

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: May 31, 2012

VISUALANT, INCORPORATED
(Exact name of Registrant as specified in its charter)

Nevada
(State or jurisdiction of incorporation)

0-25541
(Commission File No.)

91-1948357
(IRS Employer Identification No.)

500 Union Street, Suite 406
Seattle, Washington 98101
(206) 903-1351
(Address of Registrant's principal executive office and telephone number)

Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

Entry into License, Joint Research and Product Development and Stock Purchase Agreements with Sumitomo Precision Products Co., Ltd.

On May 31, 2012, Visualant, Inc. ("Visualant" or the "Company") executed a Stock Purchase Agreement with Sumitomo Precision Products Co., Ltd. ("SPP"), a publicly-listed Japanese corporation, whereby SPP will invest US \$2,250,000 into Visualant in exchange for 17,307,693 shares of restricted common shares priced at \$0.13 per share. In addition Visualant and SPP have entered into a one year Joint Development Agreement focused on the commercialization of the Visualant SPM technology and a License Agreement providing SPP with an exclusive license of the SPM technology in identified Asian territories. SPP will pay Visualant an initial payment of US \$1 million for the License Agreement, and a running royalty for the license will be negotiated at the completion of the Joint Development Agreement.

These agreements are the culmination of several months of work by the parties developing and testing the SPM products, analyzing the market potential for the SPM technology and developing a product plan.

SPP is publicly traded on the Tokyo and Osaka Stock Exchanges and has operations in Japan, United States, China, United Kingdom, Canada and other parts of the world. Additional details are available at <http://www.spp.co.jp/English/index2-e.html>.

The above description of the License, Joint Research and Product Development and Stock Purchase Agreements is intended only as a summary. The full License, Joint Research and Product Development and Stock Purchase Agreements are included as Exhibits 10.1, 10.2 and 10.3, respectively, and are hereby incorporated by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits –

Exhibit No.	Description
10.1	License Agreement dated May 31, 2012 by and between Visualant, Inc. and Sumitomo Precision Products Co., Ltd.
10.2	Joint Research and Product Development Agreement dated May 31, 2012 by and between Visualant, Inc. and Sumitomo Precision Products Co., Ltd.
10.3	Stock Purchase Agreement dated May 31, 2012 by and between Visualant, Inc. and Sumitomo Precision Products Co., Ltd.
99.1	Press release dated June 4, 2012 announcing the entry into License, Joint Research and Product Development and Stock Purchase Agreements with Sumitomo Precision Products Co., Ltd.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Registrant: VISUALANT, INCORPORATED

June 4, 2012

By: /s/ Ronald P. Erickson
Ronald P. Erickson, CEO

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits –

Exhibit No.	Description
<u>10.1</u>	License Agreement dated May 31, 2012 by and between Visualant, Inc. and Sumitomo Precision Products Co., Ltd.
<u>10.2</u>	Joint Research and Product Development Agreement dated May 31, 2012 by and between Visualant, Inc. and Sumitomo Precision Products Co., Ltd.
<u>10.3</u>	Stock Purchase Agreement dated May 31, 2012 by and between Visualant, Inc. and Sumitomo Precision Products Co., Ltd.
<u>99.1</u>	Press release dated June 4, 2012 announcing the entry into License, Joint Research and Product Development and Stock Purchase Agreements with Sumitomo Precision Products Co., Ltd.

LICENSE AGREEMENT

This license agreement ("License Agreement") is made as of May 31, 2012, by and between:

Sumitomo Precision Products Co., Ltd., a Japanese corporation having a place of business at 1-10 Fuso-cho, Amagasaki, Hyogo 660-0891 Japan (hereinafter "SPP"), and

Visualant, Incorporated a corporation under the laws of the State of Nevada having a business address of 500 Union Street, Suite 406, Seattle, Washington, 98101, and its subsidiaries and affiliates (hereinafter "VISUALANT").

SPP and VISUALANT are collectively referred to in this License Agreement as the "Parties" or in the singular as a "Party".

WHEREAS:

1. SPP and VISUALANT have entered into a Joint Research and Product Development Agreement (JRPDA) and a Stock Purchase Agreement of even date herewith, and
2. The Parties each are desirous of entering into an Intellectual Property licensing agreement regarding certain existing rights in Intellectual Property owned by Visualant;
3. VISUALANT has developed, owns, has received patents and has patents pending on certain proprietary technology known as Spectral Pattern Matching or SPM technology.
4. NOW, THEREFORE, in consideration of the foregoing, the promises herein and in the JRPDA, and in the Stock Purchase Agreement and for other good and valuable consideration set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

A. DEFINITIONS

1. "*Intellectual Property*" or "IP" means technical and other specifications, technical designs or solutions, drawings, diagrams, protocols, schematics, apparatuses, hardware, tools, devices, descriptions, methods, techniques, processes, formulae, specifications, procedures, methods and results, algorithms, software, software code (in any form including source code and object code or executable code), user interfaces, database rights, trade secrets, registered or unregistered trademarks and service marks, know-how, inventions whether patentable or not, patent applications, patents, registered and unregistered copyrights, confidential or proprietary information, mask works rights, registered and unregistered design rights, utility models, and any other forms of technology, in each case whether registered or unregistered, throughout the World, as well as business information including, but not limited to, business plans, vendors, supply sources, customers, potential customers and pricing, as well as other Confidential Information.
2. "*SPM*" means Spectral Pattern Matching, the trade name of VISUALANT'S Intellectual Property.

B. GRANT OF LICENSE(S) TO SPP BY VISUALANT

1. VISUALANT License Grant. In exchange for an initial payment of US\$1,000,000 to VISUALANT by SPP, SPP shall obtain an exclusive license to all related IPs of the SPM technology. The exclusive territory shall include Japan, China, Taiwan, Korea and the entirety of Southeast Asia (Burma, Indonesia, Thailand, Cambodia, Laos, Vietnam, Singapore and the Philippines). At the completion of the JRPDA the parties shall decide upon the running royalty to be paid by SPP to VISUALANT. In addition the payment contemplated by B.1 is consideration for the following license grants by VISUALANT to SPP.
 2. The licenses granted to SPP by VISUALANT in this Section B:
 - a. include the right to sublicense to any wholly-owned subsidiary of SPP; and
 - b. are not assignable or transferrable except as part of a sale of substantially all business assets or line of business of VISUALANT as set out in the JRPDA.
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3. Nothing in this license shall inhibit VISUALANT'S ability to license the IP to other partners in territories and/or fields of use not ultimately covered by this license.

C. UNRELATED PRODUCTS AND SERVICES

1. For greater certainty, nothing in this License Agreement shall inhibit a Party's right to make, have made, use, offer for sale, sell, import, copy, make derivative, display, perform or otherwise distribute, market or provide any product (including software or firmware) or any service which does not employ the other Party's Background Intellectual Property or Solely Developed Intellectual Property as such terms are defined in the JRPDA.

D. PRODUCTION LICENSE

1. In the event that the development of a mutually acceptable Scan Head is successfully completed under the JRPDA, the Parties agree to negotiate in good faith with respect to a license if each Party's respective Intellectual Property as may be needed to enable the manufacture and sale of the Scan Head into the market.

E. TERM AND TERMINATION

1. The term of this License Agreement shall be minimum 5 years, and to be discussed and agreed after the completion of JRPDA along with running royalty to be paid by SPP to VISUALANT as described in clause B.1.
2. In the event this License Agreement expires or is otherwise terminated (a) for a material breach, the non-breaching Party may revoke any or all licenses granted to the breaching Party herein; or (b) for any other reason, the licenses granted herein shall survive.

