DISTRIBUTION AGREEMENT

This Agreement, made and entered into this 1st day of January, 20XX (the "EFFECTIVE DATE"), by and between A社, a Japanese corporation having its principal place of business at 12345, Shinjuku, Tokyo, Japan (the "MANUFACTURER"), and B社, a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 12345 ABC Street, Warren, Michigan 12345 (the "DISTRIBUTOR"). The Manufacturer and the Distributor are sometimes collectively referred to as the "Parties" and sometimes individually referred to as a "Party."

RECITALS

A.       Manufacturer manufactures XXX products. (the "PRODUCTS").

B.       Distributor desires to acquire the exclusive right to distribute and sell the Products within the Territory.

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

1.       DEFINITIONS

         Unless specifically set forth to the contrary herein, the following terms shall have the respective meanings set forth below:

         1.1      “Agreement” shall have the meaning set forth in the preamble hereto.

         1.2      "Effective Date" shall mean the date first set forth above.

         1.3      “Product” shall mean XXX as set forth in Exhibit A, or as amended from time to time by mutual written consent of the Parties.

         1.4       “Term” shall have the meaning set forth in Section 3.1.

         1.5      “Territory” shall mean the United States of America and Canada.

2.       APPOINTMENT

         2.1      Subject to the terms of this Agreement, Manufacturer grants Distributor the Exclusive Distribution Rights for the Products in the Territory (including any improvements to said Products now or hereafter developed by Manufacturer), and Distributor hereby accepts such appointment (the "APPOINTMENT").

3.      TRADEMARKS AND PATENTS

         3.1     Use of Trademarks. Distributor shall display each of the Trademarks (logos and marks) only on behalf of and for the sole benefit of Manufacturer, and in such manner and on such terms as Manufacturer may require or allow in writing.

4.       TERM AND TERMINATION

         4.1      This Agreement will commence as of the Effective Date and remain in effect for an initial period of one (1) year from the date hereof.

         4.2      This Agreement may only be renewed upon the mutual agreement of the parties, upon such terms and conditions as may be agreed upon at the time of renewal.

         4.3      Notwithstanding anything contained herein to the contrary, either Party shall have the right to terminate this Agreement in its entirety at any time in its sole discretion by giving one hundred and eighty (180) days’ written notice.

5.       ORDERS AND PRICES

         5.1      Distributor may from time to time place orders with Manufacturer. Any individual purchase order placed by Distributor shall not be binding upon Manufacturer until accepted by Manufacturer. Such acceptance shall constitute Manufacturer’s commitment to sell the Products on the terms set forth in the purchase order.

         5.2      The purchase price payable by Distributor for each Product purchased hereunder shall be equal to ten (10) % of Supplier’s actual Manufacturing Costs for such Product.

         5.3      Upon shipment of the Products, Manufacturer shall submit its invoice to Distributor who shall pay in Japanese Yen the invoiced amount accrued during each calendar month to a bank account specified by Manufacturer. Such payments shall be made within three (3) months and fifteen (15) days after the last day of the month of the bill of landing date.

6.       DELIVERY

         6.1      Supplier shall deliver the quantities of Products set forth in each Purchase Order CIP (as defined in Incoterms 2000) at the place specified in such Purchase Order, not later than the required delivery date specified therein. Title to and risk of loss of all Products shall pass to Distributor at the time of delivery.

7.      PRODUCT WARRANTY

         7.1     Manufacturer warrants to Distributor that the Products were manufactured in accordance with their written specifications when shipped to Distributor, and that for the first three hundred sixty (360) days after delivery to Distributor the Products shall be free from such material defect as would render the Products unsuitable for use.

