

# Stipulations for Administration Trust Contract

December 28, 1939	Permitted
August 5, 1952	Amendment permitted
December 27, 1960	Amendment permitted
June 23, 1969	Amendment permitted
March 21, 1980	Amendment permitted
March 6, 1998	Amendment permitted
October 2, 2001	Notification
June 24, 2005	Notification of amendment
June 20, 2006	Notification of amendment
July 10, 2007	Notification of amendment
June 19, 2009	Notification of amendment
April 1, 2010	Notification of amendment
July 11, 2013	Notification of amendment
July 3, 2015	Notification of amendment
July 4, 2016	Notification of amendment
June 30, 2017	Notification of amendment
June 28, 2018	Notification of amendment
July 4, 2019	Notification of amendment
June 29, 2020	Notification of amendment
July 5, 2021	Notification of amendment
June 30, 2022	Notification of amendment
June 29, 2023	Notification of amendment

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# Japanese Society for Rights of Authors, Composers and Publishers

## Stipulations for Administration Trust Contract

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Supplementary Provisions

These Stipulations define the terms and conditions of the "trust contract" provided for in Article 2 (1)(i) of the Act on Management Business of Copyright and Neighboring Rights (Act No. 131 of 2000; hereinafter called "Management Business Act") concluded between the Japanese Society for Rights of Authors, Composers and Publishers (hereinafter called "Trustee") and a person who entrusts the administration of music copyrights to Trustee (hereinafter called "Trustor"). Such contract is hereinafter called "Trust Contract."

### Chapter 1 General Provisions

#### Article 1. Definitions

1. The term "Music Copyrights" herein means the copyrights of lyrical works (including the right to recite lyrics publicly as a literary work), copyrights of musical works, and

the share of such copyrights when the copyrights are owned jointly (hereinafter called "Share of Jointly Owned Copyrights").

2. The term "Trust" herein means a trust established based on the execution of a Trust Contract containing these Stipulations. However, the term "Individual Trust" is used when determining an individual legal relationship concerning each existing individual Trust.
3. The term "Purpose of Trust" herein means the purpose specified in the following Article.
4. The term "Trust Property" herein means all property that belongs to Trustee and should be managed under a Trust, and "Trustee's own property" means all property that belongs to Trustee and does not fall under any of the following items:
  - (1) Trust Property; and
  - (2) All property that should be managed for a Foreign Trustor Organization
5. The term "Entrusted Copyrights" herein means the Music Copyrights belonging to Trust Property.
6. The term "Extent of Trust of Rights" herein means the extent of administration entrusted to Trustee under each Individual Trust that is determined based on selection by Trustor under Article 6, paragraphs 1 and 2.
7. The term "Music Publisher(s)" herein means a business operator to which Music Copyrights are assigned by an author, composer, or any other holder of Music Copyrights for the administration of such copyrights to promote the usage thereof.
8. The term "Copyright Agreement" herein means an agreement executed between a Music Publisher and a holder of Music Copyrights for the purpose of assigning Music Copyrights to the Music Publisher as provided in the preceding paragraph.
9. The term "Foreign Organization" herein means a foreign organization or business operator that administers Music Copyrights. However, a Foreign Organization that entrusts the administration in Japan of Music Copyrights administered by such Foreign Organization is called "Foreign Trustor Organization" and a Foreign Organization that is entrusted by Trustee under Article 13, paragraph 1 is called "Foreign Trustee Organization."
10. The term "Interested Parties" herein means the relevant persons and/or entities specified in the following items:
  - (1) In case the work is a combination of a lyrical work and a musical work (called "Vocal Musical Work" in c. below and the following paragraph): Persons and/or entities specified in a. through c. below:

- a. Author of the lyrical work (if it is a derivative work, author of the relevant lyrical work and the original work; the same shall apply hereinafter in this a.) or the person who has succeeded the copyrights of such lyrical work (excluding the person specified in c. below and Trustee; if the work is succeeded multiple times, the person who has succeeded the work most recently).
  - b. Composer of the musical work (if it is a derivative work, composer of the relevant musical work and the original work; the same shall apply hereinafter in this b.) or the person who has succeeded the copyrights of such musical work (excluding the person specified in c. below and Trustee; if the work is succeeded multiple times, the person who has succeeded the work most recently).
  - c. Music Publisher that has an effective Copyright Agreement with all or some of the persons specified in a. or b. above (if it is a foreign Music Publisher, including the Music Publisher in Japan that is authorized by such foreign Music Publisher to administer the copyrights to promote the usage of the relevant Vocal Musical Work in Japan).
- (2) In case the work is a musical work not combined with a lyrical work (called "Instrumental Musical Work" in b. below and the following paragraph): Persons and/or entities specified in a. or b. below:
- a. Composer of the musical work (if it is a derivative work, composer of the relevant musical work and the original work; the same shall apply hereinafter in this a.) or the person and/or entity who has succeeded the copyrights of such musical work (excluding the entity specified in b. below and Trustee; if the work is succeeded multiple times, the person who has succeeded the work most recently).
  - b. Music Publisher that has an effective Copyright Agreement with all or some of the persons and/or entities specified in a. above (if it is a foreign Music Publisher, including the Music Publisher in Japan that is authorized by such foreign Music Publisher to administer the copyrights to promote the usage of the relevant Instrumental Musical Work in Japan).
11. The term "Work(s)" herein means a Vocal Musical Work or an Instrumental Musical Work, and "Administered Work(s)" means a Work falling under any of the following items:

- (1) Work consisting of the lyrics and/or music related to Entrusted Copyrights in any Individual Trust (hereinafter called "Entrusted Work(s)").
  - (2) Work consisting of the lyrics and/or music related to the Music Copyrights that Trustee is authorized by a Foreign Trustor Organization to administer in Japan (hereinafter called "Copyrights Entrusted by Foreign Trustor Organizations").
12. The term "Publication" herein means the reproduction of a lyrical work or a musical work by printing or any other means to make it recognizable in the visual sense or tactile sense (including to make it visually recognizable by using electromagnetic storage media and image display devices), excluding the following cases, and "Publication Right" means the right to publish, and "Published Works" means reproductions created through Publication:
- (1) In case the relevant lyrical work or musical work is reproduced in electromagnetic storage media by means of sound recording.
  - (2) In addition to the cases specified in the preceding item, in case the relevant work is reproduced for the usage forms specified in 7 through 13 of Appendix 1.
13. The term "Games" herein means the programs, software or devices falling under all of a. through c. below:
- a. Programs, software, or devices that are created for the purpose of satisfying the competitive spirit, sense of accomplishment, gambling spirit, and eagerness for entertainment of players (persons who use the programs, software or devices for entertainment; the same shall apply in b. below), excluding those created mainly for other purposes.
  - b. Programs, software, or devices that are operated or handled by players under certain rules or other restrictions established by the creator.
  - c. Programs, software, or devices that present or provide results that are variable depending on the operations or handling specified in b. above (including victory or defeat, scores, images, etc. resulting from the value obtained through arithmetic processing of the operation or handling of data).
14. The term "FY" and "Fiscal Year" herein means a period from April 1 of each year to March 31 of the following year.
15. In addition to what is provided in the preceding paragraphs, the terms defined in the Copyright Act (Act No. 48 of 1970; hereinafter simply called "Copyright Act") and the Trust Act (Act No. 108 of 2006; hereinafter simply called "Trust Act") shall

have the meanings defined in such laws, unless otherwise provided for in these Stipulations.

#### Article 2. Purpose of Trust

Trustor shall establish a Trust to have Trustee administer Music Copyrights for the purpose of ensuring the protection of such Music Copyrights and the smooth use of musical works, thereby contributing to the development and promotion of culture and art.

#### Chapter 2 Procedure for Establishing Trust and Term of Trust, etc.

#### Article 3. Procedure for Establishing Trust

1. A person or an entity who consents to the Purpose of Trust and intends to entrust the administration of Music Copyrights to Trustee (hereinafter called "Applicant" in paragraph 3) shall agree that a Trust Contract executed with Trustee should contain these Stipulations and submit to Trustee an application for copyright trust contract and the attached documents separately specified by Trustee.
2. If Trustee finds it appropriate to accept a trust based on the application made under the preceding paragraph, Trustee shall accept the application and deliver to Trustor a certificate of trust for the Individual Trust established by the acceptance of the application.
3. Notwithstanding the provisions of the preceding two paragraphs, procedures for establishing trust may be taken in electromagnetic format (limited to those designated by Trustee) by request of Applicant.

