Distribution Rules

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General Incorporated Association,
Japanese Society for Rights of Authors, Composers and Publishers

Distribution Rules

Table of Contents Chapter 1 GENERAL PROVISIONS (Articles 1 through 8) PERFORMING FEES, BROADCASTING FEES, ETC. Chapter 2 Section 1 Shares, etc. (Articles 9 and 10) Section 2 Performing fees (Articles 11 through 14) Section 3 Broadcasting (etc.) fees Subsection 1 Blanket fees (Articles 15 through 24) Subsection 2 Per work fees (Articles 25 and 26) Section 4 Wire/cable broadcasting fees (Articles 27 through 30) Section 5 Film-showing fees (Articles 31 and 32) Section 6 BGM fees (Articles 33 through 35) Chapter 3 AUDIO RECORDING FEES AND PUBLICATION FEES, ETC. Section 1 Shares, etc. (Articles 36 through 38) Section 2 Audio recording fees and music box fees (Article 39) Section 3 Publication fees, etc. (Articles 40 and 41) Section 4 Film synchronization fees, etc. (Article 42) Section 5 Videogram mechanical fees (Articles 43 through 45) Chapter 4 RENTAL FEES (Articles 46 through 50) Chapter 5 ON-LINE KARAOKE FOR COMMERCIAL USE AND INTERACTIVE TRANSMISSION FEES Section 1 Distribution royalties (Articles 51 through 54) Section 2 Fees of karaoke transmission for commercial usage (Articles 55 through 60) Section 3 Interactive transmission fees (Articles 61 through 66) FEES FOR REPRODUCTION FOR ADVERTISING (Article 67) Chapter 6 Chapter 7 FEES FOR REPRODUCTION FOR GAMES (Article 68) Chapter 8 OTHER FEES (Article 69) Chapter 9 FEES RECEIVED FROM FOREIGN SOCIETIES (Article 70)

SUPPLEMENTARY PROVISIONS

Chapter 10 ENFORCEMENT PROVISIONS (Article 71)

Chapter 1 GENERAL PROVISIONS

Article 1 Purpose

The purpose of these Rules is to determine the detailed matters related to distribution of fees, etc. in accordance with Article 19, paragraph 8 of the Conditions of Management Entrustment Agreements.

Article 2 Definitions

In these Rules, the following terms shall have the meaning assigned to them respectively:

- (1) "Managed works" means the works managed as stipulated in Article 1, paragraph 11 of the Conditions of Management Entrustment Agreements;
- (2) "Cue-sheets" means information showing works used in films, the interested parties, playing times, etc. and similar other information;
- (3) "Fees to be distributed" means fees distributable for each date of distribution;
- (4) "Works qualified for distribution" means works for which the fees are to be distributed as stipulated in Article 19, paragraph 2 of the Conditions of Management Entrustment Agreements;
- (5) "Per work fees" means fees calculated and collected for each use of a managed work;
- (6) "Co-writer" means each writer of a joint work (a work created by two or more persons whose contributions to the work cannot be separated so as to allow each part of the work to be used independently); and
- (7) "Classification of the roles of interested parties" means each classification which parties interested in works are divided into: composer, author, music arranger, translator, and music publisher.
- 2. In addition to what is provided in the items of the preceding paragraph, the terms defined in the Conditions of Management Entrustment Agreements shall have the same meaning herein unless otherwise provided in these Rules.
- 3. "Fees" herein shall include the compensation specified in Article 12, paragraph 1, item 3 of the Conditions of Management Entrustment Agreements (excluding the compensation for which the Trustee has determined the detailed rules of distribution separately from these Rules) and the damages set forth in item 5 of the same paragraph.
- 4. "Distribution information" herein shall include the information that is acquired by the Trustee's investigation, and records the title of the work used, etc.

5. "Collaborator" herein shall be deemed to be a co-writer of the words or music and "notification of collaboration" shall be included in work documents.

Article 3 Persons qualified for distribution

- 1. The parties interested in works used shall qualify for the distribution of the fees accruing from the uses of them.
- 2. Notwithstanding the provisions of the preceding paragraph, for the use of a non-vocal work to which words were set with the authorization of the composer, the author shall be considered qualified for distribution only when the words are used. However, the author shall always qualify for distribution when he/she is recognized by the other interested parties as such an interested party as is mentioned in the preceding paragraph.
- 3. The arranger or sub-author shall qualify for distribution when his/her arrangement or adaptation is used.

Article 3-2 Special provisions concerning persons qualified for distribution

- 1. Notwithstanding the provisions of the preceding Article, paragraph 1, when the fees, the amount of which is designated by a right owner pursuant to the provisions of the Conditions of Management Entrustment Agreements (for purposes of this Article, hereinafter referred to as "designation of amount") are distributed pursuant to the provisions of Chapter 6 "Fees for Reproduction for Advertising" or Chapter 7 "Fees for Reproduction for Games," the interested parties of managed works which have been used shall be deemed as the persons qualified for distribution only if they perform a designation of amount.
- 2. In the foregoing case, if each right owner performs the designation of amount upon the use of both lyrics and music, each right owner shall be deemed to be a person qualified for distribution for which it performs the designation of amount.

Article 4 The deadline date for establishment of the interested parties

The deadline dates for establishing the interested parties of the accounting periods for each distribution shall be the last dates when the interested parties are qualified for distribution (in case of royalties accruing from broadcast which have been collected in accordance with blanket licensing agreement and those accruing from wire/cable broadcasting, it means works qualified for distribution), the accrued royalties shall be distributed to the interested parties who have the rights at the deadline date for establishing of the interested parties.

Article 5 Method for establishment of the interested parties, etc.

- 1. The interested parties shall be established as such when they are so mentioned in the work documents.
- 2. Even in cases where no work documents of a work are available, those recognizable as the interested parties by the Trustee may be established as such parties of the work.
- 3. The fee distribution shall be held in suspense when the interested parties cannot be established by the deadline dates provided for in the preceding Article by the Trustee, for such reason as no work documents of a work are available.

Article 6 Work documents establishing the interested parties

The establishment of the interested parties for each date of distribution shall be made by the work documents submitted at least 10 days before the deadline dates for establishment of the interested parties.

Article 7 Distribution information, etc.

- 1. Distribution of fees shall be based upon distribution information.
- 2. A managed work, even when shown in distribution information, shall be excluded from the works qualified for distribution if it is considered unacceptable for the Trustee's administration by the examination organ of the Trustee.

Article 8 Distribution adjustment

When it becomes clear that excessive or insufficient distribution of royalties were made, Trustee shall notify the related right owners to that effect and may make adjustments at the time of distribution by debiting the excessively distributed amount or by crediting the insufficiently distributed amount.

Chapter 2 PERFORMING FEES, BROADCASTING FEES, ETC.

Section 1 Shares, etc.

Article 9 Shares

1. Distributions to the interested parties of fees accruing from general performances, broadcasting, wire/cable broadcasting, exhibition and other uses in an intangible form shall be made in accordance with shares shown on the following table:

Interested party Chara		Interested monter		Share				
	Interested party	Share	Interested party		(1)	(2)	(3)	(4)
1	Composer	12/12	7	Composer	8/12	6/12	_	_
				Music publisher	4/12	6/12	_	_
2	Composer	10/12	8	Composer	6/12	4/12		
	Music arranger	2/12		Music arranger	2/12	2/12	_	_
				Music publisher	4/12	6/12	<u>—</u>	
3	Composer	6/12	9	Composer	4/12	3/12	4/12	3/12
	Lyric writer	6/12		Lyric writer	4/12	3/12	3/12	4/12
				Music publisher	4/12	6/12	5/12	5/12
4	Composer	5/12	10	Composer	3/12	2/12	3/12	2/12
	Lyric writer	5/12		Lyric writer	3/12	2/12	2/12	3/12
	Music arranger	2/12		Music arranger	2/12	2/12	2/12	2/12
				Music publisher	4/12	6/12	5/12	5/12
5	Composer	5/12	11	Composer	3/12	2/12	3/12	2/12
	Lyric writer	5/12		Lyric writer	3/12	2/12	2/12	3/12
	Translator	2/12		Translator	2/12	2/12	2/12	2/12
				Music publisher	4/12	6/12	5/12	5/12
6	Composer	5/12	12	Composer	3/12	2/12	3/12	2/12
ĺ	Lyric writer	5/12		Lyric writer	3/12	2/12	2/12	3/12
	Music arranger	1/12		Music arranger	1/12	1/12	1/12	1/12
	Translator	1/12		Translator	1/12	1/12	1/12	1/12
				Music publisher	4/12	6/12	5/12	5/12

Note: The shares applicable in 7 through 12 above shall be those notified by the interested parties.

