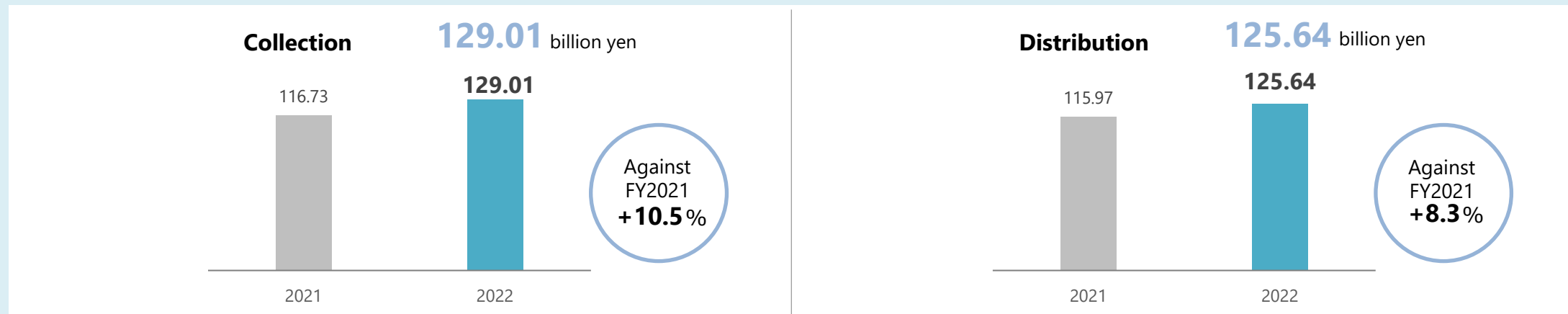


Fiscal 2022 Business Affairs

(The figures for each bar graph are actual amounts collected or distributed. Unit: Billion yen)



■ Collection

Collection of royalties increased by 12.28 billion yen compared to FY2021.

In addition to interactive transmissions, with subscription services and video posting services maintaining strength, there was a significant increase in the category of performances, etc. backed by the easing of various restrictions on activities (COVID-19 countermeasures). Overall, the amount collected surpassed the previous record (117.69 billion yen) set in FY2019.

■ Distribution

Distribution of royalties increased by 9.67 billion yen from FY2021.

Besides interactive transmissions remaining strong, there was a significant increase in the category of performances, etc. Overall, the amount distributed surpassed the previous record (120.63 billion yen) set in FY2020.

Royalties Collected in FY2022

Category	Collection (thousand yen)	Against FY2021 (%)
Performances	56,015,674	112.6
Performances, etc.	20,851,097	129.1
Broadcasts, etc.	28,974,264	103.6
Cable broadcasts	4,400,777	97.7
Film exhibitions	353,923	118.3
Foreign income (performances)	1,435,610	176.7
Mechanicals	16,917,801	92.6
Audio discs	7,528,851	92.8
Audio tapes	214,772	119.4
Music boxes	8,448	109.4
Film reproduction	78,885	127.1
Videograms	8,627,956	89.7
Foreign income (mechanicals)	458,886	159.5
Publication	657,788	85.6
Reproduction for specific purposes	4,259,081	89.9
Reproduction for advertisement	1,607,892	96.4
Reproduction for games	2,651,189	86.3
Lending	528,660	75.8
Composite use	50,535,143	118.9
Online karaoke	5,868,313	116.1
Interactive transmissions	44,666,829	119.3
Private copying remuneration	105,799	2332.8
Total	129,019,948	110.5

