

PRODUCER AGREEMENT

This AGREEMENT is made and entered into this first day of April, 2018,
BY AND BETWEEN

hereinafter referred to as "Company"
AND

hereinafter referred to as "Producer"

NOW AND THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

Article 1 (Scope of Agreement)

Company hereby engages Producer as a producer to make the sound recordings of twelve (12) songs (hereinafter referred to as "Master Recordings") to be recorded by an artist known as Chosaku Kenzo (hereinafter referred to as "Artist"). Producer hereby accepts such engagement on the terms and conditions set forth in this Agreement.

Article 2 (Intellectual Property Rights)

Producer shall assign the all rights in and to the Master Recordings including but not limited to Producer's performances solely and exclusively to Company. Producer expressly understands and agrees that all rights in and to the Master Recordings throughout the world hereunder belong solely and exclusively to Company in perpetuity. Accordingly, Company shall have the exclusive right to exploit the Master Recordings, including but not limited to Producer's performances therein, upon any terms and in any means or media whatsoever whether now known or hereafter developed. Nothing contained herein shall be deemed to obligate Company to use or exploit the Master Recordings, which Company may do at Company's sole discretion. For purposes of clarification, Company's rights shall include the worldwide exclusive rights in perpetuity to re-edit, re-mix, sweeten, re-couple or otherwise alter the Master Recordings.

Article 3 (Recording Costs)

- (a) Company shall pay the total recording costs of US\$ _____ to Producer. Producer shall pay and be responsible for all costs of rehearsal and of recording the Master Recordings including but not limited to all instrument and studio hire and rental, tapes, cartage and transportation, musician's fees and related expenses, engineering and arranger's costs, editing and mixing costs and all other costs customarily considered as recording costs in the phonograph record industry.
- (b) Notwithstanding the foregoing, for the avoidance of any doubt, Producer shall not be responsible for payment of any remuneration due to Artist.
- (c) It is understood that the above payment for recording costs is neither returnable nor recoupable.

Article 4 (Delivery)

- (a) Producer shall deliver to Company the Master Recordings at the Producer's sole expense in a format designated by Company on or before December 31, 2018.
- (b) If Company, in its sole discretion, reasonably deems the Master Recordings delivered by Producer to be unacceptable in form and substance, then Company shall promptly advise Producer by written notice, and Producer shall cure any defects and generally revise and correct the Master Recordings to the reasonable satisfaction of Company, and shall deliver fully revised and corrected Master Recordings promptly after receipt of Company's notice.

- (c) If Producer fails to deliver the Master Recordings required hereunder on the dates reasonably designated by Company, or if Producer fails to do so in a form and substance reasonably satisfactory to Company, then Company shall have the right to terminate this Agreement by so informing Producer by letter sent by certified mail, return receipt requested, to the address of Producer set forth herein. Upon termination by Company, Producer shall, without prejudice to any other right or remedy of Company, immediately repay Company any sums previously paid to Producer, and upon such repayment, all rights granted to Company under this Agreement shall revert to Producer.

Article 5 (Royalty)

For services of Producer rendered hereunder and for the rights granted by Producer to Company herein, Company agrees to pay the following royalties to Producer during the term of protection for the Master Recordings:

- (a) With respect to distribution of records made hereunder in Japan, Company shall pay Producer a royalty of two percent (2%) of the retail price of records less sales taxes, duties and the packaging deductions which are ten percent (10%) of the retail price for all configurations of records. This royalty will be paid for ninety (90%) of all records manufactured and shipped out for sale including returns.
- (b) With respect to records not consisting entirely of the Master Recordings, the royalty rate shall be pro-rated based upon the number of sound recordings included in records.
- (c) With respect to audio-visual product, the royalty rate shall be one-half (1/2) and section (b) of this Article shall be applicable. Notwithstanding the foregoing, with respect to the promotional video embodying the Master Recordings, the royalty rate shall be applicable to section (a) of this Article.
- (d) In the event that Company licenses a third party to exploit the Master Recordings, Company shall pay Producer ten percent (10%) of the license fee received from the third party under such license.
- (e) In case of digital downloads and/or streaming service of Master Recordings provided by Company, Company shall pay Producer a royalty of four percent (4%) of the retail price or the service price less any applicable tax for the number of downloads and/or streaming.
- (f) No royalty shall be payable to Producer in respect of records distributed as "sample" or "free" records.