F. MISCELLANEOUS

1. Nothing in this License Agreement is intended to change or supersede the terms of the JRPDA or the Existing Confidentiality Agreement, and the terms of the JRPDA should be controlling.
2. All notices, requests, consents, and other communications, required or permitted to be given hereunder, shall be in accordance with protocol set out in the JRPDA.

In Witness Whereof, each of the Parties has caused this Agreement to be executed in duplicate originals by its duly authorized representative.

Sumitomo Precision Products Co., Ltd.

By: /s/ Susumu Kaminaga
Name: Susumu Kaminaga
Title: President

Visualant Incorporated

By: /s/ Ronald P. Erickson
Name: Ronald P. Erickson
Title: President and CEO

JOINT RESEARCH AND PRODUCT DEVELOPMENT AGREEMENT

This Joint Research and Product Development Agreement is entered into effective May 31, 2012 (the "Effective Date"), between Sumitomo Precision Products Co., Ltd., a Japanese corporation having a place of business at 1-10 Fuso-cho, Amagasaki, Hyogo 660-0891 Japan, (hereinafter "SPP"), and Visualant, Incorporated a corporation under the laws of the State of Nevada having a business address of 500 Union Street, Suite 406, Seattle, Washington, 98101, and subsidiaries and affiliates (hereinafter "VISUALANT").

WITNESSETH:

WHEREAS, VISUALANT has previously developed spectral signature related technology which employs spectral pattern matching (hereinafter "SPM technology") which has a large variety of potential uses such as security, authentication, and quality control, portions of which SPM technology are protected by U.S. patents, pending U.S. and Japanese patent applications, portions of which SPM technology are protected by copyright, and portions of which SPM technology are the trade secrets of VISUALANT;

WHEREAS, VISUALANT has previously disclosed proprietary information regarding the SPM technology to SPP under a confidentiality agreement dated 16-June-2011, appended hereto as Attachment A;

WHEREAS, SPP has expertise in product design, product production and product commercialization;

WHEREAS, SPP and VISUALANT desire to cooperate with one another in development and testing of marketable Scan Head prototypes based on the SPM technology;

WHEREAS, SPP and VISUALANT desire to cooperate with one another in joint marketing study to identify an early adoption application for the SPM technology including but not limited to searching for a candidate for marketing partner; and

WHEREAS, SPP and VISUALANT anticipate developing additional commercially valuable technology related to the SPM technology, Scan Head prototypes and joint marketing study;

NOW, THEREFORE, in consideration of the mutual promises herein contained, SPP and VISUALANT hereby agree as follows:

Article 1
Definitions

- 1.1 "Agreement" means this Joint Research and Product Development Agreement.
- 1.2 "Party" means any of the entities named in this Agreement, including their wholly owned subsidiaries.
- 1.3 "Parties" means all of the entities named in this Agreement, including their wholly owned subsidiaries.
- 1.4 "Third Party" or "Third Parties" means any entity not named in this Agreement.

- 1 -

Initials: _____
Date: _____

1.5 "Confidential Information" means information or material proprietary to either Party or designated as Confidential Information by either Party and not generally known to the public, which information or material was developed by the Party in performance of this Agreement or of which the Party obtained knowledge of, was exposed to, or gained access to as a result of the Party's relationship with the other Party to this Agreement. Confidential Information shall include, but not be limited to, the following types of information and other information of a similar nature whether or not reduced to writing: discoveries, inventions whether patentable or not, ideas, concepts, software in various stages of development, designs, drawings, specifications, algorithms, formulae, techniques, models, data, source code, object code, documentation, diagrams, flowcharts, research, analysis, development, processes, procedures, "know-how," engineering techniques, marketing techniques and materials, marketing and development plans, customer name and other information related to customers, price lists, pricing policies, and financial information.

1.6 "Intellectual Property" means technical and other specifications, technical designs or solutions, drawings, diagrams, protocols, schematics, apparatuses, hardware, tools, devices, descriptions, methods, techniques, processes, formulae, specifications, procedures, methods and results, algorithms, software, software code (in any form including source code and object code or executable code), user interfaces, database rights, trade secrets, registered and unregistered trademarks and service marks, know-how, inventions whether patentable or not, utility or design patent applications, utility or design patents, registered or unregistered copyrights, confidential or proprietary information, mask works rights, registered and unregistered design rights, utility models, and any other forms of technology, in each case whether registered or unregistered, throughout the World, as well as business information including, but not limited to, business plans, vendors, supply sources, customers, potential customers and pricing, as well as other Confidential Information.

1.7 "Background Intellectual Property" means any Intellectual Property conceived of, reduced to practice, invented, developed, authored, created or owned by a Party before the effective date of this Agreement, and which Intellectual Property is useful with respect to the product design, product production and product commercialization of the SPM technology.

1.8 "Resulting Intellectual Property" means any Intellectual Property resulting from work performed under this Agreement by, or at the direction of, either Party which relates to SPM technology, including Intellectual Property conceived of, reduced to practice, invented, developed, authored, created or owned by either Party following the term of this Agreement to the extent that such Intellectual Property is shown to be a direct result of work performed under this Agreement or otherwise acquired in performance of this Agreement.

1.9 "Solely Developed Intellectual Property" means any Resulting Intellectual Property that is conceived of, reduced to practice, invented, developed, authored, created by personnel directly under control of a single Party, or acquired by a single Party.

1.10 "Jointly Developed Intellectual Property" means any Resulting Intellectual Property that is not Solely Developed Intellectual Property.

1.11 "Existing Confidentiality Agreement" means the Confidentiality Agreement between the Parties, executed on 16-JUNE-2011, which is appended hereto as Attachment A.

Article 2

Product and Market Development

2.1 Obligations and Responsibilities

SPP shall perform product development, design, and manufacturability services during the Term of this Agreement (as defined in Section 7.1) to achieve the deliverables set out in sections 2.2(a)-2.2(c). VISUALANT agrees to use its expertise and best efforts in cooperation with SPP to jointly develop and test prototypes according to agreed-upon specifications, the specifications to be developed by the Parties within sixty (60) days of the Effective Date of this Agreement. Specifications may be reasonably modified from time to time for just cause by mutual agreement to be recorded in a memorandum of amendment signed by the Parties hereto. SPP shall only take responsibility for any issues and defaults on agreed acceptance condition, development schedule etc. caused by its product design and manufacturing performances. Any issues and problems caused by the original IP and related information provided by VISUALANT shall be the responsibility of VISUALANT.

VISUALANT shall perform market development in North America during the Term of this Agreement to achieve the deliverables set out in sections 2.2(a)-2.2(c). SPP agrees to use its expertise and best efforts in cooperation with VISUALANT to jointly develop market and application.

2.2 Deliverables

(a) SPP shall complete design and manufacture of two (2) Scan Head Version 6 prototypes meeting agreed-upon specifications for Version 6, as generally set out in Attachment C and to be further refined, on or before September 30, 2012. VISUALANT shall hire a business development/program manager to obtain the market requirement for Version 6 specifications within thirty (30) days of the Effective Date of this Agreement. VISUALANT shall instruct this business development/program manager to search for potential partnership for each possible application in the North American region by September 30, 2012. One (1) of the Scan Head Version 6 prototypes shall be delivered by SPP to VISUALANT for acceptance testing on or before September 30, 2012. Upon acceptance by VISUALANT of the delivered Scan Head Version 6 prototype, all rights, title, and interest in the delivered Scan Head Version 6 prototype will be owned by VISUALANT, subject to the rights of the Parties pursuant to Article 3 hereof.

(b) SPP shall exhibit one (1) Scan Head Version 6 prototype at JIMA 2012 in Tokyo Japan. VISUALANT shall plan to exhibit one (1) Scan Head Version 6 prototype at applicable tradeshows in the North American region scheduled after October 2012.