2. Notwithstanding the provisions of the preceding paragraph, distributions to the interested parties of fees calculated in accordance with Tariffs for dramatic-musical works shall be made in accordance with shares shown on the following table:

	Interested a contra	Share		Internated results	Sha	are
	Interested party	Snare		Interested party	(1)	(2)
1	Composer	12/12	7 Composer		8/12	6/12
				Music publisher	4/12	6/12
2	Composer	10/12	8	Composer	6/12	4/12
	Music arranger	2/12		Music arranger	2/12	2/12
				Music publisher	4/12	6/12
3	Composer	7/12	9	Composer	5/12	3/12
	Lyric writer	5/12		Lyric writer	3/12	3/12
				Music publisher	4/12	6/12
4	Composer	6/12	10	Composer	4/12	2/12
	Lyric writer	4/12		Lyric writer	2/12	2/12
	Music arranger	2/12		Music arranger	2/12	2/12
				Music publisher	4/12	6/12
5	Composer	6/12	11	Composer	4/12	2/12
	Lyric writer	4/12		Lyric writer	2/12	2/12
	Translator	2/12		Translator	2/12	2/12
				Music publisher	4/12	6/12
6	Composer	6/12	12	Composer	4/12	2/12
ĺ	Lyric writer	4/12		Lyric writer	2/12	2/12
	Music arranger	1/12		Music arranger	1/12	1/12
	Translator	1/12		Translator	1/12	1/12
				Music publisher	4/12	6/12

Note: The shares applicable in 7 through 12 shall be those notified by the interested parties.

- 3. The share for a co-writer shall be determined by equally dividing the shares in paragraphs 1 and 2 within each classification of the roles of interested parties.
- 4. Notwithstanding the provisions of the preceding paragraph, in the event the share is determined per co-writer depending on the contribution of the co-writer's creation, agreed upon by all co-writers (hereinafter referred to as "agreed shares"), and is submitted on a separately prescribed form, the share for a co-writer shall be the agreed share. In such a case, a co-writer shall determine the agreed share within the shares for the classification of the roles of interested parties in paragraphs 1 and 2.

- 5. Notwithstanding the provisions of the preceding paragraphs 1 and 2, for arrangement put on a work when it is first released in a record, the arranger (hereinafter referred to as "the arranger at the time of publication of a work") shall qualify as an interested party of the work. The share for "the arranger at the time of publication of a work" may be 1/12 and the share for the interested parties other than "the arranger at the time of publication of a work" may be 11/12. The same shall apply to arrangement put on a work with the authorization of the interested parties when the work is re-released in a record after once being released in a record.
- 6. For the time being, the extent of distribution in accordance with the preceding paragraph shall be as follows:
 - (1) Karaoke fees in Category 8 provided for in Article 11, paragraph 1
 - (2) Fees distributed from the funds for grading equal to the public transmission of online karaoke for commercial use provided for in Article 51, paragraph 1
- 7. The writer falling under each of the following items shall be considered therein, and the share applied shall be in accordance with paragraphs 1 and 2.
 - (1) The arranger of a work whose music is in the public domain is considered a composer.
 - (2) The translator of a work whose lyrics is in the public domain is considered an author.
- 8. For a dramatic-musical work which is managed by a music publisher among other interested parties, the total fee shall be allocated to the music publisher, provided that the other interested parties have consented to receiving their shares through the music publisher by agreement with the music publisher.

Article 10 International rules

When any of the interested parties is a member of a foreign society, the rules set forth in the Trustee's copyright agreement with the foreign society or the rules prescribed by the International Confederation of Societies of Authors and Composers (CISAC) or any other similar rules (hereinafter referred to as "international rules") may form the basis for distribution.

Section 2 Performing fees

Article 11 Classification of performing fees, distribution periods, etc.

1. The Classification of performing fees, distribution periods, and fees to be distributed shall be as shown on the following table:

Category	Type of use	Month of distribution	Fees to be distributed
1	Fees for dramatic performances	June	Fees collected from January through March
	(hereinafter referred to as "dramatic performance fees")	September	Fees collected from April through June
	,	December	Fees collected from July through September
		March	Fees collected from October through December
2	Fees from concerts and other	June	Fees collected from January through March
	performances (excluding fees in Categories 3, 4 and 5, hereinafter	September	Fees collected from April through June
	referred to as "concerts etc. fees")	December	Fees collected from July through September
		March	Fees collected from October through December
3	Fees for performances in public	June	Fees collected from January through March
	transportation (excluding fees in Category 4, hereinafter referred to	September	Fees collected from April through June
	as "public transportation fees")	December	Fees collected from July through September
		March	Fees collected from October through December
4	Fees for performances in airplanes (hereinafter referred to as "airplane fees")	September	Fees collected in the preceding fiscal year
5	Fees from dinner shows and	June	Fees collected from January through March
	dance parties, etc. (hereinafter referred to as "dinner show etc.	September	Fees collected from April through June
	fees")	December	Fees collected from July through September
		March	Fees collected from October through December
6	Fees for performances in fitness clubs (hereinafter referred to as "fitness club fees")	March	Fees collected from October through September
7	Fees for performances in places	June	Fees collected from January through March
	of entertainment and dance classes (excluding the fees	September	Fees collected from April through June
	specified in Categories 8 and 9, hereinafter referred to as "places of entertainment fees")		Fees collected from July through September
			Fees collected from October through December
8	Places of entertainment fees for	June	Fees collected from January through March
	vocal performances accompanied	September	Fees collected from April through June

Category	Type of use	Month of distribution	Fees to be distributed
	by karaoke and performances at karaoke facilities (hereinafter referred to as "karaoke fees")	December March	Fees collected from July through September Fees collected from October through December
9	Places of entertainment fees for performances in concert-style live	June	Fees collected from October through December
	musical works are performed	September	Fees collected from January through March
	daily by different performers; hereinafter the same applies) (hereinafter referred to as	December	Fees collected from April through June
	"concert-style live music club fees")	March	Fees collected from July through September
10	Other performing fees		ned separately by approval of the Board of reference to the amount of fees collected and works used.

- 2. The following fees to be distributed shall be classified into the fund for distribution (hereinafter referred to as "distribution fund") and the distribution compensation fund.
 - (1) Blanket fees from concerts among fees to be distributed in Category 2 provided for in the preceding paragraph
 - (2) Fees collected from an annual blanket license agreement among fees to be distributed in Category 7 provided for in the preceding paragraph
 - (3) Fees in Category 9 provided for in the preceding paragraph
- 3. The ratio between the distribution fund and the distribution compensation fund provided for in the preceding paragraph shall be determined in the Bylaws with the approval of the Board of Directors.
- 4. The fees to be distributed in Category 8 provided for in paragraph 1 shall be classified into the following distribution funds for each business.
 - (1) Distribution fund for karaoke at places of entertainment: Fees to be distributed collected from places of entertainment
 - (2) Distribution fund for karaoke rooms: Fees to be distributed collected from karaoke facilities
- 5. Notwithstanding the provisions of paragraph 1, among concerts, etc. fees in Category 2, the period of distribution and the fees to be distributed for monthly or annual fees collected based on an annual blanket license agreement shall be as shown on the following table:

Month of	Fees to be distributed
distribution	

June	Fees collected from October through December
September	Fees collected from January through March
December	Fees collected from April through June
March	Fees collected from July through September

6. In the event paragraph 1 or the preceding paragraph is inapplicable, the period of distribution, etc. may be determined separately with the approval of the Board of Directors.

Article 12 Works qualified for distribution

- 1. The works qualified for distribution shall be as follows:
 - (1) For the fees in Categories 1, 2, and 5 provided for in paragraph 1 of the preceding Article, and the fees in Category 7 which are not covered under an annual blanket license agreement:
 - Works which the fees to be distributed have been collected for
 - (2) For the fees in Categories 4, 6, 7 (excluding fees falling under the preceding item), 8, and 9 provided for in paragraph 1 of the preceding Article:
 - Works which were used during the collection period of fees to be distributed provided for in paragraph 1 of the preceding Article
- 2. For place of entertainment fees in Category 7 provided for in item 2 of the preceding paragraph, the works qualified for distribution shall be established on a sampling basis. The method of sampling shall be determined in the Bylaws with the approval of the Board of Directors, taking into consideration the time of year, area, etc. in which the works were used.
- 3. For concert-style live music club fees in Category 9 provided for in item 2 of the preceding paragraph, the method of determining the works qualified for distribution shall be determined in the Bylaws with the approval of the Board of Directors.