#### Article 4. Beneficiary

1. Trustor shall be the beneficiary of the Individual Trust of Trustor.
2. Notwithstanding the preceding paragraph, Trustor may designate a third party as the beneficiary of the Individual Trust of Trustor if the approval of Trustee is obtained at the time of executing the Trust Contract.
3. Trustor shall have the right to change the beneficiary of the Individual Trust of Trustor with the approval of Trustee.

#### Article 5. Transfer of Music Copyrights to Trustee

1. Trustor shall transfer to Trustee any and all Music Copyrights owned by Trustor and to be acquired by Trustor in future (including those belonging to Trustor under Article 37) and treat them as Entrusted Copyrights in the Individual Trust of Trustor.

2. The Music Copyrights transferred to Trustee under the preceding paragraph shall include the rights provided in Article 28 of the Copyright Act.
3. When Trustor executes a Copyright Agreement with a Music Publisher (limited to the persons specified in the following items), Trustor may assign the Music Copyrights subject to such Copyright Agreement to the Music Publisher, notwithstanding paragraph 1:
  - (1) Trustor of the relevant Trust
  - (2) Member of or Trustor for the Foreign Trustor Organization or any other person holding an equivalent position
4. With respect to school songs or company songs created upon request, Trustor (limited to authors and composers) may assign all or part of Music Copyrights to the relevant person/company making the request with the prior approval of Trustee, notwithstanding paragraph 1.

#### Article 6. Selecting the Extent of Trust of Rights

1. With regard to copyrights in Japan, Trustor may exclude all or part of the categories of rights or the usage forms provided in Appendix 1 from the Extent of Trust of Rights.
2. With regard to copyrights in foreign countries, Trustor may exclude all or part of the categories of rights specified below from the Extent of Trust of Rights for each country or region:
  - (1) Performing rights, dramatic performance rights, exhibition rights, public transmission rights, communication rights, and recitation rights.
  - (2) Mechanical rights, distribution rights, lending rights, and assignment rights pertaining to recordings.
  - (3) Publication Rights and assignment rights pertaining to Published Works.
3. "Region" in the preceding paragraph means the business region of the relevant Foreign Trustee Organization.
4. Notwithstanding paragraph 1 of the preceding Article, the rights pertaining to the categories excluded from the Extent of Trust of Rights under paragraph 1 or 2 shall not be transferred to Trustee.
5. The preceding paragraph shall also apply to the Music Copyrights that are acquired by Trustor, which is the Music Publisher, under a Copyright Agreement and are exercised for use outside Japan and fall under category 3 and categories 7 through 11 of Appendix 1 (limited to the rights related to the fixation of works for

broadcasting or cable broadcasting with regard to category 11), unless such rights are administered by a Foreign Trustee Organization.

#### **Article 7. Timing to Select the Extent of Trust of Rights**

1. At the time of applying for the execution of a Trust Contract, Trustor may select the Extent of Trust of Rights in accordance with the provisions of the preceding Article.
2. Trustor may change the Extent of Trust of Rights on April 1 every year in accordance with the provisions of the preceding Article. In this case, Trustor shall notify Trustee in writing to that effect no later than December 31 of the preceding year.

#### **Article 8. Establishment of More Than One Individual Trust on a Per-Division Basis**

A Music Publisher (limited to corporations) may establish more than one Individual Trust on a per-division basis.

#### **Article 9. Warranty of Entrusted Copyrights**

1. Trustor warrants to Trustee the following matters with regard to all Music Copyrights that are treated as Entrusted Copyrights in the Individual Trust of Trustor in accordance with Article 5, paragraph 1:
  - (1) The Music Copyrights have been lawfully acquired by Trustor.
  - (2) The Music Copyrights are actually owned by Trustor at the time of the transfer thereof to Trustee in accordance with Article 5, paragraph 1 and no third party has legitimate interest in such transfer (if the rights to be transferred are the Share of Jointly Owned Copyrights, Trustor shall obtain the other co-owners' consent to the transfer of the rights to Trustee and the administration of the rights by Trustee).
2. Trustee may, with regard to the warranty set forth in the preceding paragraph, demand that Trustor submit relevant documentation if considered necessary. In this case, Trustor shall submit such documentation without delay.

#### **Article 10. Term of Trust**

1. The term of each Individual Trust shall commence on the business day following the date of acceptance of the relevant Individual Trust set forth in Article 3, paragraph 2 and expire on the first March 31 that comes after the lapse of two years from such date.

#### **Article 11. Renewal of Term of Trust**

The term of each Individual Trust shall be extended for three years upon expiry thereof, unless Trustor of the relevant Individual Trust notifies Trustee in writing of the intention not to renew the term at least three months prior to the expiration of the term.



## Chapter 3 Trustee's Duties, etc.

### Section 1. General Provisions

#### Article 12. Trustee's Duties

1. Trustee shall have the authority to perform the acts specified below and other acts necessary for accomplishing the Purpose of Trust (hereinafter called "Trust Affairs") in and outside Japan:
  - (1) Granting a license for the use of Entrusted Works.
  - (2) Requesting the payment of consideration for the license set forth in the preceding item (hereinafter called "Royalties") and receiving it.
  - (3) Receiving compensation as provided in the Copyright Act (limited to the cases where Trustee has the right to receive compensation based on the Entrusted Copyrights).
  - (4) Preventing and solving the infringement of Entrusted Copyrights (including the implementation of civil and criminal legal measures).
  - (5) When the Entrusted Copyrights are infringed, requesting compensation for damages or illicit profit (hereinafter they are collectively called "Damages") (including the implementation of civil legal measures) and receiving it.
  - (6) Providing Royalties, compensation set forth in item (3), or Damages set forth in the preceding item (hereinafter called "Royalties, etc.") to the beneficiary (hereinafter called "Distribution" or "Distribute").
  - (7) Developing information processing systems used for the efficient and smooth performance of the acts specified in the preceding items and other acts incidental to the acts specified in the preceding items.

2. Trustee shall process Trust Affairs with the due care of a prudent manager in accordance with not only these Stipulations but also the main object of trust.
3. The processing of Trust Affairs shall be performed in comprehensive consideration of social, economic, geographical, or technical conditions, expected amount of expenses, and other circumstances to the extent Trustee thinks reasonably feasible.

#### Article 13. Entrustment of Processing of Trust Affairs to a Third Party

1. In the cases specified below, Trustee may entrust the processing of Trust Affairs to a third party. In such a case, Trustee shall entrust it to a person considered to be appropriate in light of the Purpose of Trust and perform necessary and appropriate supervision.
  - (1) In case Trustee entrusts the administration of Entrusted Copyrights outside Japan to a Foreign Organization.
  - (2) In case Trustee entrusts the development of information processing systems, processing of legal affairs, or other acts that require professional expertise to a person who has such professional expertise.
  - (3) In addition to the cases set forth in the preceding two items, in case Trustee thinks that it is reasonable to entrust it to a third party for the effective utilization of management resources of Trustee, etc.
2. Notwithstanding the provisions of this Chapter, when a Foreign Trustee Organization performs the administration of Entrusted Copyrights outside Japan, the method of determining the amount of Royalties and executing business by the Foreign Trustee Organization shall be governed by the laws and ordinances of the business region of such Foreign Trustee Organization and the stipulations of such Foreign Trustee Organization.

#### Article 14. Unified Administration and Differentiation

1. Trustee may administer Entrusted Copyrights in all Individual Trusts and Copyrights Entrusted by Foreign Trustor Organizations together in a unified manner by the methods specified below:
  - (1) Executing a blanket license agreement (which means an agreement to grant a license for the use of all the Administered Works; the same shall apply in the following item) with the users of Administered Works.
  - (2) Requiring the payment of blanket royalties (which means the Royalties whose amount is fixed on a monthly or annual basis, calculated by multiplying the income of the users by a certain rate, or calculated by any other blanket means

(any means other than the calculation of Royalties per use of each Administered Work); the same shall apply in Article 34, paragraph 2, item (4) a.) as Royalties under the blanket license agreement.

