Office of Technology Licensing

350 Cambridge Avenue, Suite 250



Mr. Niels J. Reimers

Stanford University

Palo Alto, CA 94306

Director

SINCE 1887

NIPPON GAKKI SEIZO KABUSHIKI KAISHA (NIPPON GAKKI CO.,LTD.)

10-1, Nakazawa-cho, Hamamatsu-shi, Shizuoka-ken 430 , Japan. Facsimile: 81-534-56-8886 Telex: JS9597 NGAKKI Telephone: (534)60-2511

1986 November 17

XCC JOHN Chowning

Re: FM License Agreement

Dear Mr. Reimers:

As a matter of fact, I was perplexed to hear from Mr. Kamo that you had indicated on your leaving Nippon Gakki (Toyo-oka) that Stanford would like to reconsider basic patent strategy and bring the agreement matters open again for further negotiations.

And upon receipt of your 1986-11-14 facsimile letter, I conveyed your suggestion to the most concerned director Mr. Hiyoshi. He even showed some anger at bringing open again what he had once settled after such elaborate negotiations. His biggest concern is the exclusivity of the FM Patents.

And he had reported to the top management of our company that Stanford had agreed to lengthen the exclusive period and Nippon Gakki would continue to use FM technology in electronic musical instruments. If exclusivity should be lost, Nippon Gakki would rather pull out from FM technology and employ some other monopolizing technology to hold priority of our products, which might even deteriorate so far lasted relation with Stanford University.

I therefore would appreciate your reconsideration of this matter. Of course we are not reluctant to have further face-to-face discussions, and would like to move the matter forward, but not backward.

Sincerely yours,

Maki KAMIYA

Chief, Patent Department