Royalties Distributed in FY2022

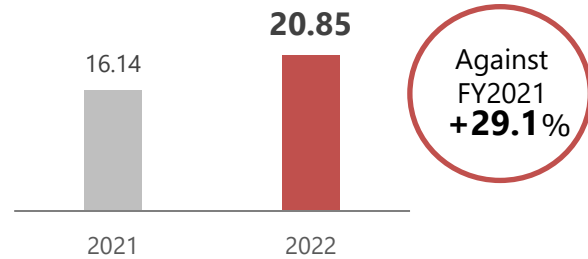
Category	Collection (thousand yen)	Against FY2021 (%)
Performances	55,246,687	107.5
Performances, etc.	20,317,292	127.7
Broadcasts, etc.	28,992,180	98.1
Cable broadcasts	4,491,465	94.6
Film exhibitions	295,616	78.2
Foreign income (performances)	1,150,131	147.1
Mechanicals	17,314,274	96.7
Audio discs	7,477,287	90.9
Audio tapes	208,081	115.1
Music boxes	8,437	108.7
Film reproduction	77,321	121.6
Videograms	9,187,830	100.7
Foreign income (mechanicals)	355,316	121.0
Publication	682,000	90.6
Reproduction for specific purposes	4,495,705	105.3
Reproduction for advertisement	1,673,187	107.0
Reproduction for games	2,822,518	104.3
Lending	595,451	69.7
Composite use	47,268,544	115.8
Online karaoke	5,800,859	111.8
Interactive transmissions	41,467,685	116.4
Private copying remuneration	45,200	752.9
Total	125,647,864	108.3

* Amounts are rounded down to the nearest thousand yen, so the sum of the amounts in each category may differ from the total.

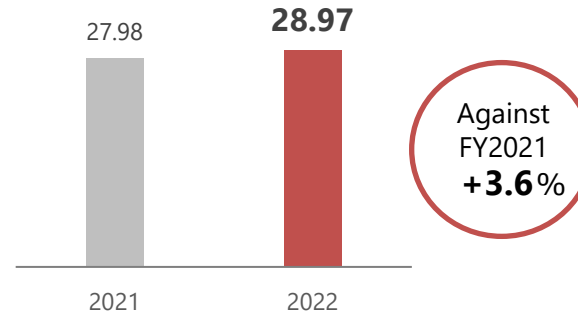
1 Performances

(The figures for each bar graph are actual amounts collected. Unit: Billion yen)

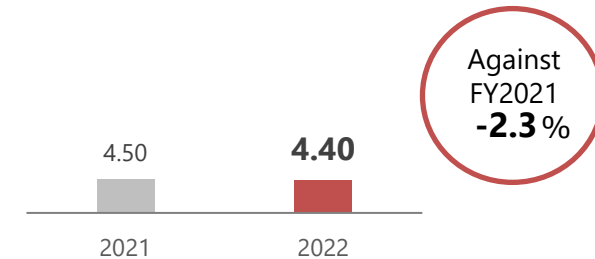
Performances, etc. **20.85** billion yen



Broadcasts, etc. **28.97** billion yen



Cable broadcasts, etc. **4.40** billion yen



■ Performances, etc.

For dramatic performances, concerts, etc., collection greatly surpassed the FY2021 results due to factors such as increase in the number of large-scale concerts held as a result of ease in restrictions such as reduced admission capacity. Driven by dramatic performances, concerts, etc., the entire category of performances, etc. greatly surpassed the FY2021 results.

■ Broadcasts, etc.

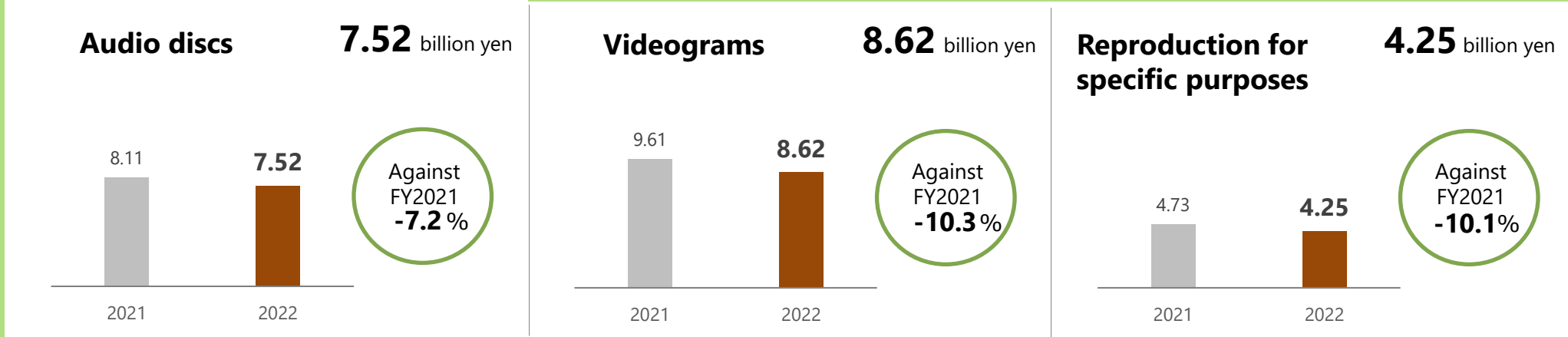
For broadcasts of programs, collection surpassed the FY2021 results as broadcasters' FY2021 business revenues, which are the basis for royalty calculation, were strong overall.