(c) SPP shall complete principal design of a Scan Head Version 7 prototype which incorporates an Application Specific Integrated Circuit (ASIC) on or before December 31, 2012.

(d) Upon execution of this Agreement, VISUALANT shall promptly provide to SPP engineering documentation and information related to an existing Scan Head Version 5 prototype (*i.e.*, Cyclops Version 5 Scan Head), including algorithms, source code, hardware drawings, circuit schematics, and parts list to the extent that such exist, and otherwise provide remote technical support to SPP that is necessary or useful to SPP's obligations stated in sections 2.2(a)-2.2(c). Such documentation and information, which is part of the SPM technology, shall be subject to the terms of a separate License Agreement between the Parties executed contemporaneously herewith.

(e) VISUALANT shall specify within sixty (60) days of the Effective Date of this Agreement technical and non-technical criteria to be used by VISUALANT in testing performance of the Scan Head Version 6 prototype.

(f) Upon delivery to it, VISUALANT shall be responsible for promptly inspecting and testing the Scan Head Version 6 prototype, and approving such at its sole discretion, such approval not to be unreasonably withheld. SPP agrees to provide VISUALANT with assistance in providing test equipment and testing the prototypes as reasonably requested by VISUALANT.

(g) VISUALANT shall issue a purchase order for the Scan Head Version 6 prototype.

(h) See also notes with responsibilities and timeline from collaborative meeting between VISUALANT and SPP attached as Attachment B and C hereto.

(i) See planned deliverables by the Parties to this Agreement attached as Attachment B and C hereto. During the Term, the Parties shall discuss about whether to proceed to the next action phase in accordance with Attachment B. If they agree to proceed, each Party shall engage in discussions for the next action phase with the other Party prior to engaging in any business discussions with third parties. If they do not agree to proceed, each Party is free to discuss proceeding with third parties, subject to the rights of the Parties as set forth in the Agreement.

2.3 Communications

The Parties will hold monthly meetings to review progress, and to agree on direction or changes. The monthly meetings will be attended by at least one representative of each Party who has authority to make binding decisions for the respective Party. Attendance may be either in person, or via telephone or video conferencing. The Parties agree to use their best efforts in communicating with one another, including, but not limited to, providing status reports on the Party's own performance under this Agreement on an at least bi-weekly basis.

2.4 Disclosure of Significant Developments

The Parties shall promptly disclose significant developments with respect to the Resulting Intellectual Property to one another, and in any event upon demand therefor by the other, and disclose to the extent necessary or as reasonably desired by the other Party to allow that other Party to fully appreciate any advantage or significance of such significant developments.

2.5 Costs

Each Party will bear its own costs in development activities under this Agreement, except as otherwise explicitly set out herein or later agreed to by the Parties in writing. In the case of exceptional costs or exceptionally large costs, the Parties may choose to share the costs in any manner the Parties deem equitable.

2.6 Facilities

It is contemplated that primary development activities will occur at the facilities of the respective Parties. Both parties shall provide at least 1 set of desk and chair in its own office space for usage by a visitor from the other Party.

2.7 Program Management

(a) The Parties shall form the Steering Committee which consists of the chief member from each party, CEO from VISUALANT and Board Director in charge of R&D from SPP, who shall assign the rest of the members from his/her own Party up to 5 people including him/herself. The Steering Committee shall observe the progress of development program according to this Agreement and implement countermeasures to any issues if required. The SPP and VISUALANT Boards recognize the authority of Steering Committee over the issue related to this Agreement. Any recommendation/suggestion and/or instruction for execution of those tasks defined by this Agreement raised by Steering Committee shall be considered by the respective boards.

(b) The Parties shall set the detailed action plan supporting those tasks defined by this Agreement, including schedule and assignment of human resources and responsible parties within fourteen (14) days of the Effective Date of this Agreement. This detailed action plan shall be reviewed by weekly review meeting and Steering Committee which shall be held every other month.

Article 3

Intellectual Property Ownership, Decisions, Costs, Grants

3.1 Ownership of Intellectual Property

Subject to any license granted in the License Agreement between the Parties, all right, title and interest to any Background Intellectual Property remains in and will be solely owned by the respective Party whose personnel under its control conceived of, reduced to practice, invented, developed, authored, or otherwise created the respective Background Intellectual Property.

Subject to any license granted in the License Agreement between the Parties, all right, title and interest to Jointly Developed Intellectual Property vests in and will be jointly owned by the Parties in equal shares, including a right to accounting for any exploitation of the Jointly Developed Intellectual Property.

Subject to any license granted in the License Agreement between the Parties, all right, title and interest to any Solely Developed Intellectual Property vests in and will be solely owned by the respective Party whose personnel under its control conceived of, reduced to practice, invented, developed, authored, or otherwise created the respective Solely Developed Intellectual Property.

3.2 Decisions With Respect to Securing Resulting Intellectual Property

With respect to Jointly Developed Intellectual Property, the Parties will timely consult each other on substantial decisions regarding securing rights in Jointly Developed Intellectual Property, including, but not limited to, deciding whether to file applications to establish or register such rights, deciding in which countries or regions in which to establish or register such rights, deciding on the scope of those rights, decisions related to the term of such rights, and deciding whether to abandon any such applications, whether to maintain such rights, which includes securing utility and design patent rights, utility model rights, copyrights, and/or trademark or service mark rights. VISUALANT and SPP will with each other's approval, select and manage counsel to secure Jointly Developed Intellectual Property, in accordance with the above noted consultation.

With respect to Solely Developed Intellectual Property, each Party has the absolute right to make all decisions with respect to securing rights to its own Solely Developed Intellectual Property, including, but not limited to, deciding whether to file applications to establish or register such rights, deciding in which countries or regions in which to establish or register such rights, and deciding whether to abandon such any such applications, whether to maintain such rights, including securing utility and design patent rights, utility model rights, copyrights, and/or trademark or service mark rights.

3.3 Costs Associated With Respect to Securing Resulting Intellectual Property

The Parties will equally share all reasonable costs associated with securing rights to Jointly Developed Intellectual Property, including but not limited to filing, prosecuting, or maintaining of any applications for, or grants of, utility or design patents, utility models, copyright registrations or trademark or service mark registrations. Should one Party decide against securing rights, that Party must provide timely notice to the other Party, and will thereafter not be responsible for costs associated with securement of those rights. The other Party may proceed with securing those rights at its own expense and for its own sole benefit, such rights subject to any license granted in the License Agreement between the Parties.

Each Party will bear its own costs associated with securing rights to its own Solely Developed Intellectual Property.

3.4 Cooperation in Securing Rights In Resulting Intellectual Property

Upon request, either during or after termination of this Agreement, each Party will (i) sign and deliver any written assignments and other documents and to its best ability cause those under its control to sign and deliver any written assignments and other documents, (ii) assist in filing and prosecuting patent, utility model, and copyright applications, and (iii) do any other things as may be necessary to perfect rights to the Resulting Intellectual Property, including testifying in any appeal, interference, litigation, or other legal proceeding that may arise during or after the termination of this Agreement.

3.5 Decisions With Respect to Enforcing Resulting Intellectual Property

With respect to Jointly Developed Intellectual Property, the Parties will timely consult each other on all decisions related to possible or actual infringement or conversion of Jointly Developed Intellectual Property. Should one Party not agree to pursue an enforcement action, the other Party may pursue the enforcement action. The Party that does not agree to pursue the enforcement action agrees to be joined in the enforcement action if required.

