(AA) The in-quota rate of Customs Duties on the originating goods indicated with one asterisk ("*") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year 2003 by 10 percent of that most-favored-nation applied rate.

(BB) The in-quota rate of Customs Duties on the originating goods indicated with two asterisks ("**") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year 2003 by 20 percent of that most-favored-nation applied rate.

(CC) The in-quota rate of Customs Duties on the originating goods indicated with three asterisks ("***") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year 2003 by 40 percent of that most-favored-nation applied rate.

(d) In accordance with subparagraph 3(a)(i) of Article 5, the Parties shall negotiate in the eleventh year (2015) the aggregate quota quantity of the tariff rate quota and in-quota rate of Customs Duties after the twelfth year (2016), taking into consideration among others, the quota quantity during the twelfth year (2016) and records of trade between the Parties. In the absence of agreement between the Parties and until such an agreement is reached as a result of the negotiation, the aggregate quota quantity and in-quota rate of Customs Duties for the twelfth year (2016) shall be applied.

3. With regard to subparagraphs (a), (b) and (d) of Note 2 of Section 2 of Annex 1 of the Agreement, Japan shall apply a tariff rate quota for originating goods specified in the Schedule of Japan subject to the following:

(a) From the eighth year (2012) to the twelfth year (2016), the aggregate quota quantity shall be as follows, respectively:

(i) 83,000 metric tons for the eighth year (2012);

(ii) 86,000 metric tons for the ninth year (2013);

(iii) 90,000 metric tons for the tenth year (2014);

(iv) 90,000 metric tons for the eleventh year (2015); and

(v) 90,000 metric tons for the twelfth year (2016).

(b) The in-quota rate of Customs Duties applied during the period from the eighth year (2012) to the twelfth year (2016) shall be as follows:

(i) The in-quota rate of Customs Duties on the originating goods indicated with one asterisk ("*") in the Column 2, of which value for Customs Duty per kilogram is not more than 53.53 yen, shall be 482 yen per kilogram. The in-quota rate of Customs Duties on the originating goods indicated with one asterisk ("*") in the Column 2, of which value for Customs Duty per kilogram is more than 53.53 yen but not more than the value obtained by dividing 535.53 yen by 1.022, shall be the difference between 535.53 yen per kilogram and the value for Customs Duty per kilogram. The in-quota rate of Customs Duties on the originating goods indicated with one asterisk ("*") in the Column 2, of which value for Customs Duty per kilogram is more than the value obtained by dividing 535.53 yen by 1.022, shall be 2.2 percent.