■ Cable Broadcasts, etc.

Collections for both cable radio and cable TV broadcasts decreased compared to the FY2021 results.

2

Reproduction / Reproduction for Specific Purposes (The figures for each bar graph are actual amounts collected. Unit: Billion yen)



■ Audio Discs

While a partial trend toward recovery from the pandemic was observed through production of CDs, records, etc. in 2022 exceeding 2021 (in value terms), there were only a few hit products containing JASRAC administered works. As such, collections decreased compared to FY2021.

■ Videograms

Due to factors such as the continuing transition from physical products to digital (growth of subscription services, etc.) and the presence of major hit products in the previous fiscal year, results decreased compared to FY2021.

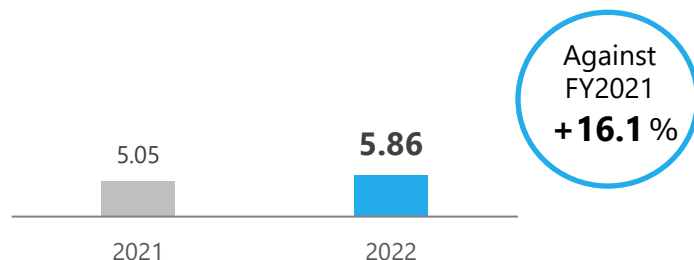
■ Reproduction for Specific Purposes

Royalties collected from reproduction for advertisements decreased compared to FY2021 due to factors such as less use in automobile-related advertising. Royalties collected from reproduction for games dropped from FY2021 due to factors such as decrease in use of JASRAC administered works in games for home use.

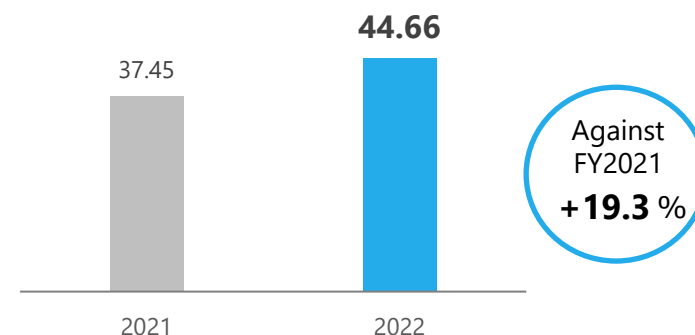
3 Composite Use

(The figures for each bar graph are actual collected amounts. Unit: Billion yen)

Online karaoke **5.86** billion yen



Interactive transmissions **44.66** billion yen



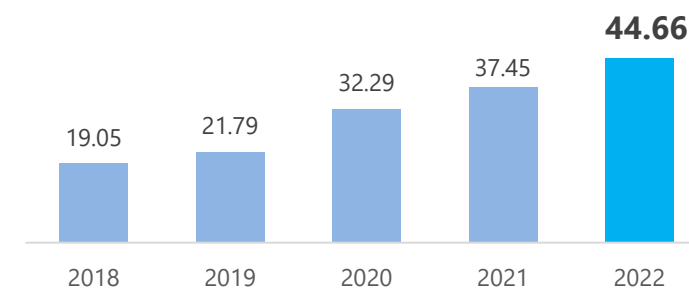
■ Online Karaoke

Results for FY2022 greatly surpassed the FY2021 results due to factors such as the number of active online karaoke terminals increasing upon the ease of various restrictions (COVID-19 countermeasures) on restaurants' operations.

