

**Article 11. INTERACTIVE TRANSMISSIONS**

The fee for the use of works in public transmissions using communication networks such as music transmissions and telephone services, other than broadcasting and cable broadcasting, and reproductions which accompany such public transmissions (excluding those to which the tariff stipulated in Article 10 apply), shall be a sum equal to the amount obtained by adding to the amount calculated hereafter, the amount equivalent to the consumption tax.

1. When a blanket licensing agreement is concluded
  - (1) Commercial transmissions (when the main purpose of transmission is to use music for listening, karaoke, ringtone etc.)
    - (i) Download type usages
      - (a) The monthly fees for transmission of music data files shall be as follows.
        - a. In case where the playback period, etc. is not limited

|                                  |   | Information service charge   |  |
|----------------------------------|---|--|--|
|                                  |   | Yes  | No   |
| Advertising and/or other revenue | Yes   | Regardless of whether there is advertising and/or other revenue, 7.7% of the information service charge per work per request or ¥7.70, whichever is greater, multiplied by the total number of monthly requests received during the month. | ¥6.60 per work per request multiplied by the total number of monthly requests received during the month. |
|                                  | No  | Regardless of whether there is advertising and/or other revenue, 7.7% of the information service charge per work per request or ¥7.70, whichever is greater, multiplied by the total number of monthly requests received during the month. | ¥5.50 per work per request multiplied by the total number of monthly requests received during the month. |
| Minimum fee                      | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |  |  |

- b. In case where data cannot be reproduced from a memory device of the receiving end to another memory device, and the playback period of the relevant data at the receiving end exceeds 7 days and is up to 30 days

|                                  |   | Information service charge   |  |
|----------------------------------|---|--|--|
|                                  |   | Yes  | No   |
| Advertising and/or other revenue | Yes   | Regardless of whether there is advertising and/or other revenue, 5.6% of the information service charge per work per request or ¥5.60, whichever is greater, multiplied by the total number of monthly requests received during the month. | ¥5 per work per request multiplied by the total number of monthly requests received during the month.    |
|                                  | No  |  | ¥4.50 per work per request multiplied by the total number of monthly requests received during the month. |
| Minimum fee                      | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |  |  |

- c. In case where data cannot be reproduced from a memory device of the receiving end to another memory device, and the playback period of the relevant data at the receiving end is up to 7 days

|                                  |   | Information service charge   |  |
|----------------------------------|---|--|--|
|                                  |   | Yes  | No   |
| Advertising and/or other revenue | Yes   | Regardless of whether there is advertising and/or other revenue, 4.5% of the information service charge per work per request or ¥4.50, whichever is greater, multiplied by the total number of monthly requests received during the month. | ¥3.85 per work per request multiplied by the total number of monthly requests received during the month. |
|                                  | No  |  | ¥3.50 per work per request multiplied by the total number of monthly requests received during the month. |
| Minimum fee                      | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |  |  |

d. Notwithstanding the provisions a. through c., in case of data specifically used for ringtones

|                                  |     | Information service charge  |   |
|----------------------------------|-----|---|---|
|                                  |     | Yes   | No  |
| Advertising and/or other revenue | Yes | Regardless of whether there is advertising and/or other revenue, 7.2% of the information service charge per work per request or ¥5, whichever is greater, multiplied by the total number of monthly requests received during the month.   | ¥5 per work per request multiplied by the total number of monthly requests received during the month. |
|                                  | No  |   |   |
| Minimum fee                      |     | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |   |

