

Hikari Institute
98-211 Pali Momi Street, Suite 640
Aiea, Hawaii 96701

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December 30, 1997

Julie Y. Chang
Internal Revenue Service
EOG-2
McCaslin Industrial Park
2 Cupania Circle
Monterey Park, California 91755-7406

Re: Hikari Institute
Employer ID No. 99-0331458

Dear Ms. Chang:

Enclosed please find responses and materials in response to your letter dated December 17, 1997. A copy of your letter is also attached.

Question 1: Please submit copies of any brochures, pamphlets, newsletters, advertisements, or any other literature regarding your organization.

Answer 1: Please see attachment materials. Please note that the Hikari Institute has a tradename: Hikari Dojo. I have enclosed our tradename paperwork as well.

Please also note that we have an internet site at:

<http://www.tanega.com/dojo/>

Question 2: Explain how and by whom research projects are determined and selected.

Answer 2: Research projects are determined and selected by our Board of Directors consistent with the purpose of our corporation. Currently, we are conducting research into the history, culture, traditions and techniques of the art of Matsubayashi-Ryu Karate-Do.

Question 3: Explain what disposition will be made of the results of your research.

Answer 3: Generally, the results of our research will be made available to our students and published free of charge at our internet website (the address is given above and a copy of the site has been submitted in hard copy).

Question 3, Part 2: Will you give preference to any organization or individual either as to results or time of release. If so, please explain.

Answer 3, Part 2: No.

Question 4: State who will retain ownership or control of any patents, copyrights, processes, or formulas resulting from your research.

Answer 4: To the extent applicable, the Hikari Institute will have such ownership or control.

Question 5: Please have an officer to sign, date and return the attached form 872-C with the correct ending date of the first tax year: December 31, 1996.

Answer 5: Done. See attached.

Question 6: Please fully describe your educational activities.

Answer 6: Currently, we conduct classes in the traditional Okinawan martial art of Matsubayashi-Ryu, which is a form of Shorin-Ryu, which in turn is a form of Okinawan Karate-Do, which is an unarmed form of self-defense. Weekly classes are conducted at the Halawa District Park in Aiea, Hawaii on Wednesday evenings from 6:00 p.m. until 7:30 p.m., with additional training until about 8:30 p.m. Classes are also held on Saturday afternoons from 2:00 p.m. until 3:30 p.m., with additional training until about 4:30 p.m. We also clean our training area for about 30 minutes before each class. Classes are opened to children aged 8 and older, youth and adults.

Attached, among the materials, please find a hand-out entitled Hikari Dojo Basics for Beginners which describes our basic curriculum.

Additional classes may be held in the future. Our long-ranged goal is to acquire a permanent facility for our classes, offices and research activities.

We also maintain an internet website at <http://www.tanega.com/dojo/> at which we publish and share information about our dojo (class) and the results of some of our research.

Thank you very much. Please do not hesitate to contact me if you require additional information.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Charles C. Goodin', written in a cursive style.

Charles C. Goodin

CCG/ccg
encl.