With respect to Solely Developed Intellectual Property, each Party has the absolute right to make all decisions with respect to enforcing rights to its own Solely Developed Intellectual Property, including, but not limited to, deciding whether to file any actions including legal or administrative actions against infringers, whether to seek injunctions, whether to seek monetary damages and the amount of such damages, whether to settle any action and the terms of such settlements, whether to dismiss an action with or without prejudice, and whether to grant a license on any terms deemed suitable by the Party and consistent with the License Agreement between the Parties.

3.6 Costs Associated With Respect to Enforcing Resulting Intellectual Property

The Parties will equally share all reasonable costs incurred in enforcing rights to Jointly Developed Intellectual Property against Third Parties, except where one Party does not agree to pursue the enforcement action, in which case the Party that pursues the enforcement action does so solely at its own cost, and has no obligation to account for any proceeds or damages resulting from the enforcement action to the Party that did not agree to pursue the enforcement action.

Each Party will bear its own costs incurred in enforcing rights to its own Solely Developed Intellectual Property against Third Parties.

Article 4
Confidentiality and Nondisclosure Agreement

4.1 **Confidentiality**

The Existing Confidentiality Agreement is incorporated herein by reference.

4.2 **Injunctive Relief**

Each Party acknowledges that the disclosure of the other Party's Confidential Information will give rise to an irreparable injury to the other Party that cannot be adequately compensated in damages. Accordingly, each Party agrees that the other may obtain injunctive relief against disclosure or threatened disclosure of its Confidential Information, in addition to any such remedies that may be available in law or at equity. This provision shall survive the termination of this Agreement under any and all circumstances and does not preclude other remedies including but not necessarily limited to money damages.

Article 5
Representations, Warranties, and Indemnifications

5.1 **General Representations and Warranty**

Each Party represents and warrants that, as of the Effective Date of this Agreement:

- (i) it is a corporation duly organized, validly existing and in good standing under the laws of its respective State or Country; and has the full corporate authority and the legal right to enter into this Agreement;
- (ii) this Agreement has been duly authorized by all necessary corporate action on the part of the Party,
- (iii) this Agreement does not conflict with, violate, or breach or constitute a default or require any consent under, any contractual obligation or court or administrative order by which the Party is bound,
- (iv) it has the full right and authority to grant to any rights or licenses granted to the other Party under this Agreement or the associated License Agreement;
- (v) each Party will comply with the requirements of the U.S. Federal Corrupt Practices Act.

5.2 **Disclaimer of Product Warranty**

EXCEPT AS EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT OR AS STATED IN ANY STANDARD TERMS AND CONDITIONS WHICH MAY ACCOMPANY THE DELIVERY OF THE SCAN HEAD PROTOTYPES, ANY OTHER PRODUCT OR INTELLECTUAL PROPERTY PROVIDED UNDER THIS AGREEMENT IS PROVIDED TO A PARTY "AS IS" AND NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR THOSE ARISING FROM THE COURSE OF PERFORMANCE, OR A COURSE OF DEALING OR TRADE USAGE. NEITHER PARTY SPECIFICALLY MAKES ANY WARRANTY WITH RESPECT TO ANY PROTOTYPE, COMPUTER SOFTWARE, PRODUCT, INTELLECTUAL PROPERTY OR INFORMATION PROVIDED BY IT OR SOLD OR LICENSED HEREUNDER BY THAT PARTY. NEITHER PARTY WARRANTS TO THE OTHER PARTY THAT ANY PROTOTYPE, PRODUCT, SOFTWARE OR INTELLECTUAL PROPERTY PROVIDED OR USED HEREUNDER IS ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR PROVIDE SECURE OPERATIONS.

5.3 Limitation of Liability

IN NO EVENT WILL EITHER PARTY BE LIABLE FOR (A) ANY LOST PROFITS, LOSS OF GOODWILL, LOST SAVINGS, LOST REVENUE, LOST DATA OR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, COLLATERAL OR CONSEQUENTIAL DAMAGES, REGARDLESS OF WHETHER SUCH LIABILITY IS BASED ON BREACH OF CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE AND EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, OR (B) DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT (IN THE AGGREGATE) EXCEEDING THE AMOUNTS PAID OR PAYABLE TO THE OTHER PARTY UNDER THIS AGREEMENT OR ANY ASSOCIATED LICENSE AGREEMENT DURING THE LAST TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE CLAIM. THESE LIMITATIONS OF LIABILITY SHALL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY HEREIN. THE LIMITATIONS SET FORTH IN THIS SECTION SHALL NOT APPLY WITH RESPECT TO CLAIMS FOR BREACH OF CONFIDENTIALITY OR A PARTY'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT.

5.4 Intellectual Property Warranty

Each Party represents and warrants to the other that it is the owner of all rights, title, and interest in and to its Background Intellectual Property, and that it has the right, authority, and legal capacity to enter into this Agreement and grant any rights set forth herein or in the associated License Agreement between the Parties. Each Party agrees that it will not knowingly incorporate any patented, copyrighted, trade secret or other proprietary technology or designs owned by Third Parties, and shall promptly inform the other Party if it knows or has any reason to believe any product or method may constitute an infringement or misappropriation of the patents, copyrights, trade secrets or other proprietary technology or designs owned by Third Parties. Each Party shall use reasonable efforts to investigate information it receives of such Third Party rights when used or proposed for use in the development activities and to advise the other Party of the results of such investigation.

5.5 No Warranty of Validity; Non-infringement

Nothing in this Agreement shall be construed as (a) a warranty or representation by either Party as to the validity or scope of any Intellectual Property or (b) a warranty or representation that any product obtained through the development, including without limitation any Scan Head prototype will be free from infringement of intellectual property rights held or otherwise controlled by a Third Party.

5.6 Indemnification for Infringement of Third Party Rights

Each Party will indemnify, defend and hold harmless the other Party, its affiliates, directors, officers, employee and agents against any and all loss, damage, action, suit, claim, demand, liability or expense, and reasonable attorney fees and expenses (collectively "Losses") only to the extent such Losses arise out of any third party claim relating to: (i) willful misconduct of the indemnifying Party or those under its direct and immediate control, (ii) the intentional material breach by the indemnifying Party of any of its express representations or warranties in this Agreement, or (iii) the intentional material breach by the indemnifying Party of any of its covenants or obligations in this Agreement.

Article 6

EXPORT RESTRICTIONS AND INFORMATION EXCHANGE

Each Party agrees that it will abide by all export laws, rules and regulations of the United States and Japan, including without limitation, the U.S. International Traffic in Arms Regulations of the US Department of State and the Export Control Act of the US Department of Commerce, in connection with the disclosure, use and export of any item, information or data disclosed hereunder.

If a Party improperly discloses export-restricted information in violation of such laws, rules and regulations in performance of this Agreement, that Party shall indemnify and hold harmless the other Party from all directly applicable and reasonably incurred resulting claims, demands, damages, costs, fines, penalties, attorney's fees and all other expenses.

To the extent permissible under applicable security, export or confidentiality laws, rules, regulations and/or restrictions, the Parties will provide each other with requested information regarding development and demonstrations to provide visibility into potential applications and requirements for products. Each Party will abide by any export control requirements that the other Party identifies in writing as being associated with any such information and will certify that any employees, agents or contractors who have been given access to such information are "Permitted Persons" as defined in the applicable export control laws. Before disclosing any information of the other Party subject to export control, security or confidentiality requirements to its agent or contractor, the disclosing Party shall first notify the other Party of such proposed disclosure and shall provide such information as the non-disclosing Party deems necessary to approve such disclosure, and the disclosing Party shall only provide such information to its agent or contractor on the agreement of such agent or contractor to protect such information to the same extent and in the same manner as the disclosing Party shall protect such information and the agreement of the agent or contractor not to further disclose any such information to any other person.