(b) The monthly fee for usage of music in audio programs shall be as follows:

a. In case where the playback period, etc. is not limited

|                                  |     | Information service charge  |  |
|----------------------------------|-----|---|--|
|                                  |     | Yes   | No   |
| Advertising and/or other revenue | Yes | Regardless of whether there is advertising and/or other revenue, 7.7% of the information service charge per work per request or ¥7.70, or ¥3.8 multiplied by the number of works, whichever is greater, multiplied by the total number of monthly requests received during the month.         | ¥6.60 per work per request in audio program, or ¥3.30 multiplied by the number of works, whichever is greater, multiplied by the total number of monthly requests received during the month. |
|                                  | No  |   | ¥5.50 per work per request in audio program, or ¥2.70 multiplied by the number of works, whichever is greater, multiplied by the total number of monthly requests received during the month. |
| Minimum fee                      |     | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |  |

- b. In case where data cannot be reproduced from a memory device of the receiving end to another memory device, and the playback period of the relevant data at the receiving end exceeds 7 days and is up to 30 days

|                                  |     | Information service charge  |   |
|----------------------------------|-----|---|---|
|                                  |     | Yes   | No  |
| Advertising and/or other revenue | Yes | Regardless of whether there is advertising and/or other revenue, 5.60% of the information service charge per work per request or ¥5.60, or ¥1.40 multiplied by the number of works, whichever is greater, multiplied by the total number of monthly requests received during the month.       | ¥5 per work per request in audio program, or ¥1.20 multiplied by the number of works, whichever is greater, multiplied by the total number of monthly requests received during the month.   |
|                                  | No  |   | ¥4.50 per work per request in audio program, or ¥1.10 multiplied by the number of works, whichever is greater, multiplied by the total number of monthly requests received during the month |
| Minimum fee                      |     | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |   |

- c. In case where data cannot be reproduced from a memory device of the receiving end to another memory device, and the playback period of the relevant data at the receiving end is up to 7 days

|  |  | Information service charge |    |
|--|--|----------------------------|----|
|  |  | Yes                        | No |
|  |  |                            |    |

|                                  |     |  |  |
|----------------------------------|-----|--|--|
| Advertising and/or other revenue | Yes | <p>Regardless of whether there is advertising and/or other revenue, 4.50% of the information service charge per work per request or ¥4.50, or ¥1.10 multiplied by the number of works, whichever is greater, multiplied by the total number of monthly requests received during the month.</p>       | <p>¥3.85 per work per request in audio program, or ¥0.96 multiplied by the number of works, whichever is greater, multiplied by the total number of monthly requests received during the month.</p> <p>However, in case where the period during which the relevant data make available, or the number of reproduction by a receiver is limited to 3 days or three times, and the duration of reproduction does not exceed 10 minutes, fee is ¥2.50 multiplied by the total number of monthly requests received during the month regardless of the number of works.</p> |
|                                  | No  |  | <p>¥3.50 per work per request in audio program, or ¥0.80 multiplied by the number of works, whichever is greater, multiplied by the total number of monthly requests received during the month.</p> <p>However, in case where the period during which the relevant data make available, or the number of reproduction by a receiver is limited to 3 days or three times, and the duration of reproduction does not exceed 10 minutes, fee is ¥2.25 multiplied by the total number of monthly requests received during the month regardless of the number of works.</p> |
| Minimum fee                      |     | <p>If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used.</p> |  |

(ii) Streaming type usages

The monthly fee, regardless of the number of works to be made available for transmission simultaneously, shall be as shown on the schedule as follows.

However, the fee for the use of works where an information service charge is charged each time one work (one audio program) is used, shall be 4.5% of the information service charge or ¥4.50, whichever is greater, multiplied by the total number of monthly requests received for such work (audio program) during the month, or the minimum fee stated on the following schedule, whichever is greater.

When there is neither information service charge nor advertising and/or other revenue, the fee shall be an annual fee of ¥50,000. In such cases, when works are made available for transmission for a period of not exceeding 1 year, regardless of the number of works used, the monthly fee of ¥5,000, multiplied by the predetermined number of months the works will be used, may be determined as the applicable fee.

| Category of service menu                                    | Fee rate  |
|---|---|
| Consisting mainly of music                                  | 3.5% of monthly information service charge and advertising and/or other revenue   |
| General entertainment                                       | 2.5% of monthly information service charge and advertising and/or other revenue   |
| Music content with low usage rates, such as sports and news | 1.0% of monthly information service charge and advertising and/or other revenue   |
| Minimum fee   | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000. |

When the number of works used in a single service menu is notably small, regardless of what is stipulated in the schedule above, the fee rate or sum stipulated in Section 2 of this Article multiplied by the total number of requests received may be determined as the applicable fee.