■ Interactive transmissions

Due to factors such as the continuing transition from physical products to digital (growth of subscription services, etc.), collections greatly surpassed the FY2021 results.

History of collections for interactive transmissions (Unit: Billion yen)



■ **New Licensing Agreement with YouTube**

JASRAC concluded a new licensing agreement with Google for use of JASRAC administered works on YouTube. Under the new agreement, JASRAC has begun using Content ID (a tool for copyright owners to protect and manage copyrighted contents on YouTube) in full scale for the purpose of reflecting usages of JASRAC administered works to distribution of royalties in a more accurate way.

■ **Announcement on Use of Music in the Metaverse**

With growing interest in using music in the Metaverse, JASRAC created a guide with specific examples showing that licenses would be granted by applying the fees for interactive transmissions. This was announced on JASRAC's corporate website.

■ **Discussions on Simultaneous Streaming Services of Broadcast Programs**

With key commercial TV stations in Tokyo launching full-scale services in April, JASRAC monitored this movement and continued discussions with user groups and broadcasters on the appropriate method of assessing fees based on the contents of their business models and services.

■ Initiatives for Increasing Foreign Income

(1) Registration of video content information, etc.

With the purpose of swiftly providing information on video contents (such as animations) containing JASRAC administered works to copyright management organizations in various countries, and to enable those organizations to accurately identify such video contents, JASRAC took the following actions:

1. Development of a system which will streamline the process of registering information to a database referred to by copyright management organizations worldwide
2. Registration of titles in local languages for video contents (such as animations) and JASRAC administered works contained therein

(2) Representation agreement with overseas copyright management organization

In January 2023, JASRAC concluded a reciprocal representation agreement for performing rights and mechanical rights with SAYCE (copyright management organization in the Republic of Ecuador).

■ Musical Instrument Classes

Regarding the lawsuit filed against JASRAC by some musical instrument class operators seeking confirmation that copyright does not extend to performances in musical instrument classes, in relation to performances by instructors and performance of sound recordings, the First Petty Bench of the Supreme Court ruled on July 28 that the musical instrument class operators' petition for acceptance of the final appeal would be rejected. Furthermore, for performances by students, it declared on October 24 that JASRAC's final appeal* would be dismissed.

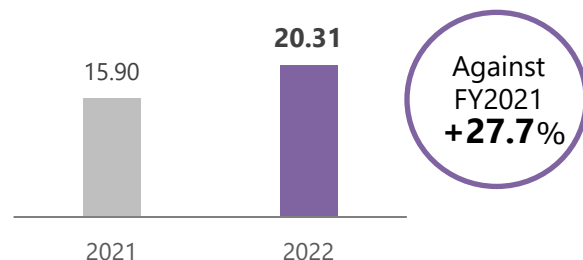
Based on this, it was determined that copyright extends to performances by instructors and performances of sound recordings in musical instrument classes (but not to performances by students). As such, to drive licensing application procedures, JASRAC held discussions with an organization comprised of musical instrument class operators who filed the lawsuit.

* On March 18, 2021, the Intellectual Property High Court issued a ruling rejecting part of JASRAC's claims. In response, on March 31, 2021, JASRAC filed a final appeal and petition for the acceptance of the final appeal to the Supreme Court.

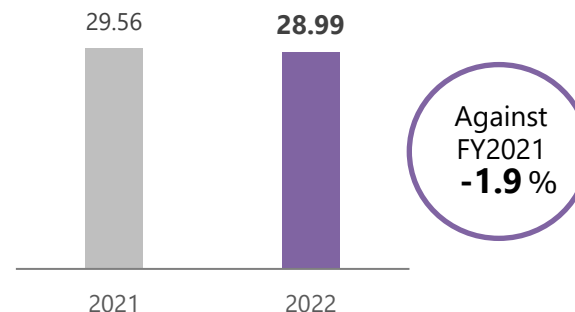
1 Performances

(The figures for each bar graph are actual amounts distributed. Unit: Billion yen)