Article 13 Method of calculation for the purpose of distribution

1. For the purpose of distribution, the performing fees (excluding dramatic performance fees in Category 1 provided for in Article 11, paragraph 1) for each of the categories provided for in Article 11, paragraph 1, distribution funds provided for in Article 11, paragraph 2, and distribution funds for each business provided for in Article 11, paragraph 4 shall be calculated comprehensively by assigning the points provided for in the following items to each of the works qualified for distribution and by treating as distribution points the product obtained through multiplication by the points. However, airplane fees in Category 4 provided for in Article 11, paragraph 1 shall be calculated comprehensively by treating as distribution points the value of basic points provided for in item 1.

(1) Basic points

Per work per use

One point ×

Sum of shares for those qualified for distribution

Sum of shares for all the interested parties

(2) General points

- (i) Concert etc. fees and dinner show etc. fees
 - (a) Points based on number of works used

The sum obtained by dividing the fee invoiced per event by the total number of managed works (sum of the number of managed works by adding one work per usage not exceeding 5 minutes and one work is added for each additional 5 minutes in the case for time exceeding 5 minutes) included in the event shall be the points assigned.

(b) Points based on playing time

Playing time per work not exceeding 5 minutes: one point

Playing time exceeding 5 minutes: one point for each additional 5 minutes or part thereof

(ii) Places of entertainment fees

Playing time per work not exceeding 5 minutes: one point

Playing time exceeding 5 minutes but not more than 10 minutes: 2 points

Playing time exceeding 10 minutes: 2 points for each additional 10 minutes or part thereof

(iii) Concert-style live music club fees

The monthly fee for the facility using the relevant work shall be the points assigned.

(iv) Karaoke fees

In the event one work is included in one access code, one point shall be assigned, and in the event more than one work is included in one access code, 0.5 point shall be assigned to each work.

- 2. Dramatic performance fees covering more than one dramatic-musical work shall be distributed in accordance with the ratio of playing time.
- 3. Notwithstanding the provisions of paragraph 1, the fitness club fees in Category 6 provided for in Article 11, paragraph 1 shall be calculated and distributed together with the fees to be distributed in Category 2.
- 4. Notwithstanding the provisions of paragraph 1, the places of entertainment fees in Category 7 provided for in Article 11, paragraph 1 collected per work as well as the concert-style live music club fees in Category 9 collected per work shall be calculated and distributed together with the fees to be distributed in Category 5.
- 5. The amount of the fee to be distributed for a work shall be calculated in accordance with the following formula:

6. In the event circumstances render the preceding paragraphs inapplicable, an alternate method of calculation for the purpose of distribution may be determined with the approval of the Board of Directors.

Article 13-2 Distribution using compensation funds, etc.

- 1. Distributions to interested parties of works excluded from distribution of fees, as provided for in Article 11, paragraph 2, items 1, 2 and 3, due to lack of documentation for distribution, shall be made on a request basis from the parties interested in the work by calculating the fee amount in accordance with the preceding Article, and by using each compensation fund; provided, however, that the method of calculation of fees under Article 11, paragraph 2, item 2 shall be specified in the Bylaws with the approval of the Board of Directors.
- 2. Distribution covered by the compensation fund provided for in the preceding paragraph shall be made for interested parties, who have requested for compensation for distribution within 3 years before the date of request by making such request with the information on the relevant use in the event such use has been confirmed.

3. In the event there is surplus of compensation for distribution, it shall be transferred to the fees to be distributed in the next period provided for in Article 11, paragraph 2.

Article 14 Addition of karaoke contest fees and public transportation fees to karaoke fees

- 1. Among Category 2 provided for in Article 11, paragraph 1, karaoke contest fees shall be calculated and distributed together with the distribution fund for karaoke at places of entertainment provided for in Article 11, paragraph 4.
- 2. The fees in Category 3 provided for in Article 11, paragraph 1 shall be calculated and distributed together with the distribution fund for karaoke at places of entertainment provided for in Article 11, paragraph 4.

Section 3 Broadcasting (etc.) fees

Subsection 1 Blanket fees

Article 15 Classification of fees to be distributed, etc.

1. Among the broadcasting (etc.) fees, which are accruing from blanket license agreements, fees to be distributed are classified in accordance with the categories shown on the table below, and are classified as the distribution fund for broadcasting (hereinafter referred to as "distribution fund for broadcasting"), the distribution fund for recordings for broadcasting purpose (hereinafter referred to as "distribution fund for recordings for broadcasting purpose") and the compensation fund, respectively:

Category	Fees to be distributed	
1	Those collected from Nihon Hoso Kyokai (hereinafter referred to as NHK)	
2	Those collected as radio broadcasts (terrestrial transmissions) from the broadcaster engaged in commercial broadcasts (hereinafter referred to as commercial broadcaster)	
3	Those collected as TV broadcasts (terrestrial transmissions) from commercial broadcaster	
4	Those collected as radio broadcasts (satellite transmissions) from commercial broadcaster	
5	Those collected as TV broadcasts (satellite transmissions) from commercial broadcaster	
6	Those collected from the University of the Air Foundation	
7	Those collected in accordance with blanket license from other broadcasters	

- 2. The fees to be distributed in Categories 1 through 3 provided for in the preceding paragraph shall be distributed by equally dividing the annual royalty collection into each date of distribution.
- 3. The ratio of the royalties provided for in the paragraph 1 shall be determined in the Bylaws with the approval of the Board of Directors.
- 4. The fees to be distributed in Category 2 provided for in paragraph 1 shall be classified into the distribution fund for broadcasting and the distribution fund for recordings for broadcasting purpose after classifying the compensation fund. These funds shall be subdivided into the fund for AM radio programs and the FM radio programs to perform the distribution calculation for each fund.
- 5. For Categories 1, 3, and 5 provided for in paragraph 1, distribution fund for broadcasting shall be classified as the distribution fund for normal broadcast (hereinafter referred to as "distribution fund for normal broadcast"), and the distribution fund (hereinafter referred to as "distribution fund for broadcast of films") for broadcasting films and TV films produced abroad (hereinafter referred to as "broadcast of films").

6. The classification method of each of the "distribution fund for normal broadcast" and the "distribution fund for broadcast of films" provided for in the preceding paragraph shall be determined in the Bylaws with the approval of the Board of Directors.

Article 16 Works qualified for distribution, distribution periods, etc.

1. Works qualified for distribution and the distribution periods of blanket fees are determined in accordance with the following table:

Category	Blanket fees	Month of distribution	Works qualified for distribution
1	Those collected from NHK	December	Those used from April through June
2	Those collected from commercial radio broadcasters (terrestrial transmission)	March	Those used from July through September Those used from October through December
3	Those collected from commercial TV broadcasters (terrestrial transmission)	June September	Those used from January through March
4	Those collected from commercial radio broadcasters (satellite transmission)	March	Those used during the preceding fiscal year
5	5 Those collected from commercial TV broadcasters (satellite		Those used in BS (Broadcasting Satellite) broadcasts during the preceding fiscal year
	transmission)	March	Those used in CS (Communications Satellite) broadcasts during the preceding fiscal year
6	Those collected from the University of Air Foundation	December	Those used during the preceding fiscal year
7	7 Other blanket fees		reference to the amount of fees collected r of works used

- 2. Notwithstanding the provisions of the preceding paragraph, concerning with the works used for broadcasting by means of phonograms (referring to broadcasting by means of commercial phonograms; the same shall apply hereinafter), works qualified for distribution may be established on based on works used during a particular week in each quarter which is designated by the Trustee (excluding those works used in FM radio programs consisting of serious music only).
- 3. With respect to the works qualified for distribution from the distribution fund for recordings for broadcasting purpose provided for in paragraph 1 of the preceding Article, works used in TV broadcast of films shall be excluded.

Article 17 Shares, etc.

The distribution to the interested parties of the blanket fees shall be made in accordance with each of the following Articles and the international rules:

- (1) Distribution fund for broadcasting: Articles 9 and 10
- (2) Distribution fund for recording for broadcasting purpose: Articles 36 and 37

Article 18 Points for distribution

For works qualified for distribution, the points provided for in the following items shall be assigned to them, and the products obtained through the multiplication formulas using the points shall be considered the distribution points for the works.