- (3) In addition to what is provided in the preceding two items, any method that is considered reasonable in light of the main object of trust.
2. Trustee shall perform administration by differentiating the Entrusted Copyrights from the Copyrights Entrusted by Foreign Trustor Organizations by a method which records and stores information on the Interested Parties of all the Administered Works, and by differentiating the Entrusted Copyrights in each Individual Trust.
3. Trustee may omit the registration of trust and the registration of transfer of copyrights pertaining to the relevant trust as provided in Article 35, paragraph 1 of the Copyright Act Enforcement Order (Cabinet Order No. 335 of 1970) (these registrations are simply called "Registration" in the following paragraph and paragraph 5).
4. Notwithstanding the provisions of the preceding paragraph, Trustee shall conduct Registration to the extent necessary for accomplishing the Purpose of Trust in case any of the following is applicable:
  - (1) In case Registration is demanded by Trustor or the beneficiary.
  - (2) In case it has become clear that there is a possibility of the processing of Trust Affairs by Trustee being interrupted by a third party claiming rights on Entrusted Copyrights.
  - (3) In case a concrete need arises to assert to a third party that Entrusted Copyrights appertain to Trust Property.
5. The expenses incurred for the Registration set forth in the preceding paragraph or the deletion of such Registration shall be borne by Trustor of the Individual Trust related to such Registration. In this case, the expenses may be reimbursed to Trustee from the Trust Property of the Individual Trust.
6. Trustee shall perform administration by differentiating the Royalties, etc. for Entrusted Copyrights from the Royalties, etc. for Copyrights Entrusted by Foreign Trustor Organizations by a method which clarifies calculations in accordance with Article 19, paragraph 2 through 5, and by differentiating the Royalties, etc. of Entrusted Copyrights in each Individual Trust.

## Section 2. Request for Payment of Royalties, etc.

### Article 15. Request for Payment of Royalties

1. In case Trustee has executed an agreement to grant a license for the use of Entrusted Works, Trustee shall request that the other party to such agreement (hereinafter called "User") pay Royalties to the extent specified in the Tariffs for Use of Musical Works (which means the tariffs determined by Trustee as the tariffs for use of musical works provided in Article 13, paragraph 1 of the Management Business Act; the same shall apply hereinafter) or the amount designated by Trustor under paragraph 1 or 2 of the following Article, except for the cases where Trustee follows the instructions of Trustor under Article 17, paragraph 1 through 6.
2. In case Trustee thinks that it is unreasonable to request the payment of Royalties as provided in the preceding paragraph (hereinafter simply called "Request for Payment") due to a large-scale disaster or other special circumstances, Trustee may suspend the Request for Payment to the extent and for the period required.

### Article 16. Rate Specified by Trustor

1. Trustor (excluding the persons to whom the proviso of Article 26, paragraph 1 applies; the same shall apply in the following paragraph) may specify the rate (specify the amount of Royalties payable by the User; the same shall apply hereinafter), when the works related to Entrusted Copyrights in the Individual Trust of Trustor are used in the following usage forms:
  - (1) Reproduction for Games.
  - (2) Reproduction for advertisements (hereinafter called "Advertising Purposes").
2. When Entrusted Works of Trustor (which means the Works consisting of the lyrics and/or music related to Entrusted Copyrights in the Individual Trust of Trustor; the same shall apply hereinafter) are used in the following usage forms, Trustor may specify the rate. However, Trustor may designate only the amount of the basic fee (Royalties concerning the fixation of the musical work) with regard to the usage form set forth in item (3).
  - (1) Publication.
  - (2) Recording in films.
  - (3) Recording in videograms (excluding videograms used for karaoke in Japan).
3. In the case of use in Japan in the usage form specified in the items of the preceding paragraph, Trustor who may specify the rate under the preceding paragraph shall be limited to the person who holds the position of sub-publisher (which means a

Music Publisher specified in parenthesis in Article 1, paragraph 10, item (1) c. or item (2) b. in Japan) with regard to the Works used.

4. The usage form specified in paragraph 2, item (3) shall include the fixation of Works for broadcasting or cable broadcasting outside Japan.

#### **Article 17. Limitation on Administration by Trustee**

1. When Trustor (excluding Music Publishers) uses Entrusted Works of Trustor (including, in the case of item (1) below, Works whose usage is promoted by a Music Publisher under a Copyright Agreement) (limited to the cases falling under any of the following items), Trustor may prevent Trustee from making a request for the payment of Royalties or from exercising Entrusted Copyrights. However, it shall not apply if any of the other Interested Parties of the relevant Entrusted Works of Trustor expresses its intention to the contrary:
  - (1) In case Entrusted Works of Trustor are used without the payment to Trustor of any consideration for the presentation or provision thereof for the purpose of promoting the usage thereof.
  - (2) In addition to the cases set forth in the preceding item, in case Entrusted Works of Trustor are used within a certain scope specified by the Board of Directors of Trustee.
2. In case Entrusted Works of Trustor (if Trustor is the author thereof, including the Works whose usage is promoted by a Music Publisher under a Copyright Agreement) were created upon a request for creation from a third party (limited to the cases falling under any of the following items), if the third party making the request uses the relevant Entrusted Works of Trustor within a certain scope specified as the purpose of the request, Trustor may prevent Trustee from making a request for the payment of Royalties or from exercising Entrusted Copyrights with the prior approval of Trustee:
  - (1) In case the party making the request for creation performs advertisement and the purpose of the request is to use the Entrusted Works for advertising.
  - (2) In case the party making the request for creation is a producer of theatrical films and the purpose of the request is to use the Entrusted Works as theme music or background music for theatrical films.
  - (3) In case the party making the request for creation is a producer of broadcast programs and the purpose of the request is to use the Entrusted Works as theme music or background music for broadcast programs.

- (4) In case the party making the request for creation is a producer of Games and the purpose of the request is to use the Entrusted Works for Games.
  - (5) In case the party making the request for creation is a producer or sponsor of theatrical performances and the purpose of the request is to use the Entrusted Works as theme music or background music for theatrical performances.
  - (6) In case the party making the request for creation is a producer or sponsor of opera, musical, or ballet performances, etc. and the purpose of the request is to play the Entrusted Works in a theatrical manner to portray a story along with acting or dancing.
  - (7) In case the party making the request for creation is a not-for-profit organization that serves the public interest (the scope of organizations falling under this definition is separately determined by Trustee) and the purpose of the request is to use the Entrusted Works for the business serving the public interest or common interest.
  - (8) In addition to what is provided in the preceding items, in case the party making the request for creation is a company or any other business operator and the purpose of the request is to use the Entrusted Works as a company song (including Works that should be considered to be equivalent to a company song and are unlikely to be used by any person other than the party making the request).
3. In case Entrusted Works of Trustor that will first be used in commercial recordings (which means the records, videograms and other recordings used for commercial purposes; the same shall apply hereinafter in this paragraph and Appendix 2) (hereinafter called "New Musical Works" in this paragraph and Appendix 2) or commercial transmissions (which means commercial interactive transmissions; the same shall apply hereinafter in this paragraph and Appendix 2) are offered by Trustor for the use in theatrical films or advertisement for the purpose of promoting the sales of such commercial recordings or commercial transmissions, Trustor may prevent Trustee from making a request for the payment of Royalties or from exercising Entrusted Copyrights (the scope and period thereof is specified in Appendix 2) with regard to the use of the New Musical Works by the producer of the relevant theatrical films or the party making the relevant advertisement (called "Advertiser" in the following paragraph and Appendix 2). However, it shall not apply if any of the other Interested Parties of the New Musical Works expresses its intention to the contrary or if it may be contrary to the main object of trust.

4. In case Entrusted Works of Trustor that have been created upon a request for creation from a producer of theatrical films (limited to those created as theme music or background music for theatrical films; hereinafter called "Commissioned Musical Works for Films" in this paragraph and Appendix 2) are offered by Trustor for use in advertisements for the purpose of promoting the performance of theatrical films and the secondary use thereof, Trustor may prevent Trustee from making a request for the payment of Royalties or from exercising Entrusted Copyrights (the scope and period thereof is specified in Appendix 2) with regard to the use of the Commissioned Musical Works for Films by the Advertiser. However, it shall not apply if any of the other Interested Parties of the Commissioned Musical Works for Films expresses its intention to the contrary or if it may be contrary to the main object of trust.
5. Trustor (excluding Music Publishers) may designate those who undertake the Publication of its Entrusted Works.
6. In case Trustor (limited to Music Publishers) publishes Entrusted Works of Trustor, Trustor may prevent Trustee from making a request for the payment of Royalties or from exercising Entrusted Copyrights.
7. In case Trustor (limited to Music Publishers) uses Entrusted Works of Trustor by means of interactive transmission (limited to interactive transmission performed by taking technical protection measures to prevent illegal reproduction, etc.) for the purpose of promoting their usage, Trustor may prevent Trustee from making a request for the payment of Royalties or from exercising Entrusted Copyrights. However, it shall not apply if any of the other Interested Parties of the Entrusted Works of Trustor expresses its intention to the contrary.
8. In case Entrusted Works of Trustor are recorded with translated lyrics or new lyrics, Trustor (limited to Music Publishers) may designate such translated lyrics or new lyrics.