Article 7
Term of Agreement

7.1 Term

The term of this Agreement shall commence on the Effective Date and continue through March 31, 2013 (the "Term"), except as set forth herein or if sooner terminated in accordance with provisions herein. The Term may be extended by mutual consent of the Parties.

7.2 Default

In the event that either Party fails to perform in accordance with the objectives and time schedule agreed upon between the parties for the development activities and associated obligations, as such may from time-to-time be revised by the Parties and approved by the Parties, the non-defaulting Party may give notice of its intent to terminate this Agreement for such failure, specifying the act or omission on which the notice is based. If the specified default is not cured to the satisfaction of the non-defaulting Party within ninety (90) days of said notice of intent to terminate, the non-defaulting Party may terminate this Agreement upon giving written notice to the Party in default, and such termination shall be effective immediately upon the giving of said notice of termination. The obligation of the non-defaulting Party to make future payments, if any, and to fund the development, shall cease and any advance monies paid by the non-defaulting Party shall be reimbursed by the defaulting Party.

7.3 Confidentiality Survives After Termination

Upon termination of this Agreement for any reason, including default or material breach thereof, the provisions regarding confidentiality including the Existing Confidentiality Agreement and any subsequent Confidentiality Agreements shall remain in full force and effect for a period of at least five (5) years following the date of termination, unless specified as longer in such Existing or subsequent Confidentiality Agreements.

7.4 Return of Confidential Information

On termination of this Agreement, each Party shall return to the other Party all Confidential Information disclosed to that Party by the other Party and shall cease and refrain from use or disclosure of said Confidential Information.

Article 8
Miscellaneous Provisions

8.1 No Marketing Obligation

Except as explicitly stated herein, neither Party will be under an obligation whatsoever to recommend, sell, advertise or otherwise market the other Party's products or services to its current or future customers.

8.2 No Publicity Without Consent

Neither Party shall, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, publicize, issue press releases or make any announcements in relation to this Agreement in a manner which does not conform with such rules as may from time to time be agreed between the Parties. If a Party desires to issue a press release, that Party shall provide a copy of the proposed press release to the other Party and obtain the other Party's written consent prior to the actual release. Other than as required by using the prototypes or other products, neither Party shall directly or indirectly use in commerce the other Party's company name, logo, trademark, service mark or brand name, or the name of any manager, officer or employee thereof, without the other Party's prior written consent.

8.3 No Third Party Rights

No provisions of this Agreement are intended, nor shall be interpreted, to provide or create any Third Party beneficiary rights or any other rights of any kind in any client, customer, affiliate, shareholder, partner of any Party hereto or any other person or entity unless specifically provided otherwise herein, and, except as so provided, all provisions hereof shall be personal solely between the Parties to this Agreement. Except as explicitly agreed in the Agreement, neither Party shall act in any way as the agent of the other Party or attempt to bind the other Party without the other Party's prior written consent to such action.

8.4 Dispute Resolution

In the event of any disagreement with respect to performance under this Agreement, the Parties agree first to discuss the dispute informally. In the event that a resolution is not achieved at the informal level, the Parties shall each designate one member of senior management to negotiate the dispute directly. In the event that such a negotiation is not successful in achieving the resolution of the dispute, the Parties agree to submit the dispute to non-binding arbitration pursuant to the Commercial Rules of the American Arbitration Association. The Parties shall each bear their own costs associated with the Arbitration.

8.5 Notice

Any notice, request, instruction, or other communication to be given hereunder by any party hereto to any other Party shall be in writing and delivered personally or sent by facsimile, registered or certified mail, postage prepaid, as follows:

If to VISUALANT:

VISUALANT, Inc.
500 UNION ST, STE. 406
SEATTLE, WA 98101
USA
Attention: Ron Erickson, CEO and President
Facsimile: (206) 826-0451

If to SPP:

OFFICE TOWER Y, 8th FLOOR
1-8-11 HARUMI, CHUO-KU
TOKYO, 104-6108 JAPAN
Attention: Ichiro Takesako, General Manager
Facsimile: 81-(0)3-6220-0732

or at such other address for a Party as shall be specified by like written notice. Any notice that is delivered personally in the manner provided herein shall be deemed to have been duly given to the Party to whom it is directed upon actual receipt by such Party (or its agent for notices hereunder). Any notice that is sent by facsimile or addressed and mailed in the manner herein provided shall be conclusively presumed to have been duly given to the Party to which it is sent by facsimile or addressed at the close of business, local time of the recipient, on the third day after the day it is so sent by facsimile or placed in the mail.

8.6 Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the State of Washington, excluding any choice of law rules that direct the application of the laws of another jurisdiction.

8.7 Jurisdiction and Venue

In the event that non-binding arbitration pursuant to Section 8.4 is unsuccessful, the Parties agree that jurisdiction and venue of any legal action between them shall vest in the United States District Court for the Western District of Washington sitting in Seattle.

8.8 Force Majeure

Neither Party shall be liable for any failure or delay due to fire, flood, or such other unforeseen or catastrophic circumstance beyond that Party's reasonable control, such as epidemic, war, civil disorder, government acts or restrictions, acts of god, or other matters commonly referred to as "*force majeure*," and its performance shall be suspended during such time period, providing the Party so affected takes diligent action to overcome such *force majeure*.

8.9 Relationship of the Parties

The Parties specifically designate this Agreement as a Joint Research Agreement under 35 U.S.C. 103 (CREATE Act). Nothing contained in this Agreement shall be construed to place SPP and VISUALANT in the relationship of partners, joint ventures, or principal and agent, and neither Party shall have the power to obligate or bind the other in any manner whatsoever.

8.10 Assignability

The Parties may assign its rights and obligations under this Agreement to any subsidiary, successor, parent, assign, or affiliated company. Subject to the foregoing, this Agreement is personal as to the Parties and may not be otherwise assigned in whole or part without the other Party's prior written permission, which shall not be unreasonably withheld, unless assigned as part of a transfer of substantially all of the assets of the Party or line of business of the Party.

8.11 Successors

Subject to the provision of 8.10, this Agreement shall be binding upon and inure to the benefit of the successors, heirs, and permitted assigns of VISUALANT and SPP.

8.12 No Waiver

The failure of either Party to enforce any provision of this Agreement or to terminate this Agreement for the breaching of any covenant or conditions herein shall not operate thereafter as a waiver of that provision or any other provision of this Agreement, or as a waiver of the right to terminate this Agreement except to the extent specifically set forth in this Agreement.

8.13 Severability

Any provision of this Agreement that in any way contravenes or is unenforceable under any law of a nation or state in which this Agreement is effective shall be deemed separable and not a part of this Agreement and to that extent void, however, all remaining provisions of this Agreement shall be valid and in full force and effect.

8.14 Books and Records

Each Party shall keep and maintain for a period of at least two (2) years, true and complete books and records pertaining to the costs and fees for the services rendered or incurred pursuant to this Agreement in the joint development effort in sufficient detail to enable the other Party to accurately determine payments due and payable, if any, pursuant to this Agreement or the associated License Agreement. Upon the written request of a Party, such books and records shall be made available at a reasonable time during reasonable business hours for inspection by the requesting Party.

8.15 Sole Understanding and Amendment

This Agreement and the associated License Agreement and Existing Confidentiality Agreement set forth the entire agreement and understanding between VISUALANT and SPP as to the subject matter described herein, and supersede and merge all prior discussions, correspondence, negotiations, and agreements between them relating thereto except as otherwise provided herein. This Agreement may be amended only in a writing signed by all Parties hereto.

8.16 Captions

The captions are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Agreement or the intent of any provisions herein.

8.17 Counterparts

This Agreement may be executed in any number of copies, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Where copies are in different languages, the English version shall be controlling.