(1) Basic points for works

In the event works are used in the broadcasts, the points shall be determined as follows:

(i) Normal broadcasts

Per work per use

One point ×

Sum of shares for those qualified for distribution

Sum of shares for all the interested parties

(ii) Broadcasting of films

Per work in a film

One point × Sum of shares for those qualified for distribution
Sum of shares for all the interested parties

(2) Grading points

They mean those given according to the playing times, types of use, kinds, etc. of works (hereinafter referred to as "work-grading points"), as provided for in the following Article and Article 20.

(3) Broadcaster grading points

They mean those given to broadcasters which works used for broadcasting, as provided for in Article 21.

Article 19 Grading points given to normal broadcasts

The grading points given based on playing time shall be determined as follows:

(1) Grading points based on playing times

The grading points for each Category provided for in Article 15, paragraph 1 are shown in the following table for each usage form:

(i) Categories 1 and 3

Usage form	Points
(1) Mainly audiovisual usage form (hereinafter referred to as "Main")	One point per second in the playing time per work per use.
(2) Other than main (theme music, background music, etc.)	

(ii) Category 2 and Categories 4 to 7

Form of Use	Points
(1) Main	In the event of the playing time per work per use not exceeding 10 minutes: One point is given for not exceeding 1 minute and one point is added for each additional 1 minute.
	In the event of the playing time per work per use exceeding 10 minutes: 22 points are given for not exceeding 11 minutes and 2 points are added for each additional 1 minute in the case of use for the time exceeding 11 minutes, further 10 points are added for each 10 minutes in the case of use for the time exceeding 10 minutes.
(2) Other than main (theme music, background music, etc.)	One point is given for not exceeding 1 minute and one point is added for each additional 1 minute.

(2) Grading points based on usage form

The grading points for the main usage form shall be one point. The grading points for usage form other than main (theme music, background music, etc.) shall be determined in the Bylaws with the approval of the Board of Directors.

(3) Other grading points

Works qualified for distribution, established based on the provisions of Article 16, paragraph 2, shall be multiplied by the quotient obtained by dividing weeks qualified for distribution information into the number of weeks in a quarter. In this case, the number of weeks in a quarter shall be considered 13.

Article 20 Grading points for broadcasting of a film

- 1. The grading points for use of a work in broadcasts of a film shall be given based on the cue-sheet of the film.
- 2. The grading points shall be one point per second in the playing time of a work.
- 3. In the event the playing time of a work used in a film is unknown, the following points given to a work may be considered the grading points for such work:
 - (1) A work specially created for a film The grading points shall be calculated in accordance with the preceding paragraph, based on 30 percent of the duration of the film (if unknown, the duration of its broadcast).
 - (2) Other works10 points each

Article 21 Broadcaster-grading points

- The broadcaster-grading points of NHK shall be determined for each classification based on the number of subscriber contracts etc., and the classification and calculation method shall be stipulated in the Bylaws with the approval of the Board of Directors. In case of commercial broadcasters, the points shall be the annual fees for the use of works for broadcast.
- 2. The points referred to in the preceding paragraph shall be re-examined at least once a year.

Article 22 Method of calculation for the purpose of distribution

1. The amount of the fee for a work shall be calculated in accordance with the following formula:

2. In the event some circumstances, including the way a work was used, render Article 18 through the preceding paragraph inapplicable, an alternate method of calculation for the purpose of distribution may be determined with the approval of the Board of Directors.

Article 23 Distribution using compensation funds

- 1. Distributions to interested parties of works excluded from distribution, due to lack of documentation for distribution, shall be made on a request basis from the parties interested in the work by calculating the fee amount in accordance with Article 18 through the preceding Article, and by using the compensation fund provided for in Article 15, paragraph 1.
- 2. Distribution covered by the compensation fund shall be made for interested parties, who have requested for compensation for distribution within 3 years before the date of request of distribution by making such request with the information on the related broadcast in the event such use has been confirmed. This shall apply equally to the parties interested in a work broadcasted only during the weeks other than those designated by the Trustee in each quarter as provided for in Article 16, paragraph 2.

Article 24 Transfer of the surplus of compensation for distribution to the next period

In the event there is surplus of compensation for distribution, it shall be transferred to the fees to be distributed in the next period for each Category stipulated in Article 15, paragraph 1.

Subsection 2 Per work fees

Article 25 Distribution periods, etc.

1. The distribution periods for per work fees and the fees to be distributed are as shown on the following table:

Month of distribution	Fees to be distributed
June	Fees collected from October through December
September	Fees collected from January through March
December	Fees collected from April through June
March	Fees collected from July through September

2. In the event the preceding paragraph is inapplicable, the timing of distribution may be determined separately with the approval of the Board of Directors.

Article 26 Shares, etc.

The distribution to the interested parties of the per work fees shall be made in accordance with each of the following Articles and the international rules:

- (1) Broadcasting fees: Articles 9 and 10
- (2) Fees accrued from recordings for broadcasting purposes: Articles 36 and 37

Section 4 Wire/cable broadcasting fees

Article 27 Classification of wire/cable broadcasting fees, distribution periods, etc.

1. The classification of wire/cable broadcasting, distribution periods, and the fee to be distributed shall be as shown on the following table:

Category	Type of use	Month of distribution	Fees to be distributed
1	Fees for wired radio (hereinafter referred to as "wired radio fees")	September	1/2 of fees collected in the preceding fiscal year
		March	1/2 of fees collected in the preceding fiscal year
2	Among fees for cable TV (hereinafter referred to as "CATV fees), fees for rebroadcasting of CS broadcasts and self- broadcasts	March	Fees collected for the use of works in the preceding fiscal year
3	Among CATV fees, fees for terrestrial transmissions and rebroadcasting of BS broadcasts	Each date of distribution of the year	

- 2. The fees to be distributed in Category 2 provided for in the preceding paragraph shall be classified as the distribution fund for broadcasting (hereinafter referred to as "distribution fund for broadcasting") and the distribution fund for recordings for broadcasting purpose (hereinafter referred to as "distribution fund for recordings for broadcasting purpose").
- 3. The ratio of each distribution fund provided for in the preceding paragraph shall be determined in the Bylaws with the approval of the Board of Directors.
- 4. In the event paragraph 1 is inapplicable, distribution periods may be determined separately with the approval of the Board of Directors.

Article 28 Works qualified for distribution

1. Works qualified for the distribution of wire/cable broadcasting fees shall be as shown on the following table:

Category	Type of use	Month of distribution	Works qualified for distribution
1	Wired radio fees	September March	Works used from April through September of the preceding year Works used from October of the preceding year through March (of the current year)

2	Among CATV fees, fees for rebroadcasting of CS broadcasts and self-broadcasts	March	Works used in the preceding fiscal year
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2. With respect to works qualified for distribution of the distribution fund for recordings for broadcasting purpose, as provided for in paragraph 2 of the preceding Article, works used for rebroadcasting of the CS broadcasts shall be excluded.

Article 29 Method of calculation for the purpose of distribution

- 1. For the purpose of distribution, wired radio fees shall be calculated comprehensively by assigning the points provided for in the following items to each of the works qualified for distribution and treating as distribution points the product obtained through multiplication by the points:
 - (1) Basic points

Per work per use

One point ×

Sum of shares for those qualified for distribution

Sum of shares for all the interested parties

(2) Grading points

Playing time not exceeding 5 minutes: one point

Playing time exceeding 5 minutes: one point for each additional 5 minutes or part thereof

2. The amount of the fee for a work shall be calculated in accordance with the following formula:

Distribution	Total amount of the fees to be distributed		Points for an
amount = for each work	Sum of distribution points for all the works qualified for distribution	_ ×	individual work

- 3. The fees to be distributed in Category 2 provided for in Article 27, paragraph 1 shall be calculated comprehensively by applying each provision of Chapter 2, Section 3, Subsection 1 and the Bylaws based on these provisions.
- 4. In the event some circumstances, including the way a work was used, render the preceding three paragraphs inapplicable, an alternate method of calculation for the purpose of distribution may be determined with the approval of the Board of Directors.

Article 30 Addition of CATV fees to broadcasting fees

For the purpose of distribution, the fees to be distributed in Category 3 provided for in Article 27, paragraph 1 shall be distributed by equally dividing into each date of distribution and adding to the commercial TV (terrestrial transmissions) distribution fund for broadcasting provided for in Article 15, paragraph 1.

