U.S. Department of Justice
Washington, DC 20530

Exhibit A
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0003
Approval Expires Oct. 31, 1986

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant: Daniel J. Edelman, Inc.
1730 Pennsylvania Ave., NW Suite 460
Washington, D.C. 20006

2. Registration No.: 3634

3. Name of foreign principal: Japan Tobacco, Inc.

4. Principal address of foreign principal: 1667 K Street, NW
Suite 330
Washington, D.C. 20006

5. Indicate whether your foreign principal is one of the following type:

☐ Foreign government

☐ Foreign political party

x☒ Foreign or ☐ domestic organization: If either, check one of the following:

☐ Partnership ☐ Committee

x☒ Corporation ☐ Voluntary group

☐ Association ☐ Other (specify) _____

☐ Individual—State his nationality _____

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant. N/A

b) Name and title of official with whom registrant deals. N/A

7. If the foreign principal is a foreign political party, state:

a) Principal address N/A

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

Joint-stock manufacturing Corporation

b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Directed by a foreign government, foreign political party, or other foreign principal..... Yes ☐ No ☐

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes ☐ No ☐

Financed by a foreign government, foreign political party, or other foreign principal..... Yes ☐ No ☐

Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes ☐ No ☐

Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes ☐ No ☐

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page may be used.)*

JTI is currently owned by the Government of Japan. However, under the Reform Legislation of 1985, JTI will become a joint-stock company with government ownership eventually reduced to 50%.

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A	Name and Title	Signature
July 29, 19[redacted]	Stephen K. Cook Executive Vice President	Stephen K. Cook

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U.S. Department of Justice
Washington, DC 20530

Exhibit B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Nov. 30, 1986

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
Daniel J. Edelman, Inc.	Japan Tobacco, Inc.

Check Appropriate Boxes:

1. ☒ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Public relations counseling on a day-to-day basis; Government relations; Develop dialog with congressional and agency contacts on the company's behalf and under the company's direction.
Media relations, including news conferences, one-on-one interviews with reporters, editorial board meetings, writing and distribution of news releases and opinion articles, and meetings with reporters and editors and broadcast interviews.
Monitoring of related congressional tobacco legilation, the section 301 case, and legislation affecting US-Japan relations.
Production of regular monitoring reports.
Writing and production of collateral materials, such as newsletters, and news releases. Media and public speaking training to prepare JTI spokespersons for news interviews. Bi-weekly report on clippings and broadcast coverage of interest to JTI. Writing and production of white papers and press kit background papers. Lobbying on the Hill, and arranging of receptions and other special events.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1]
Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

1. Public relations; government relations; media relations.
2. Newsletter, release, editorial weeklies, news conferences, advertisements, public speaking, presentation of congressional testimony.

Seeking to educate congressional members, their staff and agency officials as to the reform of Japan Tobacco from a government monopoly to a joint-stock company. Activities will also relate in part, to the section 301 investigation by the office of the U.S. Trade Representative.

Date of Exhibit B	Name and Title	Signature
July 29, 1986	Stephen K. Cook Executive Vice President	

[1]Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

AGREEMENT

THIS AGREEMENT, made as of July 1st, 1986, by and between Daniel J. Edelman, Inc. ("Edelman"), 1730 Pennsylvania Avenue, N.W., Washington, D.C. 20006 and Japan Tobacco Inc., Washington Office ("Japan Tobacco"), 1667 K Street, N.W., Suite 330, Washington, D.C. 20006.

WITNESSETH:

WHEREAS, Edelman hereby represents that it is engaged in the business of providing public relations services to its clients and is willing and capable of providing such services to Japan Tobacco, and covenants that it shall faithfully perform this agreement, and

WHEREAS, Japan Tobacco hereby represents that it is willing to procure aforementioned services from Edelman, and covenants that it shall compensate Edelman for such services as hereinafter provided,

NOW THEREFORE, in and for consideration of the above promises and mutual covenants, it is hereby agreed, as follows, to-wit:

1. Definitions.

Whenever appearing in this agreement, the following meanings or limitations shall be ascribed to the terms set forth below:

a. "Public relations services" shall generally refer to such professional services as are provided for in section 2 of this agreement and shall exclude any lobbying activities.

b. "Lobbying" shall mean an act of communicating with an official of the United States Government for the purpose of affecting the outcome of legislation. The term shall not include such communications carried out for the purpose of monitoring or influencing the policy of the United States Government. An act of disseminating information directly or indirectly to the United States public by the use of a medium of mass communications shall not be considered as "lobbying."

c. "Confidential information" shall mean proprietary business, commercial or other information, including without limitation trade secrets, in the possession of Japan Tobacco, regardless of whether such information is included in a document, whether such information pertains to Japan Tobacco, and whether substantially equivalent information is available from public sources. In conveying "confidential information" to Edelman pursuant to this agreement Japan Tobacco shall advise Edelman of the confidential nature of the information, for example, by placing a stamp "CONFIDENTIAL" on the face of the document.

d. "Direct expenses" shall mean those expenses incurred by Edelman on behalf of Japan Tobacco which are solely related to or which would not have been

incurred but for this agreement. "Direct expenses" shall include, without limitation, long distance telephone, telexes, telecopying, travel, document duplication, business entertainment, press conferences, and model fees.

e. "Indirect expenses" shall mean all other expenses incurred by Edelman in the course of its performance of this agreement, which expenses increase Edelman's overhead costs. "Indirect expenses" shall include, without limitation, art work, printing, photograph, mailings, and TV films and tapes.