#### **Article 18. Request for Payment of Damages**

When making a request for the payment of Damages, Trustee shall determine the amount of damages in comprehensive consideration of the form and scale of the infringement of Entrusted Copyrights, provisions of applicable laws and ordinances, and other circumstances.

### Section 3. Distribution of Royalties, etc.

#### Article 19. Method of Distributing Royalties, etc.

1. Trustee shall distribute Royalties, etc. in June, September, December, and March of each Fiscal Year.
2. Trustee shall identify the Administered Works for which Royalties, etc. should be distributed on each distribution date (hereinafter called "Work(s) Subject to Distribution") based on the distribution documentation (user's reports on the use of songs, statements of distribution provided by Foreign Trustee Organizations, and other equivalent documents recording the title of the Works used and other information; the same shall apply hereinafter) and calculate the amount of Royalties, etc. by type for each Work Subject to Distribution (hereinafter called "Amount Distributed for Each Work" in this Article).
3. Trustee shall determine the Interested Parties of each Work Subject to Distribution (hereinafter called "Subject Right Holder(s)" in this Article) and the distribution rate to be applied to each Subject Right Holder (which means the rate of the amount to be distributed to the relevant Subject Right Holder against the Amount Distributed for Each Work by type; the same shall apply hereinafter) based on work documentation (which means the notification of Works, notification of arrangement, or notification of translated lyrics submitted in the form prescribed by Trustee, documents provided by Foreign Trustor Organizations, and other documents recording the title of Works, Subject Right Holders, distribution rate to be applied to each Subject Right Holder, and other information related to the relevant works; the same shall apply hereinafter).
4. Trustee shall calculate the amount of Royalties, etc. for each Subject Right Holder based on the identification and calculation set forth in paragraph 2 and the determination set forth in the preceding paragraph.
5. Trustee shall split the Royalties, etc. to be distributed on the relevant distribution date into the Royalties, etc. for Entrusted Copyrights and the Royalties, etc. for Copyrights Entrusted by Foreign Trustor Organizations based on the results of calculation performed under the preceding paragraph and distribute the Royalties, etc. for Entrusted Copyrights to the Trust Property of each Individual Trust.
6. Trustee shall remit the Royalties, etc. distributed to the Trust Property of each Individual Trust under the preceding paragraph to the bank account designated by the beneficiary of the relevant Individual Trust (hereinafter called "Designated Account") by the twenty-fifth (25th) day of the month to which the relevant



distribution date belongs. In this case, Trustee shall prepare a document that clarifies the Amount Distributed for Each Work by type under each Individual Trust and provide it to the beneficiary of the relevant Individual Trust.

7. In case any of the following items applies to an Individual Trust, Trustee may suspend a remittance or provision of a document under the preceding paragraph until the relevant cause is resolved. In this case, the payment of interest shall not be required.
  - (1) In case the remittance directed to the Designated Account does not reach such bank account.
  - (2) In case the execution of a pledge, coercive collection or other seizure is conducted against the right to demand distribution (which means the right to receive the distributed amount under the provisions of this Article; the same shall apply hereinafter).
  - (3) In case the notification set forth in Article 26 does not reach the recipient on three or more consecutive occasions.
  - (4) In case the person who should submit notification under Article 29, paragraph 2 or 3 does not submit such notification.
8. In addition to what is provided in this Article, the detailed matters related to the Distribution of Royalties, etc. by type shall be determined separately by Trustee through investigation and discussion by the committee established by Trustee in accordance with the Articles of Association of Trustee.

#### Article 20. Suspension of Royalty Distribution, Licensing, and Exclusion from Trust

1. In case any of the following items applies to the Works Subject to Distribution, Trustee may suspend the determination set forth in paragraph 3 of the preceding Article, calculation set forth in paragraph 4 of the preceding Article, or distribution set forth in paragraph 5 of the preceding Article to the extent and for the period required:
  - (1) In case no work documentation is submitted.
  - (2) In case multiple items of work documentation are submitted and the content thereof is inconsistent.
  - (3) In addition to what is provided in the preceding items, in case there is a sufficient reason for suspecting that the copyrights are not vested in Trustor who has submitted the work documentation.
  - (4) In case there is a sufficient reason for suspecting that the term of copyrights has expired.

- (5) In case complaints are filed or actions are brought concerning the infringement of copyrights of other works, or in case Trustee receives notification from those who claim their copyrights to be infringed.
2. In case item (3) or (4) of the preceding paragraph applies and distribution is suspended, if Trustee considers it difficult to resolve the doubt, Trustee may suspend licensing for use of the relevant works and a request for the payment of Royalties, etc. to the extent and for the period required (called "Suspension of Licensing" in the following paragraph).
3. In case any of the following items applies, even if the copyrights of the relevant works belong to the Trust Property of any Individual Trust, Trustee may exclude such copyrights from the Trust Property and have them belong to Trustor of such Individual Trust to the extent required:
  - (1) In the case of Suspension of Licensing, if there is no prospect of resolving the doubt and Trustee comes to consider it difficult to accomplish the Purpose of Trust.
  - (2) In case paragraph 1, item (5) applies and distribution is suspended, and decisions and other judicial judgments acknowledging the fact of infringement are finalized, or it is acknowledged that the fact of infringement is clear.
4. When Trustee takes any of the measures provided in the preceding three paragraphs, Trustee shall notify the person specified in each item to that effect depending on the case set forth in each item:
  - (1) In case paragraph 1, item (1) applies and distribution is suspended: Trustor described as the author of the relevant works in distribution documentation.
  - (2) In case paragraph 1, item (2) applies and distribution is suspended: Trustor who submitted work documentation for the relevant works.
  - (3) Cases other than the preceding two items: Trustor and the beneficiary of the Individual Trust related to the Works.

#### **Article 21. Extinctive Prescription on Right to Demand Distribution**

1. Extinctive prescription on the right to demand distribution shall be in accordance with the provisions of the Trust Act and other laws and ordinances.
2. In case Trustor is a member of Trustee (which means a member provided in the Articles of Association of Trustee), Trustee may receive a membership fee by transferring the amount of membership fee payable by Trustor to Trustee under the Articles of Association of Trustee from the Trust Property in the Individual Trust of Trustor to Trustee's own property.

3. In case remittance is made under Article 19, paragraph 6, if Trustee has a monetary claim against the beneficiary of the relevant Individual Trust, Trustee may set off the amount of such monetary claim against the amount of the beneficiary's right to demand distribution, whether the repayment of the monetary claim is due or not. In this case, the obligations of the beneficiary shall naturally be accelerated.
4. With respect to the Entrusted Works whose usage is promoted by a Music Publisher under a Copyright Agreement between Trustor and the Music Publisher, Trustee may, upon an inquiry from Trustor (excluding Music Publishers), disclose the status of Distribution of Royalties, etc. to such Music Publisher.

#### Section 4. Expenditure for Business Serving the Common Purpose of Trustor

##### Article 22.

1. In case distribution is suspended (limited to the cases where Article 20, paragraph 1, item (1) applies; the same shall apply hereinafter) and Trustee has taken measures to resolve the relevant cause (the content of such measures shall be separately determined by Trustee), if work documentation is not submitted for any work even after ten (10) years have passed from the commencement of the suspension of distribution, Trustee may use the amount corresponding to the Royalties, etc. whose distribution has been suspended for the relevant work for ten (10) years or more from the commencement of the suspension of distribution as expenditure for the business serving the common purpose of Trustor for the purpose of accomplishing the Purpose of Trust.
2. The content of business set forth in the preceding paragraph shall be determined by the Board of Directors of Trustee (hereinafter simply called "Board of Directors" in this paragraph) through investigation and discussion by the committee established by a resolution of the Board of Directors.

#### Section 5. Administrative Expenses, etc.

##### Article 23. Definition

1. The term "Trust Account" in this Section and Articles 25 and 44 means the account of Royalties, etc. (including Royalties, etc. for Copyrights Entrusted by Foreign Trustor Organizations) that are received by Trustee.
2. The term "General Account" in this Section and Article 44 means the account of Trustee's own property.

