

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into as of June 1, 2008 by and between Kanagawa Works America, Inc. (hereinafter referred to as "Employer"), a corporation organized and existing under the laws of the State of California and having its principal office at 200 S. Anaheim Blvd. Anaheim, California 92805, the United States of America, and John Smith (hereinafter referred to as "Employee"), a citizen having a residence at 4845 Casa Loma Avenue, Yorba Linda, California 92885, the United States of America,

WITNESSETH:

WHEREAS, Employee desires to launch and run a certain enterprise (hereinafter referred to as "Enterprise") to cultivate and extend a market for its products (hereinafter referred to as "Products") in the United States;

WHEREAS, Employee desires to employ the Employee to have cooperation from him in the Enterprise; and

WHEREAS, Employee is willing to work for the Employee to give cooperation to it in the Enterprise;

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

Article 1. Agreement of Employment

Employer hereby employs Employee and Employee hereby accepts the employment upon the terms and conditions herein set forth.

Article 2. Term

The employment under this Agreement shall commence as of June 1, 2008 and thereafter, unless earlier terminated pursuant to Article 9 hereof, shall continue until and through May 31, 2011.

Article 3. Services to Be Rendered by Employee

During the term of this Agreement, Employee shall render the following services to Employer:

a. Services of management for the Enterprise including, but not limited to, carrying out orders and shipping products, placing orders and accepting delivery, import to the U.S., inventory (stock) control, settlement of complaints, collecting and settling accounts receivable, accounting-related matters, recording and maintaining minutes;

b. Services of sales for the Enterprise including, but not limited to, credit investigations and credit management on Employer's agencies in the U.S., grasp and analysis of sales performance, compilation and maintenance of data on customers, coordination of exhibitions, planning of sales promotions, and preparations of sales information in English;

c. Services concerning the start-up of the Enterprise including, but not limited to, investigations on the company law and the tax law in the U.S., selection of and coordination with lawyers for the start-up of the Enterprise and selection of and coordination with certified public accountants; and

d. Services other than the above three items which Employer and Employee will decide after consultation with each other when necessary.

Article 4. Working Hours

Employee shall work at least for forty (40) hours a week to render the services set forth under Article 3.

Article 5. Remuneration

5.1. As a basic remuneration for the services pursuant to Article 3, Employer shall monthly pay Employee United States Dollars x thousands (US\$XXXX.00) per month.

5.2. In addition to the remuneration pursuant to Section 5.1, Employer shall pay five

percent (5%) of the gross sales made from the Enterprise in the U.S.

Article 6. Tax and Social Insurance Fee

Employer and Employee shall bear any tax and social insurance fee imposed and charged under law in relation to the employment of Employee hereunder..

Article 7. Costs and Expenses

7.1. Employer shall bear all costs and expenses such as traveling expenses which will be reasonably incurred for Employer to render the services pursuant to Article 3.

7.2. Employee shall report to Employer on the costs and expenses set forth under Section 7.1 by the fifteenth (15th) day of the month immediately subsequent to the month during which relevant costs and expenses are incurred together with documentary evidence such as receipts supporting such costs and expenses.

Article 8. Payment

8.1. Employer shall monthly pay Employee the remuneration pursuant to Section 5.1 by the fifth (5th) day of each month.

8.2. Employer shall pay Employee the remuneration pursuant to Section 5.2 and the costs and expenses pursuant to Article 7 by the fifth (5th) day of the second (2nd) month after the month during which relevant sales are made or relevant costs and expenses are incurred.

8.3. Employer shall make the payment pursuant to Sections 8.1 and 8.2 by making telegraphic remittance to an account of a bank which Employee will designate.

8.4. When making the payment pursuant to Section 8.3, Employer shall make the remittance by adding an amount of relevant fees which Employee will be required by the bank to pay to receive the remittance.

Article 9. Early Termination

9.1. Notwithstanding Article 2, Employer shall have the right to terminate this Agreement, if any of the following events should occur:

a. Employee defaults in the performance of any provision contained in this Agreement and such default shall not have been remedied within sixty (60) days after Employer has given notice thereof to Employee;

b. Employee gets ill or injured and such illness or injury is too serious to be cured or healed within six (6) months or employee has passed away; or

c. Employee's result of work is extremely poor and no improvement can be expected during a period of three (3) months after Employer has given notice thereof to Employee.

9.2. Notwithstanding Article 2, Employee shall have the right to terminate this Agreement, if either of the following events should occur:

a. Employer defaults in the performance of any provision contained in this Agreement and such default shall not have been remedied within sixty (60) days after Employee has given notice thereof to Employer; or

b. Employer becomes bankrupt.

Article 10. Governing Law

This Agreement shall be governed and interpreted in accordance with the laws of the State of California.

Article 11. Language

This Agreement is written both in Japanese and English, provided that the Japanese version of this Agreement shall be controlling in case of doubt as to the interpretation of any provision hereof.

Article 12. Conference in Good Faith

With regard to any matter that is not set forth in this Agreement and in case of doubt as to the interpretation of any provision of this Agreement, both parties shall confer with each other in good faith to decide.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

EMPLOYER

Taro Yamada
President
Kanagawa Works America, Inc.

EMPLOYEE

John Smith