(iii) Subscription

The monthly fee for transmission of music data files as a subscription (audio programs), regardless of the transmission type specified in (i) or (ii) above, shall be as follows.

- (a) If a receiver can select each music data file (each audio program) only during the service period

- a. The monthly fee shall be 7.7% of the information service charge and advertising and/or other revenue for the relevant month or ¥77 multiplied by the total number of subscribers during the relevant month, whichever is greater.
- b. When there is neither information service charge nor advertising and/or other revenue, the fee shall be ¥55 multiplied by the total number of subscribers during the relevant month.

However, if the monthly fee calculated under this rate is under ¥5,000, ¥5,000 shall be the monthly fee.

- (b) In the case of (a) above, if a receiver is required to select music data files based on each music genre, artist, or program or is subject to certain restrictions on the method of selecting music data files

- a. The monthly fee shall be 4.5% of the information service charge and advertising and/or other revenue for the relevant month or ¥13.50 multiplied by the total number of subscribers during the relevant month, whichever is greater.
- b. When there is neither information service charge nor advertising and/or other revenue, the fee shall be ¥9.50 multiplied by the total number of subscribers during the relevant month.

However, if the monthly fee calculated under this rate is under ¥5,000, ¥5,000 shall be the monthly fee.

- (c) If each receiver is exempted in advance from the payment of information service charge for more than one month during the service period, the monthly fee shall be 12% of the information service charge and advertising and/or other revenue for the relevant month or ¥120 multiplied by the total number of subscribers during the relevant month after the information service charge exemption period, whichever is greater.

However, if the monthly fee calculated under this rate is under ¥5,000, ¥5,000 shall be the monthly fee.

If the operator selects the calculation of monthly fee based on the original information service charge during the information service charge exemption period, the provisions of (1) (iii) (a) may be applied.

- (d) If a receiver has any party other than the receiver use the music data files (audio programs) or any function exceeding the scope of (1) (iii) (a) is provided, the monthly fee shall be 12% of the information service charge and advertising and/or other revenue for the relevant month or ¥120 multiplied by the total number of subscribers during the relevant month, whichever is greater.

However, if the monthly fee calculated under this rate is under ¥5,000, ¥5,000 shall be the monthly fee.

- (2) Commercial transmissions (when (1) is applicable, and when the usage is of a visual nature by using lyrics or, composition in letters, or in sheet music, etc.)

- (i) Download type usages or streaming type usages where the data can be printed at the receiving end

- (a) The monthly fees for transmission of music data files shall be as follows

|                                  |     | Information service charge  |  |
|----------------------------------|-----|---|--|
|                                  |     | Yes   | No   |
| Advertising and/or other revenue | Yes | Regardless of whether there is advertising and/or other revenue, 10% of the information service charge per work per request or ¥10, whichever is greater, multiplied by the total number of monthly requests received during the month.   | ¥6.60 per work per request multiplied by the total number of monthly requests received during the month. |
|                                  | No  |   | ¥5.50 per work per request multiplied by the total number of monthly requests received during the month. |
| Minimum fee                      |     | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |  |



The monthly fee for when foreign works are used, only for such foreign works, regardless of what is stipulated in the schedule above (except for the minimum fee), shall be the fee rate or sum stipulated in Section 2 of this Article multiplied by the total number of monthly requests received.

- (b) Monthly fee for subscription where the data can be printed at the receiving end shall be as follows:

Provision in (2)(i)(a) shall apply for the time being.