#### Article 24. Administrative Expenses, etc.

1. When splitting and distributing Royalties, etc. under Article 19, paragraph 5 on each distribution date, Trustee may transfer the amount calculated by multiplying such Royalties, etc. by the administration expense rate for each type (which means the rate separately determined by Trustee within the scope of administration expense rate specified in Appendix 3) to the General Account as administrative expenses (which means remuneration for Trustee as provided in Article 11, paragraph 1, item (4) of the Management Business Act; the same shall apply hereinafter in this Article).
2. In case it is necessary to use a fund to pay the expenses necessary for the performance of operations, Trustee may transfer a part of the original Royalties in the Trust Account (which means the Royalties, etc. received by Trustee before splitting or distribution under Article 19, paragraph 5; the same shall apply hereinafter in this Article and Article 44) to the General Account as the advance payment of a fund necessary for the performance of operations, provided that such payment can be securely settled with the administration expenses set forth in the preceding paragraph on the subsequent distribution date (which means the distribution date that comes after the application of the provisions of this paragraph).
3. When receiving the advance payment of a fund necessary for the performance of operations under the preceding paragraph, Trustee shall determine it by a resolution of the Board of Directors to clarify the amount of the fund and the deadline for settlement.
4. Trustee may transfer the amount of fruits arising from Royalties, etc. before Distribution under Article 19 to the General Account to use such amount to pay the expenses necessary for the performance of operations.
5. In case the total amount of current revenue in the General Account for a Fiscal Year (excluding the membership fees received; the same shall apply in paragraph 7) exceeds the amount of current expenditure (limited to business expenses and administration expenses; the same shall apply in paragraph 7), Trustee shall transfer the excess amount (hereinafter called "Difference between Revenue and Expenditure"; the same shall apply in the following paragraph and paragraph 7) to the original Royalties in the Trust Account.
6. The provisions of Article 19, paragraph 8 shall apply mutatis mutandis to the method of distributing the Difference between Revenue and Expenditure transferred to the original Royalties under the preceding paragraph.

7. In case the total amount of current revenue in the General Account for a Fiscal Year is less than the total amount of current expenditure, Trustee shall make up the shortage with the Difference between Revenue and Expenditure for the Fiscal Year following the relevant Fiscal Year.
8. The provisions of this Article shall not preclude the application of Article 48 of the Trust Act.

#### Section 6. Provision of Information, etc.

#### Article 25. Provision of Information

1. Trustee shall provide the beneficiary with the information specified in the following items by the means specified in each item:
  - (1) Titles of Works related to all Entrusted Copyrights in the Individual Trust of the beneficiary, Interested Parties, and distribution rate for the beneficiary: Provision for inspection by the use of the Internet or by any other appropriate means.
  - (2) Amount of Royalties, etc. distributed to the Individual Trust of the beneficiary on each distribution date under Article 19, paragraph 5: Provision of documents in accordance with the latter part of Article 19, paragraph 6.
  - (3) Revenue and expenditure of the Trust Account for each Fiscal Year and the details thereof: Written notice or provision for inspection by the use of the Internet.
  - (4) The balance sheet of the Trust Account as of the end of each Fiscal Year: Written notice or provision for inspection by the use of the Internet.
2. Trustee may provide information under the preceding paragraph, instead of a report made under Article 37, paragraph 3 of the Trust Act.
3. The beneficiary may not make a demand under Article 38, paragraph 1 of the Trust Act for any information other than the information specified in the items of Article 38, paragraph 4 of the Trust Act.
4. In case a demand is made under Article 38, paragraph 1 of the Trust Act, if any of the following items applies, Trustee may refuse to meet such demand:
  - (1) In case meeting the demand would constitute a breach of obligations under the Personal Information Protection Act and other laws and ordinances.
  - (2) In case meeting the demand would constitute a breach of obligations under the principle of good faith.

- (3) In case meeting the demand would constitute a breach of obligations under a confidentiality agreement or any other agreement executed with a third party.
  - (4) In addition to the cases set forth in the preceding items, in case any of the items of Article 38, paragraph 2 of the Trust Act applies.
5. Trustee shall make public the following tariffs, etc. by the use of the Internet or by any other appropriate means, and notify Trustor and the beneficiary of any amendment thereof:
- (1) Tariffs for Use of Musical Works provided in Article 15, paragraph 1.
  - (2) Detailed matters related to the method of distributing Royalties, etc. for each type provided in Article 19, paragraph 8.
  - (3) Administration expense rate provided in Article 24, paragraph 1.
  - (4) Method of distributing the Difference between Revenue and Expenditure provided in Article 24, paragraph 6.

#### Article 26. Notifications

1. Notifications from Trustee to Trustor under these Stipulations shall be directed to the address or contact of Trustor of each Individual Trust that is notified by Trustor of such Individual Trust (called "Notified Address, etc." in item (1)). However, in case any of the following items applies to the Individual Trust, Trustee may suspend notification until the relevant cause is resolved:
  - (1) In case notifications directed to the Notified Address, etc. do not reach such address on three or more consecutive occasions.
  - (2) In case the person who should give notification under Article 31, paragraph 2 or 3 does not give such notification.
2. Notifications from Trustee to the beneficiary under these Stipulations shall be directed to the address or contact of Trustor of each Individual Trust that is notified by Trustor or the beneficiary of such Individual Trust (called "Notified Address, etc." in item (1)). However, in case any of the following items applies to the Individual Trust, Trustee may suspend notification until the relevant cause is resolved:
  - (1) In case notifications directed to the Notified Address, etc. do not reach such address on three or more consecutive occasions.
  - (2) In case the person who should give notification under Article 29, paragraph 2 or 3 does not give such notification.

## Chapter 4 Beneficiary Rights and Status of Trustor

### Article 27. Prohibition of Unauthorized Assignment or Pledge of Beneficiary Rights

1. The beneficiary (excluding any person specified in the following paragraph) may assign or pledge beneficiary rights, only when authorization is obtained from Trustee.
2. A person who has acquired beneficiary rights by the designation or amendment of the beneficiary may assign or pledge beneficiary rights, only when authorization is obtained from Trustee and Trustor of the relevant Individual Trust.

### Article 28. Prohibition on Unauthorized Assignment or Pledge of Right to Demand Distribution

1. The right to demand distribution may be assigned or pledged, only when authorization is obtained from Trustee.
2. The provisions of paragraph 2 of the preceding Article shall apply mutatis mutandis to the assignment or pledge of the right to demand distribution.

### Article 29. Succession of Beneficiary Rights

1. Beneficiary rights under a Trust may be inherited.
2. A person who has succeeded to beneficiary rights under a Trust by inheritance or testamentary gift (including gifts that become effective upon the death of the person giving such gifts; the same shall apply hereinafter) or by a company merger or split shall promptly notify Trustee to that effect.
3. In case multiple persons jointly succeed to beneficiary rights under the same Individual Trust, such successors shall notify Trustee of one person who represents and exercises the beneficiary rights under the Individual Trust.

### Article 30. Transfer of Status of Trustor

Trustor may transfer the status of Trustor under the Individual Trust of Trustor to a third party with the consent of Trustee and the beneficiary of such Individual Trust.

### Article 31. Succession of Status of Trustor

1. The status of Trustor under a Trust may be inherited. In this case, the right set forth in Article 4, paragraph 3 shall also be inherited, unless Trustor expresses its intention to the contrary.
2. A person who has succeeded to the status of Trustor under a Trust by inheritance or testamentary gift or by a company merger or split shall promptly notify Trustee to that effect.

3. In case multiple persons jointly succeed to the status of Trust under the same Individual Trust, such successors shall notify Trustee of one person who represents and exercises the rights of Trustor under the Individual Trust.
4. In case the person who should give notification under the preceding two paragraphs is the same as the person who should give notification under Article 29, paragraph 2 and 3, notification under the preceding two paragraphs shall suffice.