IN WITNESS WHEREOF, VISUALANT and SPP have caused this Agreement to be executed on the dates accompanying each signature below.

Sumitomo Precision Products Co., Ltd.

By: /s/ Susumu Kaminaga
Name: Susumu Kaminaga
Title: President

Visualant Incorporated

By: /s/ Ronald P. Erickson
Name: Ronald P. Erickson
Title: President and CEO

Initials: _____
Date: _____

STOCK PURCHASE AGREEMENT

This **STOCK PURCHASE AGREEMENT** (this “Agreement”) by and between **VISUALANT, INC.**, a Nevada corporation (the “Company”), and **SUMITOMO PRECISION PRODUCTS CO., LTD.**, a corporation organized under the laws of Japan (the “Purchaser”) is entered into as of May 31, 2012.

The Company and Purchaser are entering into this agreement to memorialize the terms and conditions upon which Purchaser commits to purchase and acquire shares of the Company’s common stock, \$0.001 par value per share (the “Common Stock”).

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereby agree as follows:

I. CLOSING AND DELIVERY

1.1 The purchase, sale and issuance of the Shares (defined in Section 2.1 below) shall take place at the offices of Sumitomo Precision Products Co., Ltd., Amagasaki, Japan at 16:45 p.m. local time on May 31, 2012 or such other date as the Company and the Purchaser shall mutually agree or shall take place remotely via the exchange of documents and signatures at such time as the Company and the Purchaser mutually agree upon, orally or in writing (the “**Closing**”).

1.2 At the Closing, the Purchaser shall execute and deliver counterpart signature pages, and become party to, and be bound by, this Agreement and shall have the rights and obligations hereunder as of the date of the Closing.

1.3 At the Closing, or as promptly thereafter as possible, the Company shall cause to be delivered to Purchaser a certificate, registered in the name of the Purchaser, representing the Shares being purchased by Purchaser at such Closing against payment of the Purchase Price therefor by wire transfer to a bank account designated by the Company.

II. STOCK PURCHASE COMMITMENT; REPRESENTATIONS BY PURCHASER

2.1 Subject to the terms and conditions hereinafter set forth, the Purchaser hereby agrees to purchase from the Company, and the Company agrees to sell, issue and deliver to the Purchaser, free and clear of all liens and encumbrances (except pursuant to applicable securities laws), the shares of Common Stock (the “Shares”) against payment of the Purchase Price in accordance with the following schedule:

(i) 17,307,693 shares at a purchase price of US\$0.13 per share, or an aggregate price of US\$2,250,000 (the “**Purchase Price**”) payable on or before June 30, 2012.

2.2 The purchase, sale and issuance of the Shares (defined in Section 2.1) shall take place at the offices of Sumitomo Precision Products Co., Ltd., Amagasaki, Japan at 16:45 p.m. local time on May 31, 2012 or such other date as the Company and the Purchaser shall mutually agree or shall take place remotely via the exchange of documents and signatures at such time as the Company and the Purchaser mutually agree upon, orally or in writing (the “**Closing**”).

2.3 The Purchaser recognizes that the purchase of the Shares entails elements of risk in that (i) it may not be able to readily liquidate its investment; (ii) transferability is restricted; and (iii) in the event of a disposition, it could sustain the loss of its entire investment.

2.4 The Purchaser acknowledges that it has prior investment experience such that it is able to evaluate the merits and risks of an investment in the Company; that it recognizes the speculative nature of this investment; and that it is able to bear the economic risk it hereby assumes. All reports, schedules, forms, statements, and other documents required to be filed by the Company with the United States Securities and Exchange Commission (“SEC”) under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated under each, including pursuant to Section 13(a) or 15(d) thereof, as well as all amendments to such filings and reports and all exhibits and documents incorporated by reference therein or attached thereto, that have been filed as of the date of Closing or documents provided as part of due diligence are collectively referred to as the “Disclosure Reports.” The Purchaser acknowledges that it or its representative(s) have read the Disclosure Reports available as of Closing. The Purchaser also acknowledges that it and its representative(s) have been afforded the opportunity to make, and has made, all inquiries as it and its representatives deemed appropriate with respect to the Company’s affairs and prospects.

2.5 The Purchaser hereby acknowledges that (i) the sale and issuance of the Shares have not been registered with the SEC by reason of the Company's intention that the offer and sale of the Shares be a transaction exempt from the registration and prospectus delivery requirements of the U.S. Securities Act of 1933, as amended (the "Act") pursuant to Section 4(2) thereof; (ii) the issuance of the Shares has not been qualified under any state securities laws on the grounds that the sale of the Shares contemplated hereby are exempt therefrom; and (iii) the foregoing exemptions are predicated on the Purchaser's representations set forth herein. The Purchaser represents that the Shares are being purchased for its own account, for investment and not with a view to, or for resale in connection with, any distribution or public offering thereof, within the meaning of the Act or applicable state securities laws. The Purchaser understands that the Shares, upon their transfer, will not be registered under the Act and may be required to be held indefinitely unless they are subsequently registered under the Act, or an exemption from such registration is available.

2.6 The Purchaser represents that it is an "accredited investor" as that term is defined in Rule 501 of Regulation D promulgated under the Act.

2.7 The Purchaser represents and warrants that it has not made any agreement with regard to any commission or compensation in the nature of a brokerage or finder's fee or agent's commission with regard to the sale and issuance of the Shares and to the best of Purchaser's knowledge no payments will be payable to anyone with regard to the sale and issuance of the Shares.

2.8 Unless the resale of the Shares is subsequently registered with the SEC, the Purchaser acknowledges that the certificate representing the Shares shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT (I) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND COMPLIANCE WITH SUCH STATE SECURITIES LAWS, (II) IN COMPLIANCE WITH RULE 144 UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, OR (III) UPON THE DELIVERY TO VISUALANT, INC. (THE "COMPANY") OF AN OPINION OF COUNSEL OR OTHER EVIDENCE SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION AND/ OR COMPLIANCE IS NOT REQUIRED."

2.9 The Purchaser represents that it has the full right, power and authority to enter into and perform the Purchaser's obligations hereunder, and this Agreement constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms, except that (i) any enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time in effect and affecting the rights of creditors generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceedings therefor may be brought.

III. REPRESENTATION AND WARRANTIES BY THE COMPANY

The Company represents and warrants to the Purchaser as follows:

3.1 The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada. The Company has the corporate power and authority to own, lease and operate its properties and to conduct the business as described in its filings with the SEC in the Disclosure Reports. The Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company.

3.2 Unless the context requires otherwise, all references to the Company include any subsidiaries of the Company. Each subsidiary is a validly existing entity and in good standing under the laws of its state of jurisdiction, with full power and authority, corporate and other, to own or lease, as the case may be, and operate its properties, whether tangible or intangible, and to conduct its business as currently conducted.

3.3 This Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditors' rights generally (including, without limitation, statutory or other laws regarding fraudulent preferential transfers) and equitable principles of general applicability.

3.4 The execution and delivery by the Company, and the performance by the Company of its obligations under this Agreement will not conflict with or contravene in any material respect, cause a breach or violation of or default under, any provision of applicable law or the Certificate of Incorporation or by-laws of the Company or any agreement or other instrument binding upon the Company that is material to the Company, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement.

3.5 The shares of Common Stock of the Company outstanding prior to the issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable.

3.6 The Shares have been duly and validly authorized and, when issued and sold and paid for by the Purchaser in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid and non assessable, and the Purchaser will not be subject to personal liability solely by reason of being such a holder and will not be subject to the preemptive or similar rights of any holders of any security of the Company. The issuance of the Shares will not result in the right of any holder of securities of the Company to adjust the exercise, conversion or exchange price of such securities or otherwise reset the price paid for its securities. No authorization, approval or consent of any court, governmental authority or agency is necessary in connection with the issuance by the Company of the Shares.