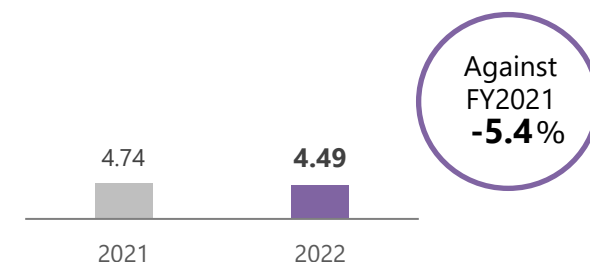
Performances, etc. 20.31 billion yen



Broadcasts, etc. 28.99 billion yen



Cable broadcasts, etc. 4.49 billion yen



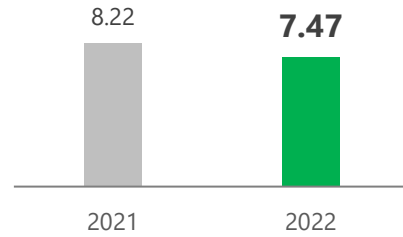
■ Number of Distribution Works by Category

Category		Main royalties for distribution	Number of works for distribution
Performances, etc.	Performances and concerts	Portion paid in from January 2022 to December 2022	241,989
	Places of entertainment	Portion paid in from January 2022 to December 2022	35,441
	Karaoke	Portion paid in from January 2022 to December 2022	322,129
Broadcasts, etc.	NHK, commercial terrestrial broadcast radio, and commercial terrestrial broadcast television	Portion used from October 2021 to September 2022	808,779
	Community broadcasts, the Open University of Japan, commercial satellite broadcast radio, and commercial satellite broadcast television	Portion used from April 2021 to March 2022	
	Commercial broadcasts	Portion paid in from October 2021 to September 2022	490
Cable broadcasts, etc.	Cable radio broadcasts	Portion paid in from April 2021 to March 2022	418,645
	Cable television broadcasts	Portion used from April 2021 to March 2022	226,418

2 Reproduction/Reproduction for Specific Purposes (The figures for each bar graph are actual amounts distributed. Unit: Billion yen)

Audio discs

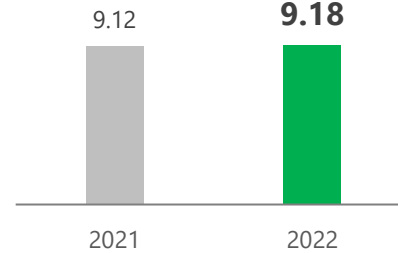
7.47 billion yen



Against FY2021 **-9.1%**

Videograms

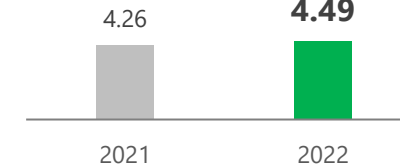
9.18 billion yen



Against FY2021 **+0.7%**

Reproduction for specific purposes

4.49 billion yen



Against FY2021 **+5.3%**

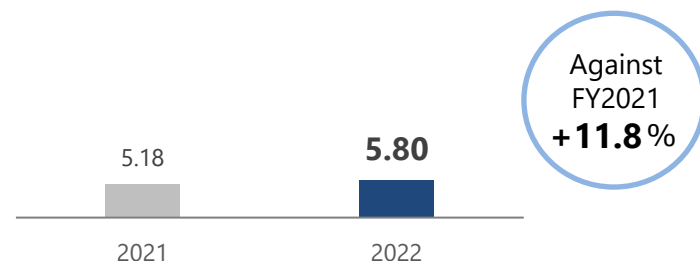
■ Number of Distribution Works by Category

Category		Main royalties for distribution	Number of works for distribution
Audio discs	Entities under comprehensive contracts, such as major record companies	Portion used from January 2022 to December 2022	511,993
	Users other than entities under comprehensive contracts	Portion paid in from January 2022 to December 2022	
Videograms	Entities under comprehensive contracts, such as major video software production companies	Portion used from October 2021 to September 2022	164,130
	Users other than entities under comprehensive contracts	Portion paid in from January 2022 to December 2022	
Reproduction for specific purposes	Reproduction for advertisements	Portion paid in from January 2022 to December 2022	762
	Reproduction for games	Portion paid in from January 2022 to December 2022	2,732