Section 5 Film-showing fees

Article 31 Classification of film-showing fees, distribution periods, etc.

1. The classification of film-showing fees, the distribution periods, and the fees to be distributed shall be as shown on the following table:

Category	Type of use	Month of distribution	Fees to be distributed
1	Per work fees for showing films	June	Fees collected from January through March
		September	Fees collected from April through June
		December	Fees collected from July through September
		March	Fees collected from October through December
2	Blanket fees for showing films and videograms (excluding fees	September	Fees collected from October through March (of the following year)
	in Category 3)	March	Fees collected from April through September
3	Blanket fees for showing videograms in airplanes	September	Fees collected in the preceding fiscal year

2. In the event the preceding paragraph is inapplicable, the timing of distribution may be determined separately with the approval of the Board of Directors.

Article 32 Distribution based on cue-sheets

- 1. Among film showing fees, the distribution of the blanket fees shall be made based on cuesheets concerning films or videograms (hereinafter referred to as "films, etc."), recorded information of works concerning films (hereinafter referred to as "information of works used"), or usage reports.
- 2. For the purpose of the above distribution, a lump sum calculation shall be made by assigning the points provided for in the following items to each of the works and treating as distribution points the product obtained through multiplication by the points:
 - (1) Basic points

Per work

One point ×

Sum of shares for those qualified for distribution

Sum of shares for all the interested parties

(2) Grading points

One point per second in the playing time of a work

- 3. In the event the playing time of a work used in a film, etc. is unknown, the following points assigned to a work may be considered the grading points for such work:
 - (1) A work specially created for a film
 The points shall be calculated in accordance with the preceding paragraph but on 30 percent of the duration of the film.
 - (2) Other works10 points each
- 4. The amount of the fee for a work shall be calculated in accordance with the following formula:

5. In the event some circumstances, including the way a work was used, render the preceding paragraphs inapplicable, an alternate method of calculation for the purpose of distribution may be determined with the approval of the Board of Directors.

Section 6 BGM fees

Article 33 Distribution periods, etc.

1. The distribution periods and the fees to be distributed shall be as shown on the following table:

Month of distribution	Fees to be distributed
March	Fees collected in the previous fiscal year

- 2. The fees to be distributed shall be classified into the following distribution funds:
 - Distribution fund for BGM wired radio
 Fees collected from wired radio broadcasters under blanket license agreements
 - (2) Distribution fund for BGM Recording Tape
 Fees collected from companies which produce and lend recording tapes for background music (BGM) under blanket license agreements
- 3. The fees collected by a method other than the method provided for in the preceding paragraph shall be prorated based on the amounts provided for in items 1 and 2 of the preceding paragraph and added to each distribution fund.
- 4. In the event paragraph 1 is inapplicable, the timing of distribution may be determined separately with the approval of the Board of Directors.

Article 34 Works qualified for distribution

- 1. Works qualified for distribution shall be those, which were used during the collection period for the fees to be distributed.
- 2. Works qualified for distribution provided for in the preceding paragraph shall be established as the following works.
 - (1) Distribution fund for BGM wired radio
 Works which have qualified for distribution of wired radio fees in Category 1 provided for in Article 27, paragraph 1.
 - (2) Distribution fund for BGM Recording Tape
 - Works which have qualified for distribution of fees for recording tapes for background music (BGM) in Category 3 provided for in Article 39, paragraph 1.

Article 35 Method of calculation for the purpose of distribution

- 1. For the purpose of distribution, BGM fees shall be calculated comprehensively for each distribution fund, as provided for in Article 33, paragraph 2, by assigning the points provided for in the following items to each of the works qualified for distribution, and treating as distribution points the product obtained through multiplication by the points as for distribution fund for BGM wired radio, and treating the value of basic points as distribution points as for distribution fund for BGM Recording Tape:
 - (1) Distribution fund for BGM wired radio
 - (i) Basic points

Per work per use

One point ×

Sum of shares for those qualified for distribution

Sum of shares for all the interested parties

(ii) Grading points

Playing time not exceeding 5 minutes: one point

Playing time exceeding 5 minutes: one point for each additional 5 minutes or part thereof

(2) Distribution fund for BGM Recording Tape

Basic points

Per work per use

One point ×

Sum of shares for those qualified for distribution

Sum of shares for all the interested parties

2. The amount of the fee for a work shall be calculated on accordance with the following formula for each distribution fund:

3. In the event some circumstances, including the way of establishing works qualified for distribution, render the preceding two paragraphs inapplicable, an alternate method of calculation for the purpose of distribution may be determined with the approval of the Board of Directors.

Chapter 3 AUDIO RECORDING FEES AND PUBLICATION FEES, ETC.

Section 1 Shares, etc.

Article 36 Shares

1. Distribution for the parties interested in fees and royalties accruing from audio recordings, publications, films or recording onto videograms (hereinafter referred to as "film synchronization" or "videogram recording") or other reproductions shall be made in accordance with shares shown on the following table:

						Share				
	Interested party	Share	Interested party		(1)	(2)	(3)	(4)	(5)	
1	Composer	8/8	7	Composer	8/12	6/10	4/8	_	_	
				Music publisher	4/12	4/10	4/8			
2	Composer	6/8	8	Composer	6/12	9/20	3/8	—	—	
	Arranger	2/8		Arranger	2/12	3/20	1/8			
				Music publisher	4/12	8/20	4/8	_		
3	Composer	4/8	9	Composer	4/12	3/10	2/8	4/12	3/12	
	Author	4/8		Author	4/12	3/10	2/8	3/12	4/12	
				Music publisher	4/12	4/10	4/8	5/12	5/12	
4	Composer	3/8	10	Composer	3/12	9/40	3/16	12/48	9/48	
	Author	4/8		Author	4/12	12/40	4/16	12/48	16/48	
	Arranger	1/8		Arranger	1/12	3/40	1/16	4/48	3/48	
				Music publisher	4/12	16/40	8/16	20/48	20/48	
5	Composer	4/8	11	Composer	4/12	12/40	4/16	16/48	12/48	
	Author	3/8		Author	3/12	9/40	3/16	9/48	12/48	
	Sub-author	1/8		Sub-author	1/12	3/40	1/16	3/48	4/48	
				Music publisher	4/12	16/40	8/16	20/48	20/48	
6	Composer	3/8	12	Composer	3/12	9/40	3/16	12/48	9/48	
	Author	3/8		Author	3/12	9/40	3/16	9/48	12/48	
	Arranger	1/8		Arranger	1/12	3/40	1/16	4/48	3/48	
	Sub-author	1/8		Sub-author	1/12	3/40	1/16	3/48	4/48	
				Music publisher	4/12	16/40	8/16	20/48	20/48	

Note: The shares applicable in 7 through 12 shall be those notified by the interested parties.

2. The share for a co-writer shall be determined by equally dividing the shares in the preceding paragraph within each classification of the roles of interested parties.

- 3. Notwithstanding the provisions of the preceding paragraph, in case an agreed share is submitted on a separately prescribed form, the share for a co-writer shall be the agreed share. In such a case, a co-writer shall determine the agreed share within the shares for the classification of the roles of interested parties in paragraph 1 above.
- 4. The shares provided for in the preceding paragraph shall apply to the following persons as defined herein:
 - (1) Arranger of a work whose music is no longer protected by copyright: Composer
 - (2) Sub-author of a vocal work whose lyrics are no longer protected by copyright: Author
- 5. In the event a music publisher is among the interested parties provided for in paragraph 1 above, the total fee shall be allocated to the music publisher, provided that the other interested parties have consented to receiving their shares through the music publisher by agreement with the music publisher.

Article 37 International rules

When any of the interested parties is a member of a foreign Society, the international rules may form the basis for distribution.

Article 38 Distribution to the interested parties at the time of invoicing

Notwithstanding the provisions of Article 4, the following fees may be allocated to the interested parties who exist as such at the time of invoicing:

- (1) Audio recording fees in Category 2 provided for in paragraph 1 of the following Article (including, among the music box fees in Category 4, those which are regarded as falling under Category 2);
- (2) Publication fees in Category 1 provided for in Article 40, paragraph 1;
- (3) Film synchronization fees provided for in Article 42; and
- (4) Videogram mechanical fees in Category 2 provided for in Article 43, paragraph 1.

Section 2 Audio recording fees and music box fees

Article 39 Classification of audio recording fees and music box fees, distribution periods, etc.