8.      LIMITATION ON DAMAGES

         8.1     THE WARRANTIES CONTAINED IN SUBSECTION 7.1 ARE IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL MANUFACTURER BE LIABLE FOR DAMAGES, DIRECT OR INDIRECT, INCLUDING LOST PROFITS, INCIDENTAL OR CONSEQUENTIAL DAMAGES SUFFERED BY DISTRIBUTOR OR ANY CUSTOMER, END USER OR OTHER THIRD PARTY ARISING FROM ANY BREACH OF WARRANTY OR BREACH OF CONTRACT, NEGLIGENCE OR ANY OTHER LEGAL GROUND OF ACTION, IN EXCESS OF THE PURCHASE PRICE PAID BY DISTRIBUTOR FOR THE DEFECTIVE PRODUCTS.

9.      CONFIDENTIALITY

                  The Distributor and the Manufacturer acknowledge a duty of care and confidentiality to each other.

         9.1     Business information. All business information provided by either party to the other, including but not limited to present or prospective customers, management information reports, contracts, operational methods, plans or strategies, and other business affairs of either party, are and shall be treated as confidential both during and after the Term of this Agreement.

10.           GENERAL PROVISIONS

         10.1          Non-Assignable. This Agreement is not assignable, in whole or in part, by Distributor without the prior written consent of Manufacturer. Any such attempt to assign any of the rights, duties or obligations of this Agreement without such consent shall be null and void.

         10.2          Binding Effect. This Agreement shall be binding upon the Parties, and their respective employees, agents, representatives, affiliates and successors or assigns.

         10.4          Entire Agreement; Waiver. This Agreement, including Exhibits attached hereto, as amended from time to time, reflects the entire understanding of the Parties. The provisions of this Agreement may not be waived or changed by Distributor except by a writing signed by and evidencing the consent of Manufacturer thereto.

         10.5          Notices. All notices or other written communications required in this Agreement shall be deemed to have been duly given if delivered personally, by certified mail return receipt requested to the address of the receiving Party set forth below in this Agreement. Notices personally delivered shall be deemed effective upon their receipt; notices sent by mail shall be deemed effective three (3) says after mailing.

         10.6          Force Majeure. In the event circumstances develop that are beyond the control of the Supplier or Distributor, such as natural catastrophes, war or acts of God that prevent or materially limit a Party’s ability to perform the obligations required by this Agreement, it shall not be cause for termination of this Agreement. The Parties further agree that in the event a force majeure does occur, they will work cooperatively to develop solutions which are mutually beneficial to both Parties.

         10.7          Disputes; Arbitration; Attorney’s Fees. All disputes controversies or differences that may arise between the Parties hereto arising out of or relating to or in connection with the terms and conditions of this Agreement or for any alleged breach thereof, shall be settled by arbitration to be conducted in Tokyo, Japan under the Rules of the Japan Commercial Arbitration Association. The Parties hereby agree that any award rendered by the arbitrator shall be final and binding upon the Parties and shall be enforceable in the courts of the countries where each Party maintains its principal office. In the event either Party is required to initiate arbitration or legal action to enforce this Agreement, the prevailing Party shall be entitled to recover its reasonable attorney’s fees and other expenses. In this regard, the normal hourly rate charged by the prevailing Party’s attorney shall be deemed reasonable by the parties.

         10.8          Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Japan.

         10.9          Severability. In the vent that any provision of this Agreement shall be held by a proper court of law to be invalid, such invalidity shall not affect the enforceability of the remaining provisions of this Agreement.

         10.10      Headings; Captions. The headings, subheadings, and other captions in this Agreement are for convenience and reference only and shall not be used in interpreting, construing, or enforcing any of the provisions of this Agreement.

         10.11      Language. This Agreement is in the English language only, which language shall be controlling in all respects, and all versions hereof in any other language shall be for accommodation only and shall not be binding upon the Parties. All communications and notices to be made or given pursuant to this Agreement shall be in the English language.

**IN WITNESS WHEREOF,** the Parties have caused this Agreement to be executed in duplicate by their authorized representatives the day and year above written.

**A社 B社**

*Address Address*

By (Signature): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By (Signature): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name: Printed Name:

Title: Title:

**Exhibit A**

**Products**

a) 商品A

b) 商品B

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