

PRODUCER AGREEMENT

This AGREEMENT is made and entered into this first day of April, 2021,
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 the artist known as Chosaku Kenzo (hereinafter referred to as “Artist”). Producer hereby accepts such engagement on the terms and conditions set forth herein.

Article 2 (Intellectual Property Rights)

Producer shall assign 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 oblige 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 instruments hire, studio rental, tapes, cartage and transportation, musician’s fees, arranger’s fees, sound engineer’s fees, editing and mixing costs and all other costs customarily considered as recording costs in the 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, 2021.
- (b) If Company, in its sole discretion, reasonably deems the Master Recordings delivered by Producer to be unacceptable in form and substance, Company shall notify Producer of the defect in writing within five (5) days after its receipt of the Master Recordings. Producer shall cure any defects to the reasonable satisfaction of Company and deliver the fully revised Master Recordings within ten (10) days after its receipt of Company’s notice.

- (c) If Artist fails to deliver the Master Recordings satisfactory to Company by the deadline stipulated in the preceding paragraph, Company may terminate this Agreement by so informing Producer by sending a notice to Producer with registered mail. 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 hereunder shall revert to Producer.

Article 5 (Royalty)

In consideration of the services rendered by Producer hereunder and the rights granted by Producer to Company herein, Company shall 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 percent (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 the 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 30 and December 31 of each year, and each payment shall be accompanied by a royalty 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 written notice to Company, Company shall be exempt from payment obligation hereunder until Producer sends such written 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 name (including any professional name), likeness, signatures and biographical materials in connection with 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 (i) wholly original works owned by Producer, and (ii) 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 hereunder.

Article 10 (Sample Records)

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

Article 11 (Good Faith Consultation)

Any matters not addressed herein, or any doubt or uncertainty hereunder, 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 or orders of governmental authorities, fire, flood, typhoon, tidal wave, earthquake, war (declared or not), rebellion, riots, strike and lockout.

Article 13 (Termination)

If either party defaults in the performance of this Agreement, the non-defaulting party may 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