1. The classification of audio recording fees and music box fees, distribution periods, and the fees to be distributed shall be as shown on the following table:

Category	Type of use	Month of distribution	Fees to be distributed	
1	1 Fees for audio recording collected from users having		Fees for works used mechanically from January through March	
	contracted with the Trustee on a yearly basis concerning the audio recording uses of works	September	Fees for works used mechanically from April through June	
	(excluding fees for Category 3)	December	Fees for works used mechanically from July through September	
			Fees for works used mechanically from October through December	
2	Fees for audio recording	June	Fees collected from January through March	
	collected from other users (excluding fees for Category 3)	September	Fees collected from April through June	
		December	Fees collected from July through September	
			Fees collected from October through December	
3	Fees for rental tapes for Background Music (BGM) service	March	Fees collected in the preceding fiscal year	
4	Fees for music boxes	Treated similarly to Category 1 or 2, based on the contract with the user		
5	Other audio recording fees	To be determined separately by reference to the amount of the fees and the works used with the approval of the Board of Directors		

2. In the event the preceding paragraph is inapplicable, the timing of distribution may be determined separately with the approval of the Board of Directors.

Section 3 Publication fees, etc.

Article 40 Classification of publication fees, distribution periods, etc.

1. The classification of publication fees, distribution periods, and the fees to be distributed shall be as shown on the following table:

Category	Type of use	Month of distribution	Fees to be distributed
1	Publication fees	June	Fees collected from January through March
		September	Fees collected from April through June
		December	Fees collected from July through September
		March	Fees collected from October through December
2	Compensations for school textbooks, etc.	September	Compensations collected for the preceding fiscal year

2. In the event the preceding paragraph is inapplicable, the timing of distribution may be determined separately with the approval of the Board of Directors.

Article 41 The deadline date for establishment of the interested parties for compensations for school textbooks, etc.

Notwithstanding the provisions of Article 4, compensations for school textbooks, etc. shall be distributed to the interested parties on April 1 of the preceding fiscal year. However, if any work that is not under the Trustee's administration as of April 1 of the preceding fiscal year became under the Trustee's administration during the preceding fiscal year, compensations shall be distributed to the interested parties as of the day on which such a work became under the Trustee's administration.

Section 4 Film synchronization fees, etc.

Article 42 Distribution periods of film synchronization fees, etc.

1. The distribution periods of film synchronization fees and the fees to be distributed shall be as shown on the following table:

Month of distribution	Fees to be distributed			
June Fees collected from January through March				
September	Fees collected from April through June			
December	December Fees collected from July through September			
March	Fees collected from October through December			

2. In the event the preceding paragraph is inapplicable, the timing of distribution may be determined separately with the approval of the Board of Directors.

Section 5 Videogram mechanical fees

Article 43 Classification of videogram mechanical fees, distribution periods, etc.

1. The classification of videogram mechanical fees, distribution periods, and the fees to be distributed shall be as shown on the following table:

Category	Type of use	Month of distribution	Fees to be distributed	
1	collected from users having contracted with the Trustee on a		Fees for works used mechanically from October through December Fees for works used mechanically from	
	yearly basis concerning the mechanical uses of works	September	January through March	
	(excluding fees for Category 3)	December	Fees for works used mechanically from April through June	
		March	Fees for works used mechanically from July through September	
2	Fees for videogram mechanical	June	Fees collected from January through March	
	collected from other users (excluding fees for Category 3)	September	Fees collected from April through June	
		December	Fees collected from July through September	
		March	Fees collected from October through December	
3	Fees for videogram mechanical of TV broadcast programs made to be viewed by Japanese people in diplomatic facilities abroad or overseas offices, etc.	Each date of distribution from December to September	Fees collected in the preceding fiscal year	
4	Other Videogram Recording Royalties	To be determined separately by reference to the amount of the fees and the works used with the approval of the Board of Directors		

2. In the event the preceding paragraph is inapplicable, the timing of distribution may be determined separately with the approval of the Board of Directors.

Article 44 Distribution based on cue-sheets

- 1. The distribution of blanket fees among videogram mechanical fees shall be made based on the cue-sheet of each of the films.
- 2. For the purpose of the above distribution, a lump sum calculation shall be made by assigning the points provided for in the following items to each of the works and treating as distribution points the product obtained through multiplication by the points:
 - (1) Basic points

Per work

Sum of shares for those qualified for distribution

One point ×

Sum of shares for all the interested parties

(2) Grading points

One point per second in the playing time of a work

- 3. In the event the playing time of a work used in the film, etc. is unknown, the following points assigned to a work may be considered the distribution points for such work:
 - (1) A work specially created for a film

The points shall be calculated in accordance with the preceding paragraph but on 30 percent of the duration of the film

- (2) Other works
 - 10 points each
- 4. The amount of the fee for a work shall be calculated in accordance with the following formula:

5. In the event some circumstances, including the way a work was used, render the preceding paragraphs inapplicable, an alternate method of calculation for the purpose of distribution may be determined with the approval of the Board of Directors.

Article 45 Addition of video mechanical fees of TV programs for Japanese people living abroad to distribution funds for recordings for broadcasting purposes

The fees to be distributed in Category 3, as provided for in Article 43, paragraph 1, shall be equally divided into each date of distribution, prorated based on the amount of the distribution fund for recordings for broadcasting purposes of NHK and the distribution fund for recordings for broadcasting purposes of commercial TV (terrestrial transmissions), as provided for in Article 15, paragraph 1, and added to the relevant fund.

Chapter 4 RENTAL FEES

Article 46 Shares, etc.

Distributions for the parties interested in rental fees shall be made in accordance with the shares provided for in Article 36, paragraph 1 and the international rules provided for in Article 37.

Article 47 Classification of rental fees, distribution periods, etc.

1. The classification of rental fees, distribution periods, and the fees to be distributed are as shown on the following table:

Category	Type of use	Month of distribution	Fees to be distributed
1	Fees of commercial phonograms (hereinafter referred to as "rental	June	Fees collected from January through March
	record fees")	September	Fees collected from April through June
		December	Fees collected from July through September
		March	Fees collected from October through December
2	Fees for films and videograms (hereinafter referred to as "rental	June	Fees collected from July through December
	video fees")	December	Fees collected from January through June

2. In the event the preceding paragraph is inapplicable, distribution periods may be determined separately with the approval of the Board of Directors.

Article 48 Works qualified for distribution

Works qualified for distribution for rental fees shall be as shown on the following table:

Category	Type of use	Month of distribution	Works qualified for distribution	
1	Rental Record Fees	June	Works used from January through March	
		September	Works used from April through June	
		December	Works used from July through September	
		March	Works used from October through December	
2	Rental Video Fees	June	Works used from April through September	
		December	Works used from October through March	

Article 49 Method of calculation for the purpose of distribution

- 1. For the purpose of distribution, rental record fees shall be calculated comprehensively by assigning the points provided for in the following items to each of the works qualified for distribution and treating as distribution points the product obtained through multiplication by the points:
 - (1) Basic points

Per work per use

(2) Grading points

Playing time not exceeding 5 minutes: one point

Playing time exceeding 5 minutes: one point for each additional 5 minutes or part thereof

2. The amount of the fee for a work shall be calculated in accordance with the following formula:

Article 50 Distribution based on cue-sheets

1. The distribution of rental video fees shall be made based on the cue-sheet or information of works used of each of the films depending on the content of each of the films.

- 2. For the purpose of the above distribution, a lump sum calculation shall be made by assigning the points provided for in the following items to each of the works and treating as distribution points the product obtained through multiplication by the points:
 - (1) Basic points

Per work

One point ×

Sum of shares for those qualified for distribution

Sum of shares for all the interested parties

- (2) Grading points
 - (i) Distributed based on cue sheets:One point per second in the playing time of a work
 - (ii) Distributed based on information of works used:One point per minute in the playing time of a work
- 3. In the event the playing time of a work used in the film, etc. is unknown, the following points assigned to a work may be considered the distribution points for such work:
 - (1) A work specially created for a film

 The points shall be calculated in accordance with the preceding paragraph but on
 - (2) Other works
 - 10 points each

30 percent of the duration of the film.

4. The amount of the fees for a work shall be calculated in accordance with the following formula:

Distribution amount = Total amount of the fees to be distributed Points for an Sum of distribution points for all the works qualified for distribution work

5. In the event some circumstances, including the way a work was used, render the preceding paragraphs inapplicable, an alternate method of calculation for the purpose of distribution may be determined with the approval of the Board of Directors.