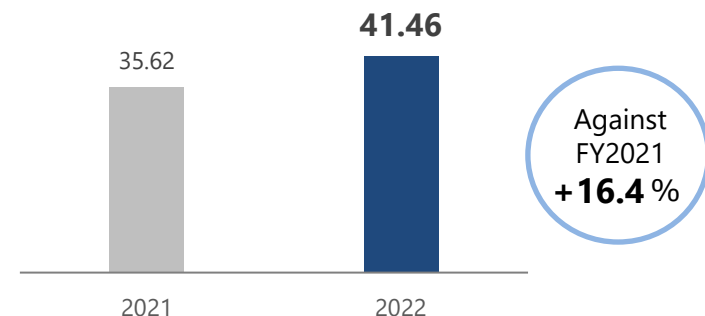
3 Composite Use

(The figures for each bar graph are actual amounts distributed. Unit: Billion yen)

Online karaoke **5.80** billion yen



Interactive transmissions **41.46** billion yen



■ Number of Distribution Works by Category

Category	Main royalties for distribution	Number of works for distribution
Online karaoke	Portion paid in from January 2022 to December 2022	311,855
Interactive transmissions	Portion paid in from January 2022 to December 2022	2,399,537

■ Number of JASRAC Administrated Works

76,837,266 works

(The number of CIS-Net* registrations as of May 12, 2023; includes **2,058,766 works** registered by JASRAC)

■ Numbers of Distributed Works and Rights Owners (Unique number across all fields)

		FY2021	FY2022
Number of distributed works		2,826,076 works	2,990,954 works
Number of rights owners for distribution (domestic)	Composers / Authors	76,252 persons	79,765 persons
	Music publishers	2,895 companies	3,025 companies
Number of rights owners for distribution (foreign)	Composers / Authors	383,105 persons	392,345 persons
	Music publishers	48,318 companies	48,888 companies
		* Distributed via 117 overseas organizations	* Distributed via 120 overseas organizations

* CIS-Net: An international work information database developed by CISAC. The data on managed works are provided by member organizations, and information on works managed by them is shared on networks.

■ Revision to Distribution Rules

In response to the subdivision of the management consignment scope (such as subcategories for “Performance rights, etc.”), the Distribution Rules and corresponding regulations have been revised as follows:

- A new provision has been introduced for the distribution method of hall-type performance venues (facilities that do not serve food to customers in the performances viewing area). Similar to concert-type performance venues (facilities featuring different performers and a wide variety of works), census-based distribution will be conducted based on the reported repertoire from users and entrustors, as well as setlist information collected by JASRAC.
- Regarding royalties for vocal classes (facilities that provide classes to teach singing to participants), it has been allocated under karaoke venue distribution fund, with distribution limited to karaoke classes (facilities that providing singing instruction using karaoke equipment). Royalties for singing classes other than karaoke classes are distributed as musical instrument class royalties.

■ Digitalization of Distribution Statements

Aiming for providing statements in digital format from the June 2023 distribution period, JASRAC has taken steps such as establishing a system for the purpose of digitalization.

■ Response to Non-submission of Work Notification

For works for which no work notification has been submitted, distribution will be suspended even if use of the work is confirmed, because the rights owners involved, and their distribution rates cannot be identified. To solve this problem, JASRAC has promoted the use of the "Inquiry List for Copyright Confirmation as Work Notification" for domestic works and requested music publishers and foreign organizations to submit work notifications for foreign works as well. As a result, 24,143 works worth 0.45 billion yen were distributed.

■ Initiation of Distribution of Remuneration for Public Transmission for Educational Purposes

Regarding the remuneration for public transmission for educational purposes received from Society for the Administration of Remuneration for Public Transmission for School Lessons (SARTRAS), JASRAC has formulated new Distribution Rules and commenced distribution from the March 2023 distribution period.

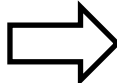
■ Reduction of Applied Administrative Expense Rates

JASRAC has decided to lower the administrative expense rates for certain categories in the March 2023 distribution period, as ordinary expenses are expected to stay within the budget.

Furthermore, during the process of formulating the budget for the FY2023, considering the expected ordinary revenue will exceed the ordinary expenditures, JASRAC has decided to lower the administrative expense rates for certain categories applicable to each distribution period of the FY2023.

