(i) 29.3 percent or 22.62 yen per kilogram, whichever is the greater, as from the date of entry into force of this Agreement;

(ii) 28.8 percent or 22.23 yen per kilogram, whichever is the greater, as from the first day of the second year;

(iii) 28.3 percent or 21.85 yen per kilogram, whichever is the greater, as from the first day of the third year;

(iv) 27.8 percent or 21.47 yen per kilogram, whichever is the greater, as from the first day of the fourth year;

(v) 27.3 percent or 21.08 yen per kilogram, whichever is the greater, as from the first day of the fifth year; and

(vi) 26.8 percent or 20.70 yen per kilogram, whichever is the greater, as from the first day of the sixth year.

3. For the purposes of the elimination or reduction of customs duties in accordance with this Part, any fraction less than 0.1 of a percentage point shall be rounded to the nearest one decimal place (in the case of 0.05 percent, the fraction is rounded to 0.1 percent) in the cases of ad valorem duties, and any fraction smaller than 0.01 of the official monetary unit of Japan shall be rounded to the nearest two decimal places (in the case of 0.005, the fraction is rounded to 0.01) in the cases of specific duties. This shall not apply to the case of customs duties on originating goods classified under subheading 0703.10 that are derived from the difference between the value for customs duty and the value specified in Column 3 of the Schedule of Japan, in Section 2 of this Part.

4. For the purposes of implementing a tariff rate quota, where the first year is less than 12 months, the aggregate quota quantity for the first year set out in this Section shall be reduced to a part of the aggregate quota quantity that is proportional to the number of complete months remaining in the first year. For the purposes of this notes, any fraction less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction is rounded to 1.0), provided that the unit specified in relevant notes in this Section shall be applied.

Section 2
Schedule of Japan

Column 1	Column 2	Column 3	Column 4	Column 5
Tariff item number	Description of goods	Base Rate	Category	Note
Chapter 1	Live animals			
01.01	Live horses, asses, mules and hinnies.			
0101.10	- Pure-bred breeding animals:			
	Horses:			
	Certified as being those other than Thoroughbred, Thoroughbred-grade, Arab, Anglo-Arab or Arab-grade horses (hereinafter referred to as "light-breed horses") in accordance with the provisions of a Cabinet Order		A	
	Other:			
	"Light-breed horses" certified as being those used for purposes other than horse-race and as being not pregnant in accordance with the provisions of a Cabinet Order		A	
	Other		X	
	Asses, mules and hinnies		A	
0101.90	- Other:			
	Horses:			
	Certified as being those other than "light-breed horses" in accordance with the provisions of a Cabinet Order		A	
	Other:			
	"Light-breed horses" certified as being those used for purposes other than horse-race and as being not pregnant in accordance with the provisions of a Cabinet Order		A	
	Other		X	
	Asses, mules and hinnies		A	
01.02	Live bovine animals.			
0102.10	- Pure-bred breeding animals		A	
0102.90	- Other:			