Chapter 5 ON-LINE KARAOKE FOR COMMERCIAL USE AND INTERACTIVE TRANSMISSION FEES

Section 1 Distribution funds, etc.

Article 51 Distribution resources

- 1. The fees accrued from karaoke transmission and interactive transmission for commercial usage to be distributed shall be classified into the resources for evaluating reproduction royalties (hereinafter referred as "distribution resources for reproduction"), the resources for evaluating public transmission royalties (hereinafter referred to as "distribution resources for transmission"), and the distribution compensation fund.
- 2. The ratio of the resources provided for in the preceding paragraph shall be determined in the Bylaws with the approval of the Board of Directors.

Article 52 Shares, etc.

The distribution of the fees accrued from karaoke transmission and interactive transmission for commercial usage shall be made to the interested parties in accordance with the shares provided for in the following Articles and the international rules:

- (1) Distribution resources for reproduction: Articles 36 and 37
- (2) Distribution resources for transmission: Articles 9 and 10

Article 53 Distribution periods

1. The fees to be distributed concerning karaoke transmission and interactive transmission for commercial usage shall be as shown on the following table:

Month of distribution	Fees to be distributed
June	Fees collected from January through March
September	Fees collected from April through June
December	Fees collected from July through September
March	Fees collected from October through December

2. In the event the preceding paragraph is inapplicable, distribution periods may be determined separately with the approval of the Board of Directors.

Article 54 The deadline date for establishment of the interested parties for interactive transmission

- 1. Notwithstanding the provisions of Article 4, distributable royalties regarding interactive transmissions shall be distributed to the interested parties who have the rights at the last date of a quarter including the month in which works qualified for distribution have been used.
- 2. In the event some circumstances, including the way of royalty collection, render the preceding paragraph inapplicable, royalties may be distributed based on a separate date for the establishment of the interested parties determined with the approval of the Board of Directors.

Section 2 Fees of karaoke transmission for commercial usage

Article 55 Period of calculation and works qualified for distribution

1. The period of calculation for each distribution and works qualified for distribution shall be as shown on the following table:

Month of distribution	Period of calculation for each distribution	Works qualified for distribution
June	October through December	Those used during the periods shown on the left
September	January through March	Those used during the periods shown on the left
December	April through June	Those used during the periods shown on the left
March	July through September	Those used during the periods shown on the left

2. In the event the preceding paragraph is inapplicable, distribution periods may be determined separately with the approval of the Board of Directors.

Article 56 Distribution funds

1. The distribution resources for reproduction and the distribution resources for transmission as classified in Article 51, paragraph 1 shall be classified in accordance with the following table:

Classification of distribution resources	Classification of distribution fund
Distribution resources for	Fund for the number of reproductions
reproduction	Fund for the number of terminals
Distribution fund for	Fund for the number of usages
transmission	Fund for the number of terminals

2. In the event the preceding paragraph is inapplicable, distribution periods may be determined separately with the approval of the Board of Directors.

Article 57 Distribution Points

- 1. For the purpose of the above, distribution shall be made by giving the points provided for in the following items to each of the works qualified for distribution and treating distribution points shall be obtained through multiplication by the point.
 - (1) Basic points

Per work

Sum of shares for those qualified for distribution

One point ×

Sum of shares for all the interested parties

(2) Work-grading point

In the event one work is included in one access code, one point shall be assigned, and in the event more than one work is included in one access code, 0.5 point shall be assigned to each work.

- (3) Grading points given in accordance with the classification of distribution funds

 The following points shall be given to each Category provided for in paragraph 1 of the preceding Article.
 - (i) Assignment of points to the distribution resources for reproduction
 - (a) Distribution fund for the number of reproductions

With respect to a work newly reproduced on database of user during the relevant period covered by calculation of the distribution resources for the number of reproductions, the number of terminals at the end of the period of calculation when the relevant work make available to the public shall be considered the point. And with respect to a work reproduced on database of user before the period of calculation, the increase of the number of terminals shall be the point.

(b) Distribution fund for the number of terminals

The total number of terminals which make available a work to the public shall be the point.

- (ii) Assignment of points to the distribution resources for transmission
 - (a) Distribution fund for the number of usages

The number of usages reported from the users for each access code shall be the point.

(b) Distribution fund for the number of terminals

The total number of terminals which make a work available to the public shall be the point.

2. In the event the preceding paragraph is inapplicable due to the circumstances concerning reports on the number of usages, etc., distribution points may be determined separately with the approval of the Board of Directors.

Article 58 Method of distribution

The distribution amount for each work shall be obtained by calculating the sums for each distribution fund using the following formula and shall be aggregated for each classification of distribution resources.

Article 59 Distribution covered by the distribution compensation fund

- 1. Distributions to interested parties of works excluded from distribution, due to lack of documentation for distribution, shall be made on a request basis from the parties interested in the work by calculating the fee amount in accordance with the preceding two Articles, and by using the distribution compensation fund provided for in Article 51, paragraph 1.
- 2. Distribution covered by the distribution compensation fund shall be made for interested parties who have requested compensation for distribution made within 3 years prior to the date of request along with information on the relevant use and in the event such use has been confirmed.

Article 60 Transfer of the surplus of distribution compensation fund to the next period

In the event there is surplus of the distribution compensation fund, it shall be transferred to the fees to be distributed in the next period.

Section 3 Interactive transmission fees

Article 61 Works qualified for distribution

Works qualified for distribution shall be the works for which the fees to be distributed have been collected.

Article 62 Points for distribution

- 1. The points stipulated in the following items shall be assigned to each work qualified for distribution, and the products obtained through the multiplication of such points shall be the distribution points for such works.
 - (1) Basic points

Per work per use

(i) Works (regardless of downloads or streaming, works for which the invoiced fee was calculated by multiplying the per work per request unit price by the total number of requests, and works for which the invoiced and collected fee was calculated by multiplying the per work unit price by the period of usage) for which fees were collected on a per-work basis

One point

(ii) Works other than those stipulated in (i) above

One point ×

Sum of shares for those qualified for distribution

Sum of shares for all interested parties

(2) Grading points

The following points shall be given to each Category of the distribution funds for reproduction and distribution funds for transmission provided for in Article 51, paragraph 1.

- (i) Works for which royalties are collected on a per work basis
 The fee invoiced for each work included in each service menu shall be the points assigned.
- (ii) Works other than those stipulated in (i) above

The sum obtained by multiplying the fee invoiced per service menu with ratio of requests made for each work among all requests made. However, when there is no report of the number of requests, the sum obtained by dividing the fee invoiced per service menu by the total number of managed works included in the program shall be the points assigned.

2. In the event circumstances, including the way in which works are used, render the preceding paragraph inapplicable, separate distribution points may be determined, with the approval of the Board of Directors.

Article 62-2 Distribution based on cue-sheets

- 1. Notwithstanding the provisions of the preceding Article, the distribution of blanket fees among interactive transmission fees shall be made based on the cue-sheets, etc. (matters listed below; the same shall apply to the following paragraph) when video contents (movies, videograms, etc.; the same shall apply hereinafter in this Article) are transmitted mainly for the purpose of using a work other than musical works:
 - (1) Cue-sheets
 - (2) Information of works used
 - (3) Recorded information of works concerning broadcast programs
 - (4) Report on use of musical works
- 2. For the purpose of the distribution set forth in the preceding paragraph, a lump-sum calculation shall be made by assigning the points provided for in the following items to each of the works shown in the cue sheets, etc. and treating as distribution points the product obtained through multiplication by the points:
 - (1) Basic points

Per work

One point × Sum of shares for those qualified for distribution

Sum of shares for all the interested parties

(2) Grading points for the total number of requests

The points assigned shall be calculated by multiplying the fee invoiced for each work included in each service menu by the ratio of the number of requests for the relevant video contents against the total number of requests; provided, however, that if the number of requests is not reported, the points assigned shall be calculated by dividing the fee invoiced for each work included in each service menu by the number of video contents used in the service menu.

(3) Grading points for hours of use in the cue-sheets, etc.

The ratio of the hours of use of the relevant work against the total hours of use of the managed works shown in the cue-sheets, etc. shall be the number of points assigned; provided, however, that if the hours of use are unknown, the points assigned shall be calculated by dividing one (1) by the number of managed works shown in the cue-sheets, etc.