#### **Article 32. Exceptions on the Status of Trustor and Exercise of Rights**

1. In case Trustor appoints or changes a beneficiary or assigns the beneficiary rights before the death of such Trustor, if the person who thereby acquires beneficiary rights (including the person who acquires beneficiary rights upon the death of such Trustor) is the only beneficiary or becomes the only beneficiary under the relevant Individual Trust upon the death of such Trustor, the status of Trustor under the Individual Trust shall be transferred to the only beneficiary upon the death of such Trustor.
2. In case the status of Trustor is succeeded to by inheritance or testamentary gift, if any other beneficiary under the Individual Trust exists besides the successors, the following rights of Trustor may not be exercised unless consent is obtained from such another beneficiary. However, it shall not apply if it is clear that the interests of such beneficiary are not prejudiced:
  - (1) Rights provided in Article 4, paragraph 3.
  - (2) Rights provided in Article 6, paragraph 1 and 2.
  - (3) Right to give notification under Article 11.
  - (4) Rights provided in Article 33, paragraph 1 and 2
  - (5) Rights provided in Article 39, paragraph 3.
3. In case Trustor assigns or pledges the beneficiary rights owned by Trustor under the Individual Trust of Trustor or the right to demand distribution, the rights of Trustor specified in the items of the preceding paragraph may not be exercised unless consent is obtained from such assignee or pledgee. However, this shall not apply if it is clear that the interests of such assignee or pledgee are not prejudiced.
4. For the application of Article 16, paragraph 1 and 2 when Trustor is not the beneficiary of the Individual Trust of Trustor, the term "Trustor" in said paragraphs shall be read as "beneficiary." However, if the parties agree that Trustor may specify the rate, the parties shall comply with such agreement.



## Chapter 5 Termination of Trust

### Article 33. Cancellation by Trustor

1. Trustor may cancel its contract (Trust Contract executed with Trustee that contains these Stipulations; the same shall apply in the following paragraph and Article 39, paragraph 3) by notifying Trustee in writing. In this case, the Individual Trust concerning such contract terminates on the first March 31 coming after two (2) months following the day on which the notification of cancellation reaches Trustee.
2. Trustor may cancel its contract without notification, in case a fact contravening the provisions of the items of Article 46, paragraph 1 is discovered with respect to Trustee.
3. Trustor shall not be liable for any losses incurred by Trustee due to the cancellation stipulated in the preceding two paragraphs.

### Article 34. Cancellation by Trustee

1. Trustee may cancel the Trust Contract related to the relevant Individual Trust without notification, if any of the following items applies:
  - (1) In case Trustor has lost all the Entrusted Copyrights.
  - (2) In case a fact contravening the provisions of the items of Article 46, paragraph 1 is discovered with respect to Trustor.
2. Trustee may cancel the Trust Contract related to the relevant Individual Trust upon prior notification in writing with a grace period of at least two (2) weeks, in case any of the following items applies. However, this does not prevent Trustee from claiming damages:
  - (1) In case Trustor makes duplicate assignments of Entrusted Copyrights.
  - (2) In case Trustor fails to perform the warranty obligation specified in Article 9 and other obligations of Trustor specified in these Stipulations.
  - (3) In addition to what is provided in the preceding two items, in case Trustor has performed any of the acts listed below or any other act that may interfere with the performance of Trust Affairs by Trustee (including a case where Trustor has performed such acts using a third party):
    - a. Persistently and repeatedly calling Trustee by telephone, sending e-mails to Trustee, or visiting Trustee beyond the extent acceptable under social convention.

- b. Performing an act that may damage the physical and mental safety, peaceful social life or the honor of persons engaging in the business of Trustee.
  - c. Transmitting any false information related to Trustee that may damage the credibility of Trustee to an unspecified or large number of persons (excluding cases where Trustor erroneously believes that the information is true and there is a reasonable ground for believing so).
- (4) In case Trustor has performed any of the acts listed below or any other act that may damage the common interest of other Trustors and Beneficiaries (including cases where Trustor has performed such acts using a third party).
- a. Intentionally being involved in the use of its own Entrusted Works beyond the extent recognized as appropriate in light of normal commercial practices and thereby unfairly receiving a distribution related to blanket royalties.
  - b. In addition to what is provided in a. above, unfairly receiving a distribution by intentionally including false information in the distribution documentation.
  - c. Performing an act that infringes Music Copyrights administered by Trustee or failing to perform the obligation to pay Royalties for works in accordance with the license agreement executed with Trustee.
- (5) In case a fact contravening the provisions of the items of Article 46, paragraph 2 is discovered with respect to the beneficiary (except the beneficiary who is Trustor).
3. Trustee shall not be liable for any losses incurred by Trustor or the beneficiary due to the cancellation stipulated in the preceding two paragraphs.

#### **Article 35. Reasons for Termination**

1. In case any of the events specified in the following items occurs, the Individual Trust shall terminate:
- (1) In case the term of trust has expired (excluding the cases where the term is renewed under the provisions of Article 11).
  - (2) In case March 31 provided in the latter part of Article 33, paragraph 1 has passed.
  - (3) In case a notice of termination under Article 33, paragraph 2, or Article 34 paragraph 1 or 2, or Article 39, paragraph 3 has arrived.

- (4) In case Trustor (limited to Music Publishers) has dissolved itself due to the determination of commencement of bankruptcy proceedings or for any other reason.
- (5) In case the whereabouts of Trustor (limited to Music Publishers) are unknown (which means that Trustor has changed or left its address without giving the notification set forth in Article 43, paragraph 1, item (2) and reasonable investigation by Trustee cannot find the whereabouts of Trustor; the same shall apply hereinafter).
- (6) In addition to the cases set forth above, in case any reason for termination of a Trust arises as provided in the Trust Act.

#### Article 36. Settlement

1. The Individual Trust terminated under the preceding Article (hereinafter called "Trust to Be Settled") shall be deemed to exist pursuant to the provisions of the Trust Act until the completion of settlement.
2. Trustee shall perform the following duties with regard to the Trust to Be Settled:
  - (1) Completion of current duties.
  - (2) Collection of claims belonging to the Trust Property and payment of debts concerning trust claims.
  - (3) Payment of debts related to distribution claims as a beneficiary (excluding claims for the provision of remaining property).
  - (4) Provision of remaining property.
3. Remaining property in the Trust to Be Settled shall belong to Trustor of the Trust to Be Settled. However, if Trustor (excluding Music Publishers) designates a third party as the right owner with consent from Trustee, the remaining property shall belong to such third party.

#### Article 37. Exceptions on Ownership of Entrusted Copyrights

1. Among Entrusted Copyrights in the Trust to Be Settled (limited to the trusts terminated due to the event set forth in Article 35, item (4)) any copyright acquired by Trustor under a Copyright Agreement shall be vested in the other party to such Copyright Agreement, notwithstanding the provisions of paragraph 3 of the preceding Article. However, it shall not apply if the other party to the Copyright Agreement is not Trustor of another Individual Trust.
2. With respect to the Trust to Be Settled (limited to the cases where Trustor is a Music Publisher), if the whereabouts of Trustor are unknown, any Entrusted Copyrights in

the Trust to Be Settled that have been acquired by Trustor under a Copyright Agreement shall be vested in the other party to such Copyright Agreement, notwithstanding the provisions of paragraph 3 of the preceding Article and the preceding paragraph.

**Article 38. Exceptions to Distribution of Royalties, etc.**

With respect to the Trust to Be Settled (limited to the cases where Trustor is a Music Publisher), if the whereabouts of Trustor are unknown, all Royalties, etc. belonging to the Trust Property of the Trust to Be Settled that are to be distributed to the Works for which copyrights have been acquired by Trustor under a Copyright Agreement shall be distributed to the other party to such Copyright Agreement, notwithstanding the provisions of Article 19, paragraph 3 through 6.

**Chapter 6 Changes to Stipulations**

**Article 39.**

1. Pursuant to the provisions of Article 548-4 of the Civil Code (Act No. 89 of 1896), Trustee may change these Stipulations and thereby change the content of the Trust Contract for each Individual Trust without individually executing an agreement with the relevant Trustor and beneficiary. In this case, the content of such change shall be determined through investigation and discussion by the committee established by Trustee in accordance with the Articles of Association of Trustee.
2. When changing these Stipulations under the preceding paragraph, Trustee shall announce such change and the content of the changed Stipulations (including the effective date thereof) and also give notification to Trustor and the beneficiary.
3. Trustor objecting to the changes notified under the preceding paragraph may cancel its contract within three (3) months from the day of the receipt of notification.
4. The right to cancel mentioned in the preceding paragraph shall be exercised in writing.