2. Scope of Service.

a. A general description of the scope of the public relations services which Edelman shall perform under this agreement for and on behalf of Japan Tobacco include, but are not limited to, the following:

i) Public relations counseling. Services under this category shall involve counseling Japan Tobacco on a day-to-day basis concerning various public relations questions relevant to Japan Tobacco, including provision of media and public speaking training to prepare Japan Tobacco spokespersons for news interviews and editorial meetings.

ii) Creating and managing media contact opportunities. Services under this category shall include, without limitation, creating and managing opportunities for press conferences and one-on-one interviews with reporters, preparing and distributing press releases and opinion articles, and maintaining contact with reporters and editors of electronic media, newspapers, trade journals, and other periodicals.

iii) Writing, producing, and distributing the JTI Newsletter, white papers, position papers, press kits, and other such materials.

iv) Developing and updating a comprehensive list of persons and entities receiving the JTI Newsletter and other announcements and materials relating to Japan Tobacco.

v) Arranging receptions and other special events as requested by Japan Tobacco.

vi) Providing bi-weekly reports on clippings and television coverage of interest to Japan Tobacco.

vii) Public relations strategy planning and consulting.

viii) Other matters as from time-to-time requested by Japan Tobacco.

b. Specific public relations projects to be carried out by Edelman pursuant to this agreement shall be as set forth in Appendix I to this agreement, which Appendix is herein incorporated by reference and made a part hereof. Said Appendix I shall not be construed as limiting the services to be rendered by Edelman under this agreement to those set forth therein. Appendix I may be amended from time-to-time during the term of this agreement by the consent of the parties.

3. Reporting.

No later than fifteen (15) days following the last day of the month in which services were rendered by Edelman, Edelman shall submit to Japan Tobacco a monthly progress report setting forth the activities carried out by Edelman or its agent pursuant to this agreement, together with the number of hours expended therefor. In addition to the foregoing, Edelman shall submit a conference report following each meeting of the parties in which decisions were made.

4. Teramura International, Inc.

For the public relations strategy planning and consulting services which are provided for in section 2 above, Edelman shall engage the services of Teramura International, Inc. ("Teramura"), a corporation of the District of Columbia, in recognition of the fact that Teramura has been reportedly providing such or similar services to other Japanese corporations in the United States. The substance and the manner of the services to be rendered by Teramura under this agreement shall be determined in consultations between Japan Tobacco and Teramura; provided, however, that Japan Tobacco shall not object to Taramura's disclosure to Edelman of any discussions, consultations, or agreements that may occur between Japan Tobacco and Teramura in the course of Teramura's services to Japan Tobacco pursuant to this agreement.

3. Fees and Expenses.

a. For the services rendered pursuant to sections 2 through 4 of this agreement, including the services rendered by Teramura, Japan Tobacco shall pay Edelman a fee of Seven Thousand Dollars ($7,000.00) for each month of the term of this agreement. Payment of the fee shall be made without any deduction or withholding for federal or state income or social security tax purposes, and shall not increase or decrease during the term of this agreement, except where the parties shall otherwise agree in writing as a formal amendment to this agreement. If Japan Tobacco requests that Edelman perform this agreement, or any part of it, outside the United States of America, a fee schedule different from the one mentioned above shall apply. A fee shall be due and payable in full within thirty (30) days following the presentation of an invoice by Edelman to Japan Tobacco, such present tation being normally made at the beginning of each month.

b. In addition to the abovementioned fee, Edelman shall be entitled to reimbursement of an actual amount of direct expenses incurred in the course of its performance of this agreement. Furthermore, indirect expenses shall be reimbursable to Edelman with a service charge of 17.65 percent of the actual amount of such expenditures added thereon.

c. In requesting reimbursement of expenses, Edelman shall present Japan Tobacco a separate and distinct invoice from its invoice for its fee. The expense invoice shall set forth in reasonable particularly the items of expenditure, and shall normally be presented on a monthly basis during the term of

this agreement, payable in full within thirty (30) days after presentation thereof.

6. Term of Agreement.

The term of this agreement shall be from July 1, 1986 to March 31, 1987, terminating on that date without further notice. Notwithstanding the above provision, if on the termination date of this agreement any project falling within the purview of this agreement and initiated prior to that date remains incomplete, Edelman shall complete such project but shall receive no fees therefor; provided, however, that in such event expenses shall be reimbursable as provided in section 5 of this agreement. Not more than sixty (60) but not less than thirty (30) days prior to the date of termination of this agreement, the parties shall review the status of the projects remaining incomplete as of such review and shall work out a reasonable schedule for the completion of such projects.