3.	In the event some circumstances, including the way a work was used, render the preceding paragraph inapplicable, the distribution points may be separately determined with the approval of the Board of Directors.

Article 63 Method of calculation for the purpose of distribution

The distribution amount for each work shall be obtained by calculating the sums for each distribution fund using the following formula and shall be aggregated for each royalty Category for distribution.

Distribution		Amount of distribution fund		Distribution
amount	= '	Sum of distribution points	×	points for
for each work		for all works qualified for distribution		each work

Article 64 Distribution periods etc. of fees for IP Multicast Broadcasting

1. Notwithstanding the provisions of Article 53, paragraph 1, the distribution period and the fees to be distributed for IP multicast broadcasting shall be as shown on the following table:

Month of distribution	Fees to be distributed
June	Fees collected for the works used in the second preceding fiscal year

2. Notwithstanding the provisions of Article 61, the works qualified for distribution provided for in the preceding paragraph shall be established as works which have qualified for distribution of fees for CS broadcasts in the preceding fiscal year among commercial TV (satellite transmissions) broadcasting fees in Category 5 provided for in Article 15, paragraph 1.

Article 65 Distribution using compensation funds

- 1. Distributions to interested parties of works excluded from distribution, due to lack of documentation for distribution, shall be made on a request basis from the parties interested in the work by calculating the fee amount in accordance with the Articles 62, 62-2, and 63, and by using the compensation fund provided for in Article 51, paragraph 1.
- 2. Distribution covered by the compensation fund shall be made for interested parties, who have requested for compensation for distribution within 3 years before the date of request by making such request with the information on the relevant use in the event such use has been confirmed.

Article 66 Transfer of the surplus of compensation for distribution to the next period

In the event there is surplus of compensation for distribution, it shall be transferred to the fees to be distributed in the next period.

Chapter 6 FEES FOR REPRODUCTION FOR ADVERTISING

Article 67 Method of distribution

- 1. The provisions of Chapter 3, Section 1 (however, in the event the provisions of Article 3-2 apply, the provisions which determine shares are excluded. The same shall apply to Article 68, paragraph 1.) shall be applied to the distribution of fees for reproduction for advertising, and Chapter 3, Sections 2 through 5 depending on the reproduction form. However, regardless of the reproduction form, the provisions of Chapter 3, Section 4 shall be applied to the distribution periods and the distribution of fees for reproduction for transmission of commercials.
- 2. In the event the preceding paragraph is inapplicable, distribution periods may be determined separately with the approval of the Board of Directors.

Chapter 7 FEES FOR REPRODUCTION FOR GAMES

Article 68 Method of distribution

- 1. The provisions of Chapter 3, Section 1 shall be applied to the distribution of fees for reproduction of games, and Chapter 3, Section 2 or 5 depending on the reproduction form.
- 2. In the event the preceding paragraph is inapplicable, distribution periods may be determined separately with the approval of the Board of Directors.

Chapter 8 OTHER FEES

Article 69 Method of distribution

The method of distributing the fees provided for in the provisions of Article 12 "Others" in the Tariffs for Musical Works of JASRAC shall be stipulated in the Bylaws with the approval of the Board of Directors, with due regard to the method of calculating the fees, the amount of fees collected, and the number of works used.

Chapter 9 FEES RECEIVED FROM FOREIGN SOCIETIES

Article 70 Distribution periods, etc.

1. The distribution periods for fees received from foreign Societies and the fees to be distributed are shown on the following table:

Month of distribution	Fees to be distributed
June	Fees received from October through December
September	Fees received from January through March
December	Fees received from April through June
March	Fees received from July through September

2. In the event the preceding paragraph is inapplicable, distribution periods may be determined separately with the approval of the Board of Directors.

Chapter 10 ENFORCEMENT PROVISIONS

Article 71 Enforcement provisions

Other than those matters set forth in these rules, matters necessary for the enforcement of these rules shall be stipulated in the Bylaws with the approval of the Board of Directors.

(Date of enforcement)

1. The present Rules shall go into effect on March 1, 1987.

(Interim measures for broadcasting fees)

2. The provisions of Subsection 1, Section 3, Chapter 2 shall apply to the distribution of fees for fiscal 1987 onward, and the old provisions shall still apply to the fees for fiscal 1986.

(Abrogation of distribution rules)

- 3. The following distribution rules shall be abrogated.
 - (1) Methods for Distribution of Copyright Fees to Copyright owners (Approved July 12, 1963)
 - (2) Distribution Rules for Mechanical Fees (Approved July 30, 1983)
 - (3) Distribution Rules for Broadcasting Fees (Approved September 2, 1983)
 - (4) Distribution Rules for Rental Fees (Approved January 16, 1985)
 - (5) Distribution Rules for Performing Fees (Approved July 11, 1985)

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on October 1, 1992.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

1. The present Rules shall go into effect on October 1, 1992.

(Interim measures for videogram mechanical fees)

2. Distribution of blanket fees collected from April 1992 through June 1992 shall be distributed in December 1992.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on October 1, 1996.

(Date of enforcement)

1. The present Rules shall go into effect on April 1, 1998.

(Date of enforcement concerning arrangement at the time of publication)

2. The provisions of Chapter 2, Section 1, Article 9, paragraph 3 shall go into effect from the distribution -09 of 1998.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

1. The present Rules shall go into effect on September 1, 2001.

(Provisional measures for the fees of interactive transmission)

2. Notwithstanding Article 53, paragraph 1, the fees collected for interactive transmission before June 2001 shall be distributed in accordance with the following table:

Month of distribution	Fees to be distributed
September 2001	Those collected during the period ending on March 2001
December 2001	Those collected during the period from April 2001 to June 2001

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

1. The present Rules shall go into effect on April 1, 2002.

(Provisional measures concerning the date for establishing the interested parties)

2. For distribution -06, 2002, the date for establishing the interested parties as provided for in Article 4, shall be substituted for March 31, 2002.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on December 1, 2002.

(Date of enforcement)

1. The present Rules shall go into effect on September 1, 2003.

(Provisional measure for the provision of Article 9, paragraph 1)

2. The provision of Chapter 2, Section 1, Article 9, paragraph 1 shall apply from the distribution -12 of 2003, and the old provisions shall still apply until the distribution -09 of 2003.

(Provisional measure for the provision of Article 9, paragraph 2)

3. The provision of Chapter 2, Section 1, Article 9, paragraph 2 shall apply from the distribution -06 of 2004, and the old provisions shall still apply until the distribution -03 of 2004.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

1. The present Rules shall go into effect on June 20, 2006.

(Provisional measure for the provision of Article 36, paragraph 1)

2. The provision of Chapter 3, Section 1, Article 36, paragraph 1 shall apply from the distribution -12 of 2006, and the old provisions shall still apply until the distribution -09 of 2006.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on December 1, 2012.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

1. The present Rules shall go into effect on August 1, 2013.

(Provisional measures for the fees of interactive transmission)

2. The provision of Chapter 5, Section 3 shall apply from the distribution -12 of 2013, and the old provisions shall still apply until the distribution -09 of 2013.

(Date of enforcement)

The present Rules shall go into effect on May 1, 2014.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on December 1, 2015.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on September 1, 2016.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on the day following six months after the day on which the Commissioner of the Agency for Cultural Affairs receives the notification and shall apply from the distribution -12 of 2016.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on the day following six months after the day on which the Commissioner of the Agency for Cultural Affairs receives the notification and shall apply from the distribution -03 of 2017.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on the day following six months after the day on which the Commissioner of the Agency for Cultural Affairs receives the notification and shall apply from the distribution -12 of 2018.

(Date of enforcement)

The present Rules shall go into effect on the day following six months after the day on which the Commissioner of the Agency for Cultural Affairs receives the notification and shall apply from the distribution -12 of 2019.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on January 1, 2020.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

The present Rules shall go into effect on September 1, 2021 and shall apply from the distribution -09 of 2021.

SUPPLEMENTARY PROVISIONS

(Date of enforcement)

1. The present Rules shall go into effect on December 1, 2021 and shall apply from the distribution -12 of 2021.

(Provisional measure for the provision of Article 11, paragraph 1)

2. For dramatic performance fees in Category 1, concerts etc. fees in Category 2, and public transportation fees in Category 3, the fees to be distributed in distribution -12 of 2021 shall be those collected during the period April through September 2021. However, among concerts, etc. fees in Category 2, for monthly or annual fees collected based on an annual blanket license agreement, those collected during the period April through June 2021 shall be subject to the above distribution.