**Chapter 7 Auxiliary Provisions**

**Article 40. Changes in Entrusted Copyrights Due to Termination of Copyright Agreement, etc.**

Entrusted Copyrights in an Individual Trust whose Trustor is a Music Publisher shall cease to be Entrusted Copyrights in such Individual Trust, in case a Copyright Agreement or Sub-Publishing agreement (agreement executed by the Music

Publisher who is Trustor with a foreign Music Publisher for the purpose of receiving the authority to administer copyrights as provided in parenthesis in Article 1, paragraph 10, item (1) c. or item (2) b.) related to the Entrusted Copyrights is terminated.

#### **Article 41. Succession of Contractual Status under License Agreement**

1. In cases where the Music Copyrights owned by Trustor become Entrusted Copyrights due to the transfer of Music Copyrights under Article 5, paragraph 1 or a change of the Extent of Trust of Rights under Article 7, paragraph 2, if there is any effective license agreement for the rights becoming Entrusted Copyrights, the status of the licensor (which means the party granting such license; the same shall apply in the following paragraph) under the agreement shall not be succeeded to by Trustee.
2. In cases where there is any effective license agreement (hereinafter called "Agreement in Force" in the following paragraph) for the rights that will cease to be Entrusted Copyrights (hereinafter called "Rights Ceasing to Be Entrusted Copyrights" in this paragraph) as a result of a change of the Extent of Trust of Rights under Article 7, paragraph 2, provision of remaining property under Article 36, paragraph 3 or Article 37, or changes in Entrusted Copyrights under the preceding Article (hereinafter they are collectively called "Changes in Rights" in this Article), if such agreement is not a blanket license agreement (which means a blanket license agreement provided in Article 14, paragraph 1, item (1); the same shall apply in the following paragraph), the status of the licensor under the agreement shall be succeeded to by the person who acquires the Rights Ceasing to Be Entrusted Copyrights as a result of Changes in Rights; provided, however, that if the person who has acquired the Rights Ceasing to Be Entrusted Copyrights as a result of Changes in Rights or the execution of a Copyright Agreement or Sub-Publishing agreement thereafter is the Trustor of another Individual Trust and the Rights Ceasing to Be Entrusted Copyrights become Entrusted Copyrights of such another Individual Trust, the status of the licensor shall be retained by Trustee.
3. In the case set forth in the main text of the preceding paragraph, if the Agreement in Force is a blanket license agreement, the Works related to the Rights Ceasing to Be Entrusted Copyrights shall naturally cease to be the subject matters of the Agreement in Force as a result of Changes in Rights.

#### **Article 42. Trustor's Obligation to Notify Seal Impression**

1. Trustor shall notify Trustee of its seal impression.

2. Trustee shall not be liable for indemnifying or compensating any loss or damage resulting from the fraudulent use by a third party of the notified seal of Trustor (which means the seal impression notified by Trustor under the preceding paragraph; the same shall apply hereinafter).
3. The provisions of the preceding two paragraphs shall be applied mutatis mutandis to seal impressions of Beneficiaries (excluding Beneficiaries who are also Trustors).
4. The provisions of paragraph 1 shall not apply to Trustors who established individual Trust by the electromagnetic format specified in Article 3, paragraph 3 (hereinafter called "Trustors concluding electronic agreements" ).
5. Excluding cases where the cause should be attributed to Trustee, Trustee shall not be liable for indemnifying or compensating any loss or damage resulting from the fraudulent use by a third party of personal identification information of Trustors (which means passwords and other credentials set up by Trustors during the process of concluding electronic agreements).

#### Article 43. Duty of Notification by Trustor

1. In case any of the following occurs (limited to the cases where Trustor is a Music Publisher with regard to item (4), and limited to the cases where Trustor is a corporation with regard to items (7) through (9)), Trustor shall notify Trustee without delay and follow other prescribed procedures. The same shall also apply in case any of item (1), (2), or (5) through (9) occurs to beneficiaries (excluding beneficiaries who are also Trustors):
  - (1) Loss of the certificate of trust or notified seal.
  - (2) Change to the name, address, email address, or notified seal.
  - (3) Acquisition of new Music Copyrights.
  - (4) Termination of a Copyright Agreement or Sub-Publishing agreement (which means the Sub-Publishing agreement specified in Article 40).
  - (5) Change to the substitute recipient of notifications (which means the substitute recipient specified in paragraph 3; the same shall apply in the following item).
  - (6) Change to the name or address of the substitute recipient of notifications.
  - (7) Change to the representative or the name of the representative.
  - (8) Merger, demerger, or reorganization.
  - (9) Dissolution due to the determination of the commencement of bankruptcy proceedings or for other reasons.

2. When giving notification related to item (3) of the preceding paragraph, Trustor shall also notify Trustee of the information on the categories of rights excluded from the Extent of Trust of Rights under Article 6, paragraph 1 or 2.
3. In case Trustor resides abroad, Trustor shall notify Trustee of the name and address of the substitute recipient of notifications (which means the person who receives notifications in Japan on behalf of Trustor under these Stipulations).
4. In case the beneficiary resides abroad, the beneficiary shall notify Trustee of the name and address of the substitute recipient of remittances and notifications (which means the person who receives remittances and notifications in Japan on behalf of the beneficiary under these Stipulations; the same shall apply in the following paragraph).
5. In case any of the following occurs, the beneficiary shall notify Trustee to that effect without delay:
  - (1) Change to the designated bank account.
  - (2) Change to the substitute recipient of remittances.
  - (3) Change to the name or address of the substitute recipient of remittances.
6. Trustee shall not be liable for paying compensation or damages for any loss or damage resulting from a failure of Trustor or the beneficiary to give notification or report under the preceding paragraphs.

#### Article 44. Use of Entrusted Works by Trustee

Trustee may use Entrusted Works by transferring the amount of Royalties specified in the Tariffs for Use of Musical Works (or the amount of the specified rate, if such rate is specified under Article 16, paragraph 1 or 2) from the General Account to the original Royalties in the Trust Account.

#### Article 45. Return of Rights for Filing Lawsuits

1. Trustor may, when filing a lawsuit due to the infringement of Entrusted Copyrights in the Individual Trust of Trustor, have the Entrusted Copyrights returned to Trustor to the extent and for the period necessary for such lawsuit, provided that there is a considerable reason to file a lawsuit and the appropriate execution of Trustee's copyright administration operations is not interfered with.
2. When requesting the return of Entrusted Copyrights as provided in the preceding paragraph, Trustor shall notify Trustee to that effect in a written document stating the reason for the return and obtain approval from Trustee.

#### Article 46. Elimination of Anti-Social Forces

1. Trustor and Trustee respectively warrant to the other party the following matters:
  - (1) It (including its officers, if it is a corporation; the same shall apply in the following item) is not and will not be Anti-Social Forces.
  - (2) It will not be engaged in any Anti-Social Act.
  - (3) It will not have a third party engaged in any Anti-Social Act.
2. In the event Trustor appoints or changes a beneficiary or assigns the beneficiary rights and thereby a third party becomes a beneficiary of the Individual Trust of Trustor, Trustor warrants to Trustee the following matters:
  - (1) The beneficiary (including its officers, if it is a corporation; the same shall apply in the following item) is not and will not be Anti-Social Forces.
  - (2) The beneficiary will not be engaged in any Anti-Social Act.
  - (3) The beneficiary will not have a third party engaged in any Anti-Social Act.
3. The term "Anti-Social Forces" used in this Article shall mean:
  - (1) an organized crime group;
  - (2) a member of an organized crime group;
  - (3) a person for whom five years have not passed since such person ceased to be a member of organized crime group;
  - (4) a quasi-member of an organized crime group;
  - (5) a company affiliated with an organized crime group;
  - (6) a corporate extortionist;
  - (7) a group engaging in criminal activities under the pretext of conducting social campaigns, etc.;
  - (8) a crime group specialized in intellectual crimes; or
  - (9) any other party similar to the above.
4. The term "Anti-Social Act" used in this Article shall mean:
  - (1) violent demands;
  - (2) illegal demands beyond legal responsibility;
  - (3) threatening words or acts or acts using violence with respect to business transactions;
  - (4) discrediting the other party or preventing the other party from doing business by spreading rumors, using fraudulent means, or exercising force; or
  - (5) giving benefits to Anti-Social Forces or any other act to promote the activities of Anti-Social Forces.



#### Article 47. Secure Management of Personal Data

1. Trustee shall take necessary and appropriate measures for the prevention of leakage and otherwise secure management with regard to personal data of Trustor and the beneficiary (including their personal numbers) in its possession.
2. When Trustor receives the personal data of a third party from Trustee based on these Stipulations, Trustor shall take necessary and appropriate measures for the prevention of leakage and otherwise secure management.