3.7 Except as disclosed in Exhibit 1, the Company represents and warrants that it has not made any agreement with regard to any commission or compensation in the nature of a brokerage or finder's fee or agent's commission with regard to the sale and issuance of the Shares and to the best of Company's knowledge no payments will be payable to anyone with regard to the sale and issuance of the Shares.

3.8 The Company's filings with the SEC, which are included in the Disclosure Reports, as of their respective filing dates, complied in all material respects with the requirements of the Securities Exchange Act of 1934 and the applicable rules and regulations of the SEC thereunder and none of such filings contains, as of the date hereof, an untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

3.9 There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business, operations or prospects of the Company whether or not arising in the ordinary course of business from that set forth in the Disclosure Reports. Except as set forth in the Disclosure Reports, there has been no obligation, contingent or otherwise, directly or indirectly incurred by the Company or any subsidiary made to the Company and other subsidiaries taken as a whole.

3.10 Neither the Company nor any subsidiary is in violation of its charter or by-laws or in default in the performance of any obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Company and the subsidiaries taken as a whole to which the Company or any subsidiary is a party or by which the Company, any subsidiary or any of their properties is bound, except for such defaults that would not, singly or in the aggregate, have a material adverse effect on the Company and the subsidiaries taken as a whole or as otherwise set forth in the Disclosure Reports.

3.11 There are no legal or governmental proceedings, orders, judgments, writs, injunctions, decrees or demands pending or, to the Company's knowledge, threatened to which the Company or any subsidiary is a party or to which any of the properties of the Company or any subsidiary is subject other than proceedings, orders, judgments, writs, injunctions, decrees or demands accurately described in all material respects in the Disclosure Reports and proceedings, orders, judgments, writs, injunctions, decrees or demands that would not have a material adverse effect on the Company and the subsidiaries taken as a whole or on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement.

3.12 The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-14 and 15d-14 under the Exchange Act); such disclosure controls and procedures are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's Chief Executive Officer and its Chief Financial Officer by others within those entities, and such disclosure controls and procedures are reasonably effective to perform the functions for which they were established, subject to the limitation of any such control system; the Company's auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (A) any significant deficiencies in the Company's ability to record, process, summarize, and report financial data; and (B) any fraud, whether or not material, that involves management or other employees who have a role in the Company's internal controls; any material weaknesses in internal controls have been identified for the Company's auditors; and since the date of the most recent evaluation of such disclosure controls and procedures, there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

3.13 The Company and each subsidiary owns or possesses, or has the right to use, all material patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names currently employed or required by it in connection with the business currently conducted by it as described in the Disclosure Reports, except such as the failure to so own or possess or have the right to use would not have, singly or in the aggregate, a material adverse effect on the Company and the subsidiaries taken as a whole. To the Company's knowledge, there are no valid and enforceable United States patents that are infringed by the business currently conducted by the Company or any subsidiary, or as currently proposed to be conducted by the Company or any subsidiary, as described in the Disclosure Reports and which infringement would have a material adverse effect on the Company and the subsidiaries taken as a whole. The Company is not aware of any basis for a finding that the Company or any subsidiary does not have valid title or license rights to the patents and patent applications referenced in the Disclosure Reports as owned or licensed by the Company or any subsidiary, and, to the Company's knowledge, neither the Company nor any subsidiary is subject to any judgment, order, writ, injunction or decree of any court or any Federal, state, local, foreign or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or any arbitrator, nor has it entered into or is it a party to any contract, which restricts or impairs the use of any of the foregoing which would have a material adverse effect on the Company and the subsidiaries taken as a whole. Neither the Company nor any subsidiary has received any written notice of infringement of or conflict with asserted rights of any third party with respect to the business currently conducted by it as described in the Disclosure Reports and which, if determined adversely to the Company or any subsidiary, would have a material adverse effect on the Company and the subsidiaries taken as a whole and the Company has no knowledge of any facts or circumstances that would serve as a reasonable basis for any such claims.

3.14 Except as disclosed in Exhibit 2, there are no outstanding rights, warrants, options, convertible securities or commitments to sell granted or issued by the Company entitling any person to purchase or otherwise acquire any shares of the capital stock of the Company, except as otherwise disclosed in the Disclosure Reports and except for warrants and options granted to directors and employees of the Company in the ordinary course of business.

3.15 The financial statements included or incorporated by reference in the Disclosure Reports as the same may have been amended prior to the date of the Disclosure Reports, together with related schedules and notes, present fairly in all material respects the financial position, results of operations and changes in financial position of the Company and its consolidated subsidiaries on the basis stated therein at the respective dates or for the respective periods to which they apply; such statements and related schedules and notes have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as disclosed therein.

3.16 Each of the Company and each subsidiary has filed all Federal, state, local and foreign tax returns which are required to be filed through the date hereof (except where the failure to so file would not have a material adverse effect on the Company and the subsidiaries taken as a whole), which returns are true and correct in all material respects, or have received extensions thereof, and have paid all taxes shown on such returns and all assessments received by them to the extent that the same are material and have become due. All tax liabilities are adequately provided for on the books of the Company and the subsidiaries. To the Company's knowledge, there are no tax audits or investigations pending, which if adversely determined, would have a material adverse effect on the Company and the subsidiaries taken as a whole.

3.17 The Company is subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act. The Company is current in its reporting obligations under the Exchange Act. To the Company's knowledge, the Company has responded to all comments raised by the SEC with respect to the Company's reports, registration statements and other filings made with the SEC to the SEC's satisfaction, and there are no comments which could have an adverse effect on the Company's consolidated financial condition or results of operations (past or future) or could require a restatement of previously filed financial statements which remain unresolved with the SEC.

3.18 There is and there has been no failure on the part of the Company or, to the Company's knowledge, any of the officers or directors of the Company in their capacities as such to comply in all material respects with the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith that are applicable to the Company and its officers and directors.

IV. REGISTRATION RIGHTS

4.1 Purchaser agrees that the Common Stock does not have registration rights and the Shares must be sold in accordance with Rule 144 of the Act.

V. CONDITIONS TO OBLIGATIONS AT CLOSINGS.

5.1 Conditions to the Purchaser's Obligations at the Closing The obligations of the Purchaser to purchase the Shares at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived by Purchaser:

(i) Representations and Warranties. The representations and warranties of the Company contained in Article III shall be true and correct in all material respects as of the date of the Closing.

(ii) Performance. The Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

(iii) Current Disclosure Reports. The Company shall have filed all Disclosure Reports that are required to be filed as of the date of the Closing.

5.2 Conditions to the Company's Obligations at the Closing The obligations of the Company to sell and issue the Shares at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived by the Company:

(i) Representations and Warranties. The representations and warranties of the Purchaser contained in Article II shall be true and correct in all material respects as of the date of the Closing.

(ii) Performance. The Purchaser shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

VI. MISCELLANEOUS

6.1 Amendments. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the Purchaser of the Shares issued pursuant to this Agreement.

6.2 All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand or by messenger addressed:

(a) if to Purchaser, at Purchaser's address, facsimile number or electronic mail address as shown in the Company's records, as may be updated in accordance with the provisions hereof;

(b) if to the Company, one copy should be sent to 500 Union Street, Suite 420, Seattle, Washington 98101, facsimile: (206) 652-4466, Attn: Ronald P. Erickson, or at such other address as the Company shall have furnished to the Purchaser, with a copy to James F. Biagi, Jr., Monahan & Biagi PLLC, 701 Fifth Avenue, Suite 2800, Seattle, WA 98104, facsimile: (206) 587-5710 or electronically at: jbiagi@monahanbiagi.com.