Royalty Category	June, September, and December 2022 Distribution Periods	March 2023 Distribution Period	FY2023
Performances, etc. (major live concerts, etc.)	15%	13%	12.5%
Performances, etc. (karaoke)	24%	22%	22%
Performances, etc. (Videogram exhibitions)	25%	25%	23%
Performances, etc. (Amusement machines (exhibition, performance))	15%	15%	13%
Broadcasts, etc.	8.5%	6.5%	8.5%
Cable broadcasts, etc.	9.5%	7.5%	9.5%
Online karaoke for business	9%	7%	9%
Interactive transmissions	9.5%	7.5%	9.5%
Remuneration for Public Transmission for Educational Purposes	9.5%	7.5%	9.5%
Film exhibitions	25%	25%	23%

Ratio of ordinary expenditures to distribution amount

10.3% (FY2021)  9.9% (FY2022)

■ Performances

Criminal	Civil					Total
Lawsuits	Merit-based lawsuit	Provisional disposition	Civil mediation	Payment demand	Other	
0 cases (0 cases)	0 cases (0 cases)	0 cases (1 case)	1,219 cases (656 cases)	13 cases (11 cases)	21 cases (22 cases)	1,253 cases (690 cases)

Numbers shown in brackets are for FY2021.

■ Reproduction

A total of three criminal charges were filed for cases such as selling DVDs reproduced without permission online via an auction. In addition, there were five cases of civil mediation and two payment demands were filed with respect to delinquent payment of royalties.

■ Public Transmission

Criminal charges were filed in one case of uploading music files using filesharing software without permission. As well, a request to stop running advertisements on leech sites and leech apps was made to advertiser organizations and a request to delete such advertising was made to advertising businesses.

■ Initiatives Involving Creators

JASRAC held the "JASRAC Creator's Path Vol. 11" event for young music creators with the purpose of increasing their knowledge of copyright and familiarizing them with JASRAC, as well as promoting the conclusion of Administration Trust Contract.



■ Initiatives Involving Publishers

JASRAC explained the current management status of interactive transmissions to publishers, focusing on information of strong interest to rights owners such as the latest trends in distribution services.

■ Starting to Accept Online Application for Administration Trust Contract

For purposes such as improving convenience for rights owners, JASRAC started accepting online application for Administration Trust Contract from KENDRIX (see pg. 23) and the corporate site by using eKYC (online identity verification).

	Copyright owner	Music publisher	Others	Total
Number of new trustors	396 (295)	80 (82)	0 (2)	476 (379)
Number of new members	85 (71)	11 (12)	0 (4)	96 (87)

Numbers shown in brackets are for FY2021.

■ Activities to Spread Awareness of Copyright System

JASRAC continued its initiatives to raise public awareness about copyright via endowed courses (Shinshu University and the Open University of Japan) and to support research by conducting study promotion sessions on topics such as the Copyright Act (University of Tokyo).

■ *The Secret of Music Copyright* Educational Manga

As part of its activities to raise awareness about copyright among young people, JASRAC collaborated on the planning and production of an educational manga entitled *The Secret of Music Copyright* for elementary school students, which was published by Gakken. The book was donated to elementary schools, public libraries, and recreational facilities for children across Japan (25,500 copies in total).



■ Holding Symposium on “AI-Generated Music and Copyright”

JASRAC held a symposium called “AI-Generated Music and Copyright”, to which music creators, AI developers, and legal professionals were invited to discuss the relationship between future AI technology and creative activity.

Page for viewing video content



■ Launch of Official Social Media Accounts

JASRAC launched official Twitter and Facebook accounts in January 2023.

https://twitter.com/JASRAC_1939

<https://www.facebook.com/jasrac1939/>

Twitter



Facebook



■ Starting Distribution of New Video Content

JASRAC began distributing new video content in February 2023 with the aim of publicizing its projects and the workings of music copyright.

https://www.youtube.com/jasrac_official

YouTube



■ Survey, Research, and Development to Spread Music Culture in the Asia-Pacific Region

JASRAC pursued the development of software for the Global Digital Service Data Exchange (GDSDX) project* (scheduled to be operational in FY2023).