- (c) Monthly fee for subscription where the data cannot be printed at the receiving end shall be as follows:

When agreement providing service to memory device of a receiver is cancelled, and immediately usage of the relevant work becomes impossible, monthly fee shall be 10% of the information service charge, or of advertising and/or other revenue or ¥ 100 multiplied by the total number of subscribers during the relevant month, whichever is greater.

When there is neither information service charge nor advertising and/or other revenue, the fee shall be ¥ 55 multiplied by the total number of subscribers during the relevant month. However, if the monthly fee calculated under this rate is under ¥5,000, ¥5,000 shall be the monthly fee.

- (ii) Streaming type usages where the data cannot be printed at the receiving end

Provision in (1)(ii) above shall apply for the time being.

- (3) Commercial transmissions (when Sections (1) and (2) are not applicable, such as when the main purpose is to transmit non-musical works)

- (i) Download type usages

The monthly fee for transmission per work (per content) is shown on the following table.

- (a) In case where the playback period, etc. is not limited

|  |                            |    |
|--|----------------------------|----|
|  | Information service charge |    |
|  | Yes                        | No |

|                                  |   |   |  |
|----------------------------------|---|---|--|
| Advertising and/or other revenue | Yes   | Regardless of whether there is advertising and/or other revenue, 6.2% of the information service charge per work (or one content, similar throughout this schedule) per request or ¥6.20, whichever is greater, multiplied by the total number of monthly requests received during the month. | ¥5.30 per work per request multiplied by the total number of monthly requests received during the month. |
|                                  | No  |   | ¥4.40 per work per request multiplied by the total number of monthly requests received during the month. |
| Minimum fee                      | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |   |  |

- (b) In case where data cannot be reproduced from a memory device of the receiving end to another memory device, and the playback period of the relevant data at the receiving end exceeds 7 days and is up to 30 days

|                                  |   | Information service charge  |  |
|----------------------------------|---|---|--|
|                                  |   | Yes   | No   |
| Advertising and/or other revenue | Yes   | Regardless of whether there is advertising and/or other revenue, 4.5% of the information service charge per work (or one content, similar throughout this schedule) per request or ¥4.50, whichever is greater, multiplied by the total number of monthly requests received during the month. | ¥3.85 per work per request multiplied by the total number of monthly requests received during the month. |
|                                  | No  |   | ¥3.50 per work per request multiplied by the total number of monthly requests received during the month. |
| Minimum fee                      | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |   |  |

- (c) In case where data cannot be reproduced from a memory device of the receiving end to another memory device, and the playback period of the relevant data at the receiving end is up to 7 days

|                                  |   | Information service charge  |  |
|----------------------------------|---|---|--|
|                                  |   | Yes   | No   |
| Advertising and/or other revenue | Yes   | Regardless of whether there is advertising and/or other revenue, 3.6% of the information service charge per work (or one content, similar throughout this schedule) per request or ¥3.60, whichever is greater, multiplied by the total number of monthly requests received during the month. | ¥3.20 per work per request multiplied by the total number of monthly requests received during the month. |
|                                  | No  | whichever is greater, multiplied by the total number of monthly requests received during the month.   | ¥2.80 per work per request multiplied by the total number of monthly requests received during the month. |
| Minimum fee                      | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |   |  |

(d) The monthly fee for subscriptions is shown on the following table:

When agreement providing service to memory device of a receiver is cancelled, and immediately usage of the relevant work becomes impossible, monthly fee shall be 5.8% of the information service charge, or of advertising and/or other revenue or ¥ 58 multiplied by the total number of subscribers during the relevant month, whichever is greater.

When there is neither information service charge nor advertising and/or other revenue, the fee shall be ¥ 44 multiplied by the total number of subscribers during the relevant month. However, if the monthly fee calculated under this rate is under ¥5,000, ¥5,000 shall be the monthly fee.

