

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 Hill and Knowlton, Inc. 901 31st Street, N.W., Washington, D.C. 20007	2. Registration No. 3301
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3. Name of foreign principal Nihou Kotsu Bunka Kyokai Co., Ltd. (NKB)	4. Principal address of foreign principal Shin Kokusai Bldg., 4-1 Marunouchi 3-Chome, Chiyoda- ku, Tokyo, 100 Japan
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5. Indicate whether your foreign principal is one of the following type:

- Foreign government
- Foreign political party
- Foreign or domestic organization: If either, check one of the following:
 - Partnership
 - Corporation
 - Association
 - Committee
 - Voluntary group
 - Other (specify) _____
- Individual—State his nationality _____

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

- a) Branch or agency represented by the registrant.
- b) Name and title of official with whom registrant deals.

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

- a) Principal address
- b) Name and title of official with whom the registrant deals.
- c) Principal aim

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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

The foreign principal, NKB, is a private corporation affiliated with the Japan Railroad which was privatized last year from the Japan National Railroad.

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


REFER TO #9 BELOW.

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

The foreign principal, NKB, is a private corporation affiliated with the Japan Railroad which was privatized last year from the Japan National Railroad. NKB is privately directed and controlled, however, some company stock is still held by the government and therefore, NKB is subject to varying degrees of control by the government.

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.

Refer to #9 above.

Date of Exhibit A	Name and Title	Signature
1/15/88	Mary C. Foerster Sr. V.P./H&K/Wash. Ops	

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
Hill and Knowlton, Inc.	Nihou Kotsu Bunka Kyokai Co., Ltd. (NKB)

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
- There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.
4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Registrant will provide public relations counsel to NKB in connection with the promotion in the U.S. and Japan of the American Train of Japan. This agreement extends from 12/20/87 to May 19, 1988. The approximate cost of this project is \$125,000 (U.S.).

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

Refer to #4 on previous page.

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.

Registrant may contact by telephone, written correspondence or personal visits appropriate representatives of the media, officials of the Executive Branch, related federal and state agency officials, members of Congress and representatives of the business community in representing the public relations/public affairs interests of the foreign principal.

Date of Exhibit B	Name and Title	Signature
	Mary C. Foerster Sr. V.P./H&K/Wash. Ops.	

¹Political 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 public 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.

HILL AND KNOWLTON

December 21, 1987

Mr. Hisao Taki
President
NKB Company, Ltd.
Shin Kokusai Building
4-1 Marunouchi 3-Chome
Chiyoda-ku, Tokyo, 100.

Hill and Knowlton, Inc.
Washington Harbour
901 31st Street, N.W.
Washington, D.C. 20007-3838
202-333-7400
Telecopy 202-333-1638
Telex 440143 HKDC

Dear Mr. Taki:

This is to summarize the arrangement under which Hill and Knowlton, Inc. ("H&K") will serve NKB Company, Ltd. ("NKB") as public relations counsel.

As counsel, H&K will advise the management of NKB on the public relations aspects and implementation of H&K's U.S. Communications Plan - Phase I dated December 1987. H&K will provide the professional staff services required to assist NKB in the implementation of this public relations program.

The financial arrangements will be as follows:

Charges for the services of H&K will be made at standard hourly rates for participating officers and staff assistants as they are required to carry out the programs and activities approved. It is estimated that costs for Phase I will be US \$125,000. On a monthly basis, NKB will pay H&K, a minimum of US \$10,000, in advance, for services rendered under this agreement. Any staff time charges incurred in any month for the NKB account will be applied against this minimum, and any staff time charges incurred above the minimum will be billed at the regular rates. This agreement is subject to H&K's obtaining clearance of NKB's credit through normal commercial sources. H&K/Tokyo will obtain credit clearance through Mitsubishi Bank and will collect payment for the duration of this contract.

All out-of-pocket disbursements made by H&K on behalf of NKB in the performance of its duties under this arrangement will be billed at cost; a fifteen percent (15%) handling and administration fee will be imposed on all such disbursements except for "routine" disbursements such as local messengers, in-house photocopying, and ordinary communications (telephone, telex and postage). All disbursements for materials, services and rights will be made by H&K as agent for NKB Company, Ltd. Should NKB desire to pay major suppliers directly, H&K will be pleased to work with NKB to make such arrangements.

H&K will maintain accurate records of all staff time work and all out-of-pocket expenditures incurred on behalf of the firm and, during the term of this agreement and for one year thereafter, NKB may examine such records upon reasonable notice and during normal business hours. It is understood that the foregoing does not include H&K salary data, overheads and other internal H&K costs or non-billable expenses.



H&K acknowledges its responsibility, both during and after the term of its appointment, to use all reasonable efforts to preserve the confidentiality of any proprietary information or data developed by H&K on behalf of NKB or disclosed by NKB to H&K.

It is understood that H&K cannot undertake to verify facts supplied to it by you or factual matters included in material prepared by us and approved by you. You agree to indemnify and hold harmless H&K from and against any and all losses, claims, damages, expenses (including reasonable legal expenses) or liabilities which H&K may incur (a) based upon information, representations, reports, data or releases furnished or approved by you or your representatives for use or release by H&K and/or (b) resulting from disputes between H&K and third parties related to and/or within the scope of this agreement except where attributable to H&K's failure to use due care.

You also agree to reimburse H&K for time of staff and expenses (including legal expenses) reasonably incurred by us in connection with any litigation commenced or threatened against you (for example, in responding to a document subpoena).


H&K's activities hereunder on behalf of NKB shall be subject to all applicable U.S. laws, including the Foreign Agents Registration Act and the Foreign Corrupt Practices Act. As applicable and pursuant to such laws, it is understood that H&K may be making reports of its activities to appropriate U.S. government regulatory agencies and that such reports will be available to the public.

H&K's appointment under this arrangement is to extend for six (6) months from December 20, 1987 to May 19, 1988, unless either party gives thirty (30) days' advance written notice of its desire to terminate or modify the agreement.

This agreement represents the entire agreement of the parties and may be amended only by a writing signed by all parties. It shall be governed by and construed in accordance with the laws of the District of Columbia.

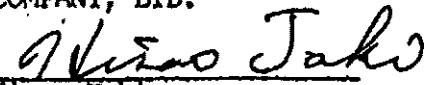
Sincerely yours,

HILL AND KNOWLTON, INC.


Charles S. Crawford, III
General Manager
H&K/Washington Operations

AGREED AND ACCEPTED:

NRB COMPANY, LTD.

By: 
Hisao Taki
President

Date: 12-26-1987

