

Mr. Niels J. Reimers

Stanford University

Palo Alto, CA

Office Of Technology Licensing

350 Cambridge Avenue, Suite 250

94306

Director

U.S.A.

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

10-1, Nakazawa-cho, Hamamatsu-shi, Shizuoka-ken 430 , Japan. Facsimile: 81-534-56-8886 Telex: J59597 NGAKKI Telephone: (534)60-2511

STANFORD UNIVERSITY

1986 August 27 /. Markin Telephone: (534)60-2511

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XCC: (Funds)

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TECHNOLOGY LICENSING

Re: FM License Agrement

Dear Mr. Reimers:

Regarding our last royalty statement covering the period from 1985 November to 1986 April, it has turned out that there was an omission of certain sales data. The omitted are the sound synthesizing unit models "TX" and "TF" exported in Novermer of Their amount and the royalty therefor are as shown in the statement enclosed herewith. We will remit this additional royalty of US\$5,842.19 shortly but after your Japanese income tax exemption is renewed.

The error of this time was caused because our internal computer-codes for overseas sales of the models TX and TF were changed (this is quite unusual) in November of 1985. December of 1985, new model(s) were added to the product subject to the royalty calculation of this Agreement and therefore the computer-codes registered for the royalty calculation were automatically checked and adjusted, but the above-said TX and TF exported in November were inadvertently dropped. We found this fact when our sales division reviewed the report with reference to their own record, which time was too late for effecting the corrected remittance. To prevent a similar error, we have changed the system so that the computer-codes registered for royalty calculation are checked every month. We regret that the above error happened. Please take our apology for the error.

Incidentally, we are looking forward to hearing from you the proposed dates of the meeting in Japan. We know Proffessor Chowning will be in Hamamatsu in September and may again visit here in November. However, the meeting for agreement negotiation is desirable to be held in October, if possible.

Sincerely yours,

Maki KAMIYA

Chief, Patent Department

KK/kk

Encl. additional royalty statement