(ii) Streaming type usages

The monthly fee, regardless of the number of works to be made available for transmission simultaneously, shall be as shown on the schedule as follows. However, the fee for the use of works where an information service charge is charged each time one work (one content) is used, shall be 3.6% of the information service charge or ¥3.60, whichever is greater, multiplied by the total number of monthly requests received for such work (content) during the month, or the minimum fee stated on the following schedule, whichever is greater.

When there is neither information service charge nor advertising and/or other revenue, the fee shall be an annual fee of ¥50,000. In such cases, when works are made available for transmission for a period of not exceeding 1 year, regardless of the number of works used, the monthly fee of ¥5,000, multiplied by the predetermined number of months the works will be used, may be determined as the applicable fee.

| Category of service menu                                    | Fee rate  |
|---|---|
| Consisting mainly of music                                  | 2.8% of monthly information service charge and advertising and/or other revenue   |
| General entertainment                                       | 2.0% of monthly information service charge and advertising and/or other revenue   |
| Music content with low usage rates, such as sports and news | 0.8% of monthly information service charge and advertising and/or other revenue   |
| Minimum fee   | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000. |

When the number of works used in a single service menu is notably small, regardless of what is stipulated in the schedule above, the fee rate or sum stipulated in Section 2 of this Article multiplied by the total number of requests received may be determined as the applicable fee.

(4) Non-commercial transmissions

(i) Download type usages

The yearly or monthly usage fee for making up to 10 works available for transmission simultaneously shall be as follows.

However, the fee for when the usage is of a visual nature such as lyrics and sheet music and of foreign works, shall be the fee rate or sum stipulated in Section 2 of this Article multiplied by the total number of requests received.

| General  | Usage by individual for non-profit purpose  | Usage by non-profit educational institution   |
|--|---|---|
| The annual fee shall be ¥50,000. When works are made available for transmission for a period of not exceeding one year, the monthly fee of ¥5,000, multiplied by the predetermined number of months the works will be used, may be determined as the applicable fee. | Regardless of the type of usage, the annual fee shall be ¥10,000. When works are used for a period of not exceeding one year, the monthly fee of ¥1,000 multiplied by the predetermined number of months the works will be used, or in the event of works to be used not exceeding 10, the annual fee of ¥1,200 per work, and when works are used for a period of not exceeding one year, the monthly per work fee of ¥150 multiplied by the predetermined number of months the works will be used may be determined as the applicable fee. | Regardless of the type of usage, the annual fee shall be ¥20,000. When works are used for a period of not exceeding one year, the monthly fee of ¥2,000 multiplied by the predetermined number of months the works will be used, or in the event of works to be used not exceeding 10, the annual fee of ¥2,400 per work, and when works are used for a period of not exceeding one year, the monthly per work fee of ¥300 multiplied by the predetermined number of months the works will be used may be determined as the applicable fee. |

(ii) Streaming type usages (except for foreign works, includes the showing of lyrics and sheet music on screen)

Regardless of the type of usage and the number of works made available for transmission simultaneously, the yearly or monthly fee shall be as follows.

| General   | Usage by individual for non-profit purpose   | Usage by non-profit educational institution  |
|---|--|--|
| The annual fee shall be ¥30,000. When works are made available for transmission for a period of not exceeding one year, the monthly fee of ¥3,000, multiplied by the predetermined number of months the works will be | The annual fee shall be ¥10,000. When works are used for a period of not exceeding one year, the monthly fee of ¥1,000 multiplied by the predetermined number of months the works will be used, or in the event of works to be used not exceeding 10, the annual fee of ¥1,200 per work, and when works are used for a period of not exceeding one year, the monthly per work fee of ¥150 multiplied by the predetermined number | The annual fee shall be ¥20,000. When works are used for a period of not exceeding one year, the monthly fee of ¥2,000 multiplied by the predetermined number of months the works will be used, or in the event of works to be used not exceeding 10, the annual fee of ¥2,400 per work, and when works are used for a period of not exceeding one year, the monthly per work fee of ¥300 multiplied by the predetermined number |

|   |  |  |
|---|--|--|
| used, may be determined<br>as the applicable fee. | of months the works will be used may<br>be determined as the applicable fee. | of months the works will be used may<br>be determined as the applicable fee. |
|---|--|--|

2. In the event a blanket licensing agreement does not apply

In the event that a blanket licensing agreement does not apply, the fee shall be determined per work per request, with due regard to the details of the usage, with 20% of the information service charge per work per request or ¥20 each for the lyrics and music, whichever is greater, as the maximum fee.