GDSDX
Global Digital Service Data Exchange

* A project for sharing music and video distribution content audio source information and information linked to product information (ISWC or work code) for music administered by copyright management organizations between copyright management organizations belonging to the CISAC Asia-Pacific Committee.

■ JASRAC Global Fellowships to Support Overseas Research

JASRAC established the JASRAC Global Fellowships, a project that supports researchers of intellectual property rights, including copyright, in conducting research for a certain period of time at overseas research organizations.

Based on the recommendations of the JASRAC Global Fellowship Researcher Selection Committee, which is comprised of three experts specializing in intellectual property law, Ken Kato, who is enrolled in postdoctoral studies at the Osaka University Graduate School of Humanities, was chosen as the program's first overseas researcher.

JASRAC Global
Fellowships



■ Initiatives Involving Private Copying Renumeration System

In July, Gadi Oron, Director General of CISAC (the International Confederation of Societies of Authors and Composers), Benjamin Ng, Regional Director - Asia-Pacific for CISAC, and Gae-yol Chu, Chair of KOMCA (a Korean copyright management organization), along with Kazumasa Izawa, Senior Vice President, and Manami Suko, Managing Director, from JASRAC, paid a courtesy call to Shunichi Tokura, Commissioner for Cultural Affairs, during which Director General Oron expressed the desire for a functional, fair private copying renumeration system to be established.



In August, in response to a call for public comments about a proposal to revise the Copyright Act Enforcement Order that would make Blu-Ray disc recorders subject to private copying renumeration, JASRAC submitted a comment approving the revision and jointly issued a press release with 18 copyright organizations strongly supporting it.

In October, SARA (the Society for the Administration of Remuneration for Audio and Video Home Recording), whose operation JASRAC is involved in as a member, became a designated management organization for private copying renumeration, and moved forward with preparations to begin levying renumeration fees for Blu-Ray disc recorders, etc.

■ Initiatives Aimed at Eliminating Wartime Prolongation Obligations

In May, BUMA•STEMRA (a Dutch copyright management organization) agreed to renounce its rights relating to wartime prolongation obligations, and in July, APRA•AMCOS (a copyright management organization in Australia and New Zealand) did the same. To date, JASRAC has approached 28 organizations in 17 countries and one region, obtaining agreement from 13 organizations in 10 countries, including those mentioned above, to renounce their rights.

■ Launch of KENDRIX Service

KENDRIX is a music information management system equipped with proof of existence functions and eKYC functions that use blockchain technology. The official service was launched on October 31.

Based on the concept of "realizing a world that enables all music creators to participate in the creation ecosystem", KENDRIX is a creator DX platform whose purpose is to support DX for music management undertaken by music creators themselves.

In February and March 2023, updates were made to add work notification submission functions, registrable audio file formats, etc.



<https://kendrix.jp>



<https://kendrixmedia.jp>

■ Creators for Ukraine

In collaboration with the "Creators for Ukraine"* initiative organized by CISAC (the International Confederation of Societies of Authors and Composers), JASRAC engaged in initiatives to support Ukrainian creators.



* A project launched by CISAC on March 16, 2022, with the cooperation of over 220 member organizations for the purpose of supporting Ukrainian creators, copyright management organizations, these organizations' staff, etc. suffering from Russia's invasion of Ukraine.

(1) Sending Money to Ukraine Support Fund

JASRAC sent 15 million yen on March 25, 2022, as well as sending a total of 1,998,000 yen in aid collected from entrustors, officers, and employees in June and September. These funds were allocated to purposes such as supporting members and employees of NGO-UACRR (a Ukrainian copyright management organization).

(2) Signing of Declaration of Support by Creators

JASRAC called on Japanese creators to sign a declaration pledging solidarity with Ukrainian creators and demanding an end to Russia's invasion.

(3) Songs for Ukraine

As part of the "Songs for Ukraine" campaign to encourage the use of Ukrainian music and increase distribution of royalties to Ukrainian creators, JASRAC published an interview article with the Ukrainian-born entrustor Nataliya Gudziy on its corporate site.

Dedicated Ukraine support page



Japanese Society for Rights of Authors, Composers and Publishers (JASRAC)