7. Termination on Notice.

Notwithstanding anything contrary provided in this agreement, this agreement may be terminated for any reason whatsoever by one party giving thirty (30) days prior written notice to the other party. Upon the expiration of the thirty (30) day period following the receipt of notice as aforementioned, this agreement shall be null and void as if no agreement had been entered into by and between the parties. Upon receipt of termination notice as aforementioned, Edelman shall cease and desist from preparing to

tender further performance under this agreement, except to the extent necessary to complete or otherwise wind up any incomplete projects that have been initiated, in which case the provisions of section 6 shall apply.

8. Material Breach of Agreement.

a. Without in any way limiting the grounds therefor, a material breach of this agreement shall exist by reason of one or more of the following acts or omissions of a party.

i) A violation of the representation or of the express covenant made by a party in this agreement;

ii) Unauthorized disclosure of Japan Tobacco's confidential information; and

iii) Edelman's failure to engage the services of Teramura as provided in section 4 hereunder.

b. In the event of a material breach of this agreement by a party, the non-breaching party may, in its discretion, cancel this agreement after written notice to the party in the breach, and may seek relief as provided in section 12 hereunder. In such event it shall not be necessary for the non-breaching party to afford the party in the breach an opportunity to cure the breach complained of.

9. Confidentiality.

Edelman shall not disclose Japan Tobacco's confidential information to any person or entity, including the governmental

authorities, unless it has obtained a prior written approval from Japan Tobacco or its agent, or unless such disclosure is reasonably necessary for compliance with law. If Japan Tobacco's confidential information is included in a document, Edelman shall normally keep such document at one location and may remove the same to a different location only if such removal is reasonably necessary for the performance of this agreement and has been approved in writing by Japan Tobacco or its agent. No copies shall be made of Japan Tobacco's confidential documents unless such copies are reasonably necessary for the performance of this agreement. At the termination of this agreement, or at any time upon demand by Japan Tobacco, Edelman shall physically transfer all confidential documents, including any copies made by Edelman, provided to Edelman by Japan Tobacco.

10. Conflict of Interest.

Whenever Edelman shall agree or shall undertake to provide public relations services or to engage in lobbying for or on behalf of any person or entity whose commercial interest is apparently adverse to that of Japan Tobacco, it shall notify Japan Tobacco to that effect prior to its entry into such agreement or commencement of such undertaking. Edelman's failure to notify Japan Tobacco pursuant to this section shall be a violation of its covenant to faithfully perform this agreement and shall be a material breach hereof.

11. Hold Harmless Provision.

Japan Tobacco shall hold Edelman harmless from any claims asserted against it by a third party, and shall defend any action brought by such party, arising out of Edelman's or its agent's publication of any statements or information pursuant to the direction or approval of Japan Tobacco. Edelman shall hold Japan Tobacco harmless from any claims of a third party, and shall defend any action brought by such party, arising out of any unauthorized act or negligence of Edelman or its agent.

12. Arbitration.

All disputes, controversies, or differences which may arise between the parties, of or in relation to or in connection with this agreement, or for the breach thereof, shall be finally settled by arbitration pursuant to the Japan-America Trade Arbitration Agreement, of September 16, 1952, by which each party hereto is bound.

13. Notice.

Notice under this agreement shall be sufficient if made in writing and served on the following persons at their respective places of business:

For Edelman

Mr. Stephen K. Cook
Executive Vice President
DANIEL J. EDELMAN, INC.
1730 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

For Japan Tobacco

Mr. Kazuya Takahashi
Chief, Washington Office
JAPAN TOBACCO, INC.
1667 K Street, N.W., Suite 330
Washington, D.C. 20006

14. Amendment.

No amendment to this agreement shall be effective unless it shall be made in the same formality as this agreement. Under no circumstances shall an oral agreement to amend this agreement have any effect whatsoever.

15. Non-Assignable Agreement.

This agreement shall be non-assignable. Any attempt to assign this agreement shall render the entire agreement null and void; provided, however, that even in such event the party attempting to assign this agreement shall not be excused from performance of this agreement; provided further that the foregoing shall not be construed to limit in any way Edelman's power hereunder to delegate the performance of any part of this agreement to any person or entity with the consent of Japan Tobacco.

16. Parties Bound.

All provisions herein contained shall bind and inure to the benefit of the parties hereto and their employees and agents.

17. Integrated Agreement.

This agreement shall represent the only and entire agreement between the parties, superceding any prior agreements between the said parties.

18. Miscellaneous.

a. The paragraph captions as to contents of particular paragraphs herein are inserted only for convenience, and shall not be construed to affect the meaning of the particular paragraph to which such caption refers.

b. Unless the context otherwise dictates, wherever a singular shall be employed in this agreement, such form shall also mean a plural form, and a disjunctive shall also mean a conjuctive.

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have hereunto set their hands the day and year set forth below:

For Edelman:

Stephen K. Cook
Executive Vice President

Date: 7/25/96

For Japan Tobacco:

Kazuya Takahashi
Chief Representative,
Japan Tobacco Inc.
Washington Office

Date: July 25, 1996