

PRODUCER AGREEMENT

AGREEMENT dated the 1st of April 2011
BY AND BETWEEN

hereinafter referred to as “Company”

AND

hereinafter referred to as “Producer”

FOR AND IN CONSIDERATION of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1. Company hereby engages Producer as a producer to make the sound recordings of twelve (12) songs (hereinafter referred to as “Masters”) to be recorded by an artist known as Chosaku Kenzo (hereinafter referred to as “Artist”). Producer agrees to render his services to the best of his ability in accordance with accepted standards of performances for producers in the record industry.

2. (a) Producer shall assign the all rights to the Masters including Producer’s performances exclusively to Company. Therefore all masters and other recordings, if any, produced hereunder and all records and reproductions made therefrom, together with the performances embodied thereon, shall be entirely Company’s property, free from any claim whatsoever by Producer or by any person deriving any rights or interests through or from Producer and Company shall have the unlimited rights to use, exploit, convey, lease, license or otherwise dispose of the Masters or any part of them or refrain therefrom as Company in its sole discretion deems appropriate.

(b) Without limitation of the foregoing, Company and/or Company’s subsidiaries, affiliates and licensees shall have the worldwide rights in perpetuity to make records or other reproductions of the performances embodied in the Masters by any method now or hereafter known, to sell, exploit and deal under any trademarks, trade names or labels, to perform the records or other reproductions publicly and to permit the public performances there by radio broadcast, television, digital transmission or any other methods now or hereafter known, or permit others to do any or all of the foregoing, or Company may at its selection refrain from any or all of the foregoing. Company also shall have the worldwide exclusive right in perpetuity to re-edit, re-mix, sweeten, re-couple or otherwise alter the Masters.

(c) Producer grants to Company the right to use and publish and to permit others to use and publish Producer’s name, photograph (including any photographs taken by Company in recording studios during recording sessions of this project), likeness and biographic materials in connection with the exploitation of the Masters recorded hereunder.

3. (a) Producer represents and warrants:

(i) Producer is not under any disability, restriction or prohibition, whether contractual or otherwise, with respect to his right to execute this Agreement and perform its terms and conditions;

(ii) all materials and arrangements provided by Producer hereunder are wholly original or free for use hereunder and Company's full use of such material and arrangements will not in any way violate or infringe upon any copyright or any other right of any person, firm or corporation;

(b) Company represents and warrants that Company is under no disability, restriction or prohibition, whether contractual or otherwise, with respect to its right to execute this Agreement and perform its terms and conditions.

4. In consideration of the provisions herein set forth, Company shall pay the total recording costs of US\$ _____ per track to Producer. Producer shall pay and be responsible for all costs of rehearsal and of recording the Masters 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. Notwithstanding the foregoing, for the avoidance of doubt, Producer shall not be responsible for payment of any remuneration due to Artist. To avoid any misunderstanding, it is understood that the above payment for recording costs is neither returnable nor recoupable.

5. For services of Producer rendered hereunder and for the rights granted by Producer to Company herein, Company shall pay the following royalties during the term of protection for Masters:

(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 Masters produced by Producer hereunder, the royalty rate shall be pro-rated as the number of the Masters produced by Producer hereunder bears to the total number of royalty bearing the Masters on the relevant record.

(c) With respect to such low-priced records as club sales, mail order and so forth, the royalty rate shall be one-half (1/2).

(d) With respect to audio-visual product, the royalty rate shall be one-half (1/2) and section (b) of this Article shall be applicable.

(e) With respect to flat fee income accrued from the usage of the Masters, Company shall pay Producer a sum equivalent to ten percent (10%) of the net income received under such license. With respect to the promotional video embodying the Masters, Producer shall receive five percent (5%) of the net income..

(f) In case of digital distribution (or transmission) via Internet of Masters by Company, Company shall pay Producer a royalty of six percent (6%) of the retail price less any

applicable tax. Royalty shall be paid on one hundred percent (100%) of the number of downloads. In case of digital distribution (or transmission) via Internet of Masters by a third party, Company shall pay Producer a sum equivalent to ten percent (10%) of the net income received under such license.

(g) No royalty shall be payable to Producer in respect of records distributed as “sample” or “free” records.

6. Company shall pay Producer US\$ _____ per track as a non-returnable advance payment against and recoupable from royalties becoming payable to Producer.

7. (a) Royalty payment by Company to Producer pursuant to this Agreement shall be 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. Company shall be entitled to deduct from royalty payable such portion as required by laws and tax authorities of Japanese Government to pay as taxes on behalf of Producer.

(b) In the event Producer changes the bank account and the notice address, Producer shall immediately give written notice to Company, and in such event when Producer fails to send notice to Company, Company shall be exempt from payment obligation hereunder until Producer sends such notice to Company.

(c) In the event when royalty payment will be less than Ten Thousand Japanese Yen (JYE10,000), then Company may choose to withhold and carry the balance of such payment to the above account. Notwithstanding the foregoing, Company shall liquidate mentioned balance every year even when such balance is less than Ten Thousand Japanese Yen (JYE10,000).

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

9. The manufacture and sale of any records made hereunder may be discontinued when, in the sole discretion of Company, they are no longer commercially satisfactory or their further sale and manufacture ceases to be profitable or advisable.

10. Provided that Company shall remain liable hereunder, Company may, at its election, assign this Agreement or any of its rights hereunder or may license the same to any person, firm or corporation for purposes of distribution of the Masters produced hereunder.

11. For the purpose of this Agreement, the underlined words set forth below in this paragraph shall be defined as below;

(a) Masters or sound recordings means any original recording, whether on magnetic / digital recording tape or wire, a lacquer or wax disc, or on any other substance or material, whether now known or hereafter known, which is used in the manufacture of phonograph records.

(b) Person or party include all individual, corporation, partnership, association or organized group of persons, or legal representatives or successors of the foregoing.

(c) Records, phonograph records and recordings mean and include all forms of recordings and productions now known or which may hereafter become known, manufactured and sold, whether embodying (i) sound alone or (ii) sound synchronized with visual images.

12. This Agreement provides that the undertaking described herein shall be carried out with the mutual understanding and cooperation of Producer and Company. In case some unexpected events should occur, both Producer and Company shall consult each other to seek an amicable settlement to the benefit of both parties.

13. The obligation of Producer and Company hereunder are subject to and contingent upon the absence of interference or interruptions such as strikes, riots, war, invasion, fire, explosion, accident, delays in carriers, acts of God and all other delays beyond the parties' reasonable control, and any interference with the obligation of any of the parties by any such reason shall not be deemed a breach thereof; provided that the party interfered shall give the other party written notice thereof within five (5) business days of any such event.

14. 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 this Agreement shall neither affect the rights nor the remedies available to the non-defaulting party.

15. This Agreement shall be governed by the laws of Japan and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of Tokyo District Courts for the resolution of any dispute in connection herewith. In the event that any dispute arises hereunder, both parties agree to negotiate in good faith to attempt to resolve the matter as best to their ability.

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

Company

Producer