## Notes for Interactive Transmissions

### *Term definitions*

(i) In this Article, the terms shall be defined as follows.

(a) Commercial transmissions

Transmission made with revenue from information services charges or advertising and/or other revenue, and transmissions made by a commercial entity regardless of whether there is revenue or not.

(b) Non-commercial transmissions

Transmissions made for non-commercial purposes by non-commercial entities, non-commercial groups or private persons.

However, transmissions of the following data shall be considered to be commercial transmissions.

a. Commercial phonograms, etc. (not applicable when authorization specifically for non-commercial usage has been obtained from the rights owners of the commercial phonograms in question)

b. Ringtone melodies including data specifically used for ring tone.

(c) Download type usages

This shall mean a transmission type where the data is reproduced on the receiver's memory device for usage.

(d) Streaming type usages

This shall mean a transmission type where the data is not reproduced on the receiver's memory device for usage.

(e) Subscription

This shall mean a transmission type, excluding broadcast type usages, where a receiver selects and uses music data files, audio programs, or content only during the service period in accordance with all-you-can-listen (all-you-can-watch) service provided to its members or other equivalent services; provided, however, that in the case of transmission pursuant to 1 (1), it shall apply regardless of the transmission type specified in (c) or (d) above.

(f) Data of work

This shall mean data for either lyrics or music (including transmission of lyrics and music together), and unit of transmission per request in the form under which works cannot be received separately.

(g) Data specifically used for ringtones

This shall mean the data used for ringtones of telephone calls and so on, whose total playing time is usually 45 seconds or less and which cannot be reproduced from the receiving terminal to other memory devices, including ringtones accompanied with visual materials and so on.

(h) Audio programs

This shall mean the programs including narrations other than music, and other voices that is not music (excluding those including images), and the unit of transmission made per request in a manner that is impossible to receive separately.

(i) Content

This shall mean a unit of data transmitted per request in a manner that is impossible to receive separately in usages accompanying moving pictures or usages of commercials.

(j) Information service charge

This shall mean charges (not inclusive of the consumption tax and regardless of its name being content usage fees or membership fees, etc.) payable usually by the receiver as compensation for the use of interactive transmissions.

(k) Advertising and/or other revenue

This shall mean all revenue other than information service charge revenue, regardless of its name being advertising revenue or sponsorship fees, etc.

(l) Service menu

This shall mean a unit of service clearly indicated to facilitate the general recognition that it is an individual service within the services provided by a homepage (information provided over a network for which one operating entity holds responsibility).



(m) Foreign works

This shall mean a work for which a music publishing agreement has been concluded between the author/composer and a music publisher established outside of Japan which is not a trustor of JASRAC, and for which the fee rate applicable for licensing under Article 4 Publications, etc. of the Tariffs in accordance with the stipulations of Article 16 of JASRAC's Stipulations for Copyright Trust Contract is set by the trustor.

(n) Promotional listening

This shall mean transmissions conducted to promote streaming type usages for commercial purposes licensable by JASRAC's Tariffs, for usage categories where music is used mainly, and is restricted to those that do not accrue information service charge and advertising and/or other revenue, and where the total performance duration of the work data is 45 seconds or less per work.

This shall also include cases where Section 1(2) is applicable, and when part of the visual data to be transmitted is transmitted as a sample, and 30% or more of this is masked. This shall apply regardless of whether the receiver can print the sample.