With respect to any notice given by the Company under any provision of the Washington Business Corporation Act or the Restated Articles or Bylaws, Purchaser agrees that such notice may be given by facsimile or by electronic mail.

Any notice required by the provisions of this Agreement shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) two (2) days after deposit with a nationally recognized international overnight courier, specifying next day delivery, with verification of receipt.

6.3 This Agreement shall be governed in all respects by the internal laws of the State of Washington, without regard to principles of conflicts of law.

6.4 The Company shall indemnify and hold harmless the Purchaser from any liability for any commission or compensation in the nature of a brokerage or finder's fee or agent's commission (and the costs and expenses of defending against such liability or asserted liability) for which Purchaser or any of its constituent shareholders, officers, directors, employees or representatives is responsible to the extent such liability is attributable to any inaccuracy or breach of the representations and warranties contained in Section 3.7, and Purchaser agrees to indemnify and hold harmless the Company from any liability for any commission or compensation in the nature of a brokerage or finder's fee or agent's commission (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of their constituent partners, members, officers, directors, employees or representatives is responsible to the extent such liability is attributable to any inaccuracy or breach of the representations and warranties contained in Section 2.7.

6.5 The Company and the Purchaser shall pay their own respective expenses in connection with the transactions contemplated by this Agreement.

6.6 The representations, warranties, covenants and agreements made in this Agreement shall survive any investigation made by any party hereto and the closing of the transactions contemplated hereby.

6.7 This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by the Purchaser without the prior written consent of the Company. Any attempt by the Purchaser without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

6.8 This Agreement, including the exhibits attached hereto, constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. No party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

6.9 Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

6.10 The sale of the securities which are the subject of this Agreement are not registered in any state and are being sold pursuant to an exemption from registration under the Securities Act of 1933, as amended, under Section 4(6) thereof and analogous state law. The Purchaser further understands that any transfers to residents of the United States must be made pursuant to registration or an exemption from registration both under federal securities law and any applicable securities laws in the transferee's state.

6.11 If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

6.12 This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

6.13 A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

6.14 With respect to any disputes arising out of or related to this Agreement, the parties consent to the exclusive jurisdiction of, and venue in, the state courts in King County, state of Washington (or in the event of exclusive federal jurisdiction, the U.S. District Court for the Western District of Washington).

6.15 Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

6.16 In the event that any suit or action is instituted to enforce any provisions in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

6.17 EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THIS AGREEMENT.

6.18 No party hereto shall issue any statement or communication to any third party, including customers (but excluding any legal, accounting or financial advisors of the parties), that references Purchaser's investment in, or status as a shareholder of, the Company without the prior written consent of Purchaser; provided, however, that the Company may make any such disclosure to the extent required by applicable law or court order.

6.19 The Company agrees to use its reasonable efforts to comply with the terms of this Agreement, to inform the Purchaser of any breach hereof (to the extent the Company has knowledge thereof) and to assist the Purchaser in the exercise of its rights and the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth below.

Visualant, Inc.

/s/ Ronald P. Erickson
By: Ronald P. Erickson
Title: Chief Executive Officer

Sumitomo Precision Products Co., Ltd.

/s/ Susumu Kaminaga
By: Susumu Kaminaga
Title: President



FOR IMMEDIATE RELEASE

CONTACT:

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206 903 1351
ron@visualant.net

**Visualant and Sumitomo Precision Products Enter Into Joint Development and License Agreements;
Plan to Accelerate Development and Commercialization of SPM Technology**

Seattle, WA. – June 4, 2012, Visualant, Inc. (OTCBB: VSUL), a pioneer provider of industry-leading color based identification and diagnostic solutions, an emerging leader in security and authentication systems technology with its Spectral Pattern Matching (“SPM”) technology and distributor of a wide variety of security solutions through its wholly-owned subsidiary, TransTech Systems, Inc., is pleased to announce the signing of a comprehensive group of agreements with Sumitomo Precision Products Co., Ltd. a Japan corporation.

On May 31, 2012, Visualant, Inc. (“Visualant” or the “Company”) executed a Stock Purchase Agreement with Sumitomo Precision Products Co., Ltd. (“SPP”), a publicly-listed Japanese corporation, whereby SPP will invest US \$2,250,000 into Visualant in exchange for 17,307,693 shares of restricted common shares priced at \$0.13 per share. In addition, Visualant and SPP have entered into a one year Joint Development Agreement focused on the commercialization of the Visualant SPM technology and a License Agreement providing SPP with an exclusive license of the SPM technology in identified Asian territories. SPP will pay Visualant an initial payment of US \$1 million for the License Agreement, and a running royalty for the license will be negotiated at the completion of the Joint Development Agreement.

These agreements are the culmination of several months of work by the parties developing and testing the SPM products, analyzing the market potential for the SPM technology and developing product plans.

“The investment by Sumitomo Precision Products is a significant milestone in the history of Visualant,” said Visualant Founder and CEO Ron Erickson. “SPP is a splendid partner. Pursuant to our Joint Development Agreement, we look forward to working with SPP to bring our Spectral Pattern Technology to the marketplace where we can provide elegant and efficient solutions in security and authentication, as well as medical, environmental and agricultural diagnostics.”

“Sumitomo Precision Products has a reputation for excellence,” stated Susumu Kaminaga, SPP President. “We look forward to providing our technical and manufacturing expertise to the task of creating compelling products using the Visualant SPM technology. We believe the SPM technology has a bright future and we are very pleased to partner with Visualant to accelerate its development.”

About Sumitomo Precision Products Co., Ltd.

SPP is publicly traded on the Tokyo and Osaka Stock Exchanges and has operations in Japan, United States, China, United Kingdom, Canada and other parts of the world. Additional information on SPP is available at <http://www.spp.co.jp/English/index2-e.html>.

About Visualant, Inc.

Visualant, Inc. (OTCBB:VSUL and www.visualant.net) develops low-cost, high speed, light-based security and quality control solutions for use in homeland security, anti-counterfeiting, forgery/fraud prevention, brand protection and process control applications. Our patented and patent-pending technology uses controlled illumination with specific bands of light, to establish a unique spectral signature for both individual and classes of items. When matched against existing databases, these spectral signatures allow precise identification and authentication of any item or substance. This breakthrough optical sensing and data capture technology is called Spectral Pattern Matching (“SPM”). SPM technology can be miniaturized and is easily integrated into a variety of hand-held or fixed mount configurations, and can be combined in the same package as a bar code or biometric scanner.

Through its wholly owned subsidiary, TransTech Systems, Inc. (www.ttsys.com), the Company provides security and authentication solutions to security and law enforcement markets throughout the United States. TransTech has annual revenues in excess of \$9 million dollars and a channel of distribution for security and authentication technology with over 400 dealers across North America.

Safe Harbor Statement

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward-looking statements (within the meaning of Section 27a of the Securities Act of 1933 and Section 21e of the Securities Exchange Act of 1934) regarding us and our business, financial condition, results of operations and prospects. Forward-looking statements in this press release reflect the good faith judgment of our management and are based on facts and factors currently known to us. Forward-looking statements are subject to risks and uncertainties, and actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements as a result of either the matters set forth or incorporated in this press release generally or certain economic and business factors, some of which may be unknown to and/or beyond the control of Visualant, Inc. Specifically, we are exposed to our revenue projections, the success of our potential joint venture arrangements, the potential issuance of patents, our need for additional financing to support our technology development, the sale of a significant number of our shares of common stock could depress the price of our common stock, acquiring or investing in new businesses and ongoing operations, we may incur losses in the future and the market price of our common stock may be volatile. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. We do not undertake, and we expressly disclaim, any obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of the press release.