Article 6 (Advance Payment)

Company shall pay Producer US\$ _____ (including withholding tax or other deduction if lawfully applicable) as a non-returnable advance payment against and recoupable from royalties becoming payable to Producer pursuant to Article 5 hereof.

Article 7 (Royalty Payment)

- (a) Royalty payment by Company to Producer hereunder shall be made in U.S. Dollars (US\$) converted at the exchange rate, current at the date of each payment semi-annually, within sixty (60) days following June 30th and December 31st, of each year, and each payment shall be accompanied by a statement.
- (b) In the event Producer changes the bank account and/or the notice address, Producer shall immediately give written notice to Company. If Producer should fail to send notice to Company, Company shall be exempt from payment obligation hereunder until Producer sends such notice to Company.
- (c) In the event royalty payment hereunder is less than Ten Thousand Japanese Yen (JYE10,000), Company may withhold and carry the balance of such payment to the above account.

Article 8 (Name and Likeness)

Producer shall grant to Company the perpetual, worldwide, but non-exclusive right to use and publish and to permit others to use and publish Producer's names (including any professional names), likenesses, signatures and biographical materials in connection with the exploitation of the Master Recordings hereunder.

Article 9 (Representations and Warranties)

Producer represents and warrants the following hereunder:

- (a) Producer is legally free to enter into this Agreement, and Producer will perform all of Producer's obligations, duties, commitments and covenants hereunder;
- (b) all materials, arrangements and other content provided by Producer hereunder are (a) wholly original

- works, owned by Producer, or else (b) used pursuant to a valid, transferable right, free and clear of all encumbrances, payments and fees, and Company's full use of such material, arrangements, and other content will not in any way violate or infringe upon any copyright or any other right of any person, firm or corporation;
- (c) Producer shall indemnify and hold harmless Company from and against all actual losses, liabilities, damages, deficiencies, costs or expenses (including reasonable attorneys' fees) reasonably attributable to the breach of any representation or warranty or any other obligations of Producer contained herein.

Article 10 (Sample Records)

Company shall supply to Producer ten (10) copies of finished product reproducing any of the Master Recordings in all formats free of charge promptly after manufacture.

Article 11 (Good Faith Consultation)

Any matters not addressed in this Agreement, or any doubt or uncertainty with respect to this Agreement, shall be resolved through good faith consultation between the Parties hereto.

Article 12 (Force Majeure)

Neither party shall be liable to the other party for any delay or failure in performing its obligations hereunder due to causes beyond its reasonable control, including but not limited to act of God, acts of government or governmental authorities, compliance with law, regulations or orders, fire, storm, flood or earthquake, war (declared or not), rebellion, revolution, or riots, or strike or lockouts.

Article 13 (Termination)

If either party defaults in the performance of this Agreement, the non-defaulting party shall have the right to terminate this Agreement by written notice. Termination of the Agreement shall not affect the rights or the remedies available to the non-defaulting party.

Article 14 (Entire Agreement)

This Agreement sets forth the entire understanding and agreement between the parties as to the matters covered herein, and supersedes and replaces any prior undertaking, statement of intent or memorandum of understanding, in each case, written or oral.

Article 15 (Governing Law and Jurisdiction)

The parties hereby consent to and confer exclusive jurisdiction upon Tokyo District Court over any disputes arising out of or relating to this Agreement. This Agreement is governed by and construed in accordance with the laws of Japan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Company

Producer