading 1901.90, used in the production of goods of heading 21.05.

5. For a good listed in the Tariff Schedule of the United States, the United States shall provide that a fungible good or material is originating if:

(a) when originating and non-originating fungible materials are used in the production of a good, the determination of whether the materials are originating is made on the basis of an inventory management method recognized in the Generally Accepted Accounting Principles of, or otherwise accepted by, the Party in which the production is performed; or

(b) when originating and non-originating fungible goods are commingled and exported in the same form, the determination of whether the goods are originating is made on the basis of an inventory management method recognized in the Generally Accepted Accounting Principles of, or otherwise accepted by, the Party from which the production is exported.

6. The inventory management method selected under paragraph 5 must be used throughout the fiscal year of the producer or the person that selected the inventory management method.

7. For a good listed in the Tariff Schedule of the United States, the United States shall provide that the following materials shall be disregarded in determining whether a good is wholly obtained, or satisfies a process or change in tariff classification requirement as set out in the Product-Specific Rules of Origin set forth in paragraphs 17 through 19 and the table below:

(a) packaging materials and containers in which a good is packaged for retail sale that are classified with the good;

(b) packing materials and containers for shipment;

(c) accessories, spare parts, tools, or instructional or other information materials that are customary for the good and that are classified and delivered with, but not invoiced separately from, the good; and

(d) an indirect material used in the production, testing, or inspection of a good but not physically incorporated into the good, or an indirect material used in the maintenance of buildings or the operation of equipment associated with the production of a good.

8. The United States shall provide that for a set classified in the Tariff Schedule of the United States as a result of the application of rule 3 of the General Rules for the Interpretation of the Harmonized System, the set is originating only if each good in the set is originating and both the set and the goods meet the other applicable requirements of these Rules of Origin and Origin Procedures.

9. Notwithstanding paragraph 8, for a set classified as a result of the application of rule 3 of the General Rules for the Interpretation of the Harmonized System, the set is originating if the value of all the non-originating goods in the set does not exceed 10 percent of the value of the set.