(o) Data storage proxy

This shall mean the free of charge lending of data storage domain by an operator licensed by JASRAC under this Article, as part of its service, for data transmitted by the operator solely to private persons, where the individual to whom the storage domain was lent is the only party that is authorized to access the stored works data.

(p) Cost of medium

This shall mean cost for publishing advertisement paid to entities engaged in advertising medium business. Cost of medium paid per request shall be a unit cost of medium, and total cost paid in advance for publication of an advertisement shall be total cost of medium.

### ***Fee calculation units***

- (ii) This Article, as a general rule, calculates fees on a per service menu basis for each homepage. However, when there are plural service menus on a single homepage, after determining the applicable tariff categories for each service menu, fees for service menus in the same categories may be calculated together.

### ***Special rules for the application of commercial transmission tariffs***

- (iii) Download type usages conducted by non-commercial entities, non-commercial groups or private persons with only advertising and/or other revenue (excluding usages as data which fall into the schedule in Note (i)(b)b. above), where the schedules in 1(1), 1(2) and 1(3) cannot be applied, for the time being, the annual fee to make up to 10 works made available for transmission simultaneously may be determined to be ¥60,000. When works are made available for transmission for a period of not exceeding 1 year, the monthly fee of ¥6,000 for making up to 10 works available for transmission, multiplied by the predetermined number of months the works will be used, may be determined as the applicable fee. In either case, if the number of works to be made available for transmission simultaneously exceeds 10, the fee for up to 10 works shall be added for each additional 10 works or part thereof.

### ***Special rules for information service charges***

- (iv) Where there is an information service charge, but when it is not established as a per request information service charge, and is in a form such as a set monthly charge, a per work information service charge equivalent will be obtained by certain means, such as by dividing the information service charge set by such operator by the number of requests. However, any service with respect to subscription is not included.
- (v) The fee applicable for when a standard information service charge is set, but is deducted or exempted temporarily for certain reasons such as promotional campaigns, shall be calculated based on the standard information service charge.

### ***Special rules for music used in advertisements***

- (vi) Notwithstanding the provisions from 1(1) through 1(3), in case of transmissions of commercials, for which reproduction for transmission was licensed, in manners of streaming, or of download, which makes available in the limited period, monthly fee paid by entities engaged in advertising business shall be 5% of a unit cost of medium per content, and per request, multiplied by the total time of request in a month, or ¥5,000, whichever is greater.

In the event of a work being repeatedly and continuously broadcasted in the same commercial, the fee amount may be lowered.

### ***Special rules for subscription***

- (vii) In cases where any service to which the provisions of 1 (1) (iii) (a) apply falls under the following items, the monthly fee shall be 4.5% of the information service charge and advertising and/or other revenue for the relevant month or ¥13.50 multiplied by the total number of subscribers during the relevant month, whichever is greater. When there is neither information service charge nor advertising and/or other revenue, the fee shall be ¥9.50 multiplied by the total number of subscribers during the relevant month. However, if the monthly fee calculated under this rate is under ¥5,000, ¥5,000 shall be the monthly fee.
- (a) Where the service usage hours for the month is limited to 20 hours or less; or
- (b) Where the number of available works for the month is limited to 20 or less, or where the number of available works for the month is limited to 10 or less and is increased after the following month up to 120 or less in total, provided that the service agreement with the receiver continues.
- (viii) In cases where any service to which the provisions of 1 (1) (iii) (a) or (b) apply falls under any of the following items and a receiver can playback works as long as the receiver accesses the service, the monthly fee shall be 3.5% of the information service charge and advertising and/or other revenue for the relevant month. However, if the monthly fee calculated under this rate is under ¥5,000, ¥5,000 shall be the monthly fee.
- (a) Where the total number of works that can be transmitted simultaneously is 100,000 or less;
- (b) Where master recordings of accompaniment music are transmitted for karaoke use or singing (excluding the cases where Article 10 of the Tariffs for Use of Musical Works applies);

- (c) Where master recordings of accompaniment music are transmitted for playing musical instruments;
  - (d) Where master recordings are transmitted for promotional listening to promote the sale of works; and
  - (e) Where a performer, or phonogram producer, etc. transmits the works in which he/she is involved for the purpose of introducing his/her activities.
- (ix) In cases where any service to which the provisions of 1 (1) (iii) apply was licensed under the application of the provisions of 1 (1) (ii) regarding streaming type usage before the amendment of the provisions in February 2016, such service shall be handled in accordance with the previous provisions as long as the service content exists.

***Rules for advertising and/or other revenue***

- (x) When Sections 1(1)(ii) or 1(3)(ii) apply, and where advertising and/or other revenue cannot be reported per service menu in a single website, the user may choose to apply either (a) or (b) below only for those service menus.

|   |   |
|---|---|
| (a) When counting/analysis is undemanding | The amount obtained by multiplying the percentage of page views associated with such service menu (or a rate equivalent) among the total number of page views constituting the homepage, by the total advertising and/or other revenue, may be used as the advertising and/or other revenue for fee calculation purposes. However, in such cases substantiating documentation is required.  |
| (b) When counting/analysis is demanding   | The amount obtained by dividing the advertising and/or other revenue for the entire homepage by the total number of service menus may be used as the advertising and/or other revenue per service menu. However, in such cases, 1 is added to the number of service menus for service menus not using works, regardless of the number of such service menus.<br><br>When the number of service menus not using music exceeds 5 times the number of service menus using music, 1 may be added to the number of service menus for each 5 service menus not using music. |

***Exemption of fees***

- (xi) Fees are exempt for data storage proxies for which applications are submitted prior to commencement to JASRAC and approved by JASRAC.
- (xii) Fees are exempt for promotional listening to which a., b. or c. below apply and for which applications are submitted prior to commencement to JASRAC.

- a. When a user using works under Sections 1(1), 1(2) or 1(3) provides promotional listening of works on the same screen as that on which the receiver makes requests.
- b. When a producer of products mainly using works such as commercial phonograms in which works are reproduced legally, provides on its homepage promotional listening of works reproduced on such products to promote sales of such products.
- c. When a performer, phonogram producer or other such neighboring right owner provides promotional listening of such performance or phonogram on his/her/its own homepage.

***When more than one Section is applicable***

(xiii) The fee for when more than one Section in Sections 1(1) through 1(3) apply to a single usage type provided in a single service menu, is shown on the following table:

|                                  |   | Information service charge   |  |
|----------------------------------|---|--|--|
|                                  |   | Yes  | No   |
| Advertising and/or other revenue | Yes   | The amount obtained by dividing the information service charge and/or advertising and/or other revenue (information service charge only when Sections 1(1)(i), 1(2)(i) or 1(3)(i) apply) by the number of applicable sections, and applying each of the applicable sections. | ¥6.60 per work per request multiplied by the total number of monthly requests received during the month. |
|                                  | No  |  | ¥5.50 per work per request multiplied by the total number of monthly requests received during the month. |
| Minimum fee                      | If the monthly fee calculated under this schedule is under ¥5,000, ¥5,000 shall be the monthly fee. In such cases, when works are made available for transmission for a period of 5 days or less, the fee shall be a daily fee of ¥1,000 multiplied by the number of days the works are used. |  |  |

***Usage in advertisements***

(xiv) When music is to be used in a way in which this Article is applicable to advertise a service or a product, permission must be obtained from the author/composer in advance.

***Fees for works made available for transmission***

(xv) The fees calculated under this Article shall include fees for all works made available for transmission in such service menu, regardless of whether requests are made.

***Arrangements for usages where this Article is not applicable***

(xvi) For interactive transmissions, in the event the type of use or some specific circumstances prevent the rates under this Article from being applicable, the fee shall be determined within the scope of the rates and amounts of this Article upon negotiation with the user.