#### Article 48. Provision of Personal Data to a Third Party

1. In case any of the following items applies, Trustee may provide personal data of Trustor (excluding its personal number) to a third party. However, (2) to (8) are limited to provision to the extent necessary for the administration of Entrusted Copyrights:
  - (1) In case information such as the name or pseudonym, author/composer classification, and titles of major works created with regard to Trustor who has established a new Individual Trust or has terminated an Individual Trust or those who have succeeded to the status of Trustor or have added pseudonyms are published on a newsletter of Trustee.
  - (2) In case information regarding Entrusted Works are provided to users and other third parties (including foreign music publishers and users).
  - (3) In case information regarding Entrusted Works are provided to Foreign Organizations and business operators engaged in the administration of Music Copyrights in Japan.
  - (4) In case the notification of Works and other work documentation which list multiple Interested Parties have been submitted, and the information described or recorded in such work documentation is provided to Interested Parties other than the person who has submitted such documentation.
  - (5) With respect to works for which the notification of Works and other work documentation have not been submitted, in case a request for confirming the facts is made to the author of such works who is described or recorded in reports on the use of songs and other distribution documentation.
  - (6) With respect to Administered Works for which multiple Interested Parties exist, in case the Interested Parties are notified of information regarding the Distribution of Royalties for such works.
  - (7) In case measures to prevent or resolve the infringement of Entrusted Copyrights are taken.

- (8) In case any provision besides the aforementioned is required for the administration of Entrusted Copyrights.

#### Article 49. Use of Personal Numbers

Trustee shall use the personal number provided by Trustor or the beneficiary only for the purpose of preparing and submitting a report pursuant to the provisions of the Income Tax Act (Act No. 33 of 1965).

#### Article 50. Utilization of Electromagnetic Format

1. Notification, reporting, or submission of documents to Trustee based on these Stipulations may be conducted in an electromagnetic format designated by Trustee.
2. Notification or submission of documents to Trustor or the beneficiary (hereinafter called "Trustors, etc.") based on these Stipulations (hereinafter called "Notifications, etc.") may be conducted in an electromagnetic format. However, for Trustors, etc. who are recognized as unable to receive Notifications, etc. in an electromagnetic format due to inevitable reasons, this shall not necessarily apply.

#### Article 51. Announcements

Announcements under these Stipulations shall be made by the use of the Internet or by any other appropriate means.

#### Article 52. Governing Law and Jurisdiction

The Trust shall be governed by the laws of Japan, and any dispute arising in connection with the Trust (including arbitration procedures of the court) shall be submitted to the Tokyo District Court or the Tokyo Summary Court having exclusive jurisdiction in the first instance.

#### Supplementary Provisions

##### Article 1. Date of Enforcement

These Stipulations shall come into force on January 1, 2020. However, the provisions specified in the following items shall come into force on the date specified in each item:

- (1) Provisions of Article 22: Day after January 1, 2020 that is determined by the Board of Directors of Trustee.
- (2) Provisions of Article 39: April 1, 2020

Article 2 to Article 4 Deleted

#### Supplementary Provisions

Article 1. Date of Enforcement

These Rules (Rules for partial amendment to the Stipulations for Administration Trust Contract) shall come into force on September 1, 2020. However, the provisions specified in Article 3 and Article 10 of the amended Stipulations for Administration Trust Contract (hereinafter called "New Stipulations") shall apply to Individual Trusts whose term of trust begins on or after the said date.

Article 2 to Article 4 Deleted

#### Supplementary Provisions

Article 1. Date of Enforcement

This Stipulation (Stipulation Partially Revising the Stipulations for Administration Trust Contract) shall come into force on April 1, 2022; provided, however, that the provisions revising Article 14 and Article 34 shall come into force on August 1, 2021.

Article 2 to Article 5 Deleted

#### Supplementary Provisions

Article 1. Date of Enforcement

This Stipulation (Stipulation Partially Revising the Stipulations for Administration Trust Contract) shall come into force from the day that is determined by the Board of Directors of Trustee.

Article 2. Transitional Measure Related to Selection of the Extent of Trust of Rights

1. The Extent of Trust of Rights for an Individual Trust pursuant to the Stipulations for Administration Trust Contract before revision by this Stipulation (hereinafter called "Former Stipulations"), existing at the time of enforcement of this Stipulation (hereinafter called "Existing Trust") and selected by the Trustor of the relevant Existing Trust pursuant to the provisions of the Former Stipulations, shall be deemed to be selected pursuant to the provisions of the New Stipulations (Stipulations for Administration Trust Contract after revision by this Stipulation; same hereinafter).

2. When selecting the Extent of Trust of Rights pursuant to the provisions of Article 6, paragraph 1 of the New Stipulations, if Trustor wholly or partially excludes categories (11) through (13) listed in Appendix 1 of the New Stipulations from the Extent of Trust of Rights, the overseas rights of the excluded categories that are outside the scope of administration by Foreign Organizations shall not be transferred to Trustee, notwithstanding the provisions of Article 5, paragraph 1 of the New Stipulations.

**Article 3. Transitional Measure Related to the Term of Trust**

With respect to a trust for the period until the extinguishment of copyright (an Existing Trust whose term is until the extinguishment by expiration of all the Entrusted Copyrights of such Individual Trust), the term of such trust shall not be changed even after the enforcement of this Stipulation, and the provisions of Article 11 of the New Stipulations shall not apply upon the expiration of the term.

**Article 4. Transitional Measure Related to Withholding or Restriction of Administration**

The Trustor of an Existing Trust that continues to withhold or restrict administration as provided in Article 11, paragraph 1, item (2) of the Stipulations for Copyright Trust Contract (established on June 27, 2018) at the time of enforcement of this Stipulation may continue to withhold or restrict administration as provided in the said item even after the enforcement of this Stipulation.

**Article 5. Partial Amendment of the Stipulation Partially Revising the Stipulations for Administration Trust Contract**

The Stipulation Partially Revising the Stipulations for Administration Trust Contract (enforced on April 1, 2022) shall partially be amended as follows:

Article 2 to Article 5 of the Supplementary Provisions shall be amended as follows.

Article 2 to Article 5 Deleted

Appendix 1 (in relation to Article 6)

(1) Performing rights, etc.	(2) Mechanical rights, etc.		(3) Publication rights, etc.	(4) Lending rights
<div data-bbox="193 427 477 584" style="border: 1px solid black; padding: 5px;">(5) Film-showing, BGM, etc.</div>	<div data-bbox="526 414 740 584" style="border: 1px solid black; padding: 5px;">(7) Recording in films</div>	<div data-bbox="769 414 983 584" style="border: 1px solid black; padding: 5px;">(8) Recording in videograms</div>		
<div data-bbox="193 616 477 902" style="border: 1px solid black; padding: 5px;">(6) Places of entertainment, karaoke performances, etc.</div>	<div data-bbox="526 616 740 788" style="border: 1px solid black; padding: 5px;">(9) Reproduction for Games</div>	<div data-bbox="769 616 1126 788" style="border: 1px solid black; padding: 5px;">(10) Reproduction for Advertising Purposes</div>		
<div data-bbox="280 936 1109 999" style="border: 1px solid black; padding: 5px;">(11) Broadcasting/cable broadcasting</div>				
<div data-bbox="280 1025 1109 1088" style="border: 1px solid black; padding: 5px;">(12) Interactive transmissions</div>				
<div data-bbox="280 1115 1109 1178" style="border: 1px solid black; padding: 5px;">(13) On-line karaoke for business use</div>				

1. Categories of rights

(1) Performing rights, etc.

Category consisting of performing rights, dramatic performance rights, exhibition rights, public transmission rights, communication rights, and recitation rights (excluding rights in relation to usage forms provided for in 5, 6, and 11 through 13).

(2) Mechanical rights, etc.

Category consisting of mechanical rights, distribution rights, and assignment rights pertaining to recordings (excluding rights in relation to usage forms provided for in 11 through 13).

(3) Publication rights, etc.

Category consisting of publication rights and assignment rights pertaining to Published Works.

- (4) Lending rights  
Category consisting of lending rights.
- 2. Categories of usage forms
  - (5) Film-showing, BGM, etc.  
Category in which the following acts of usage are subject to:
    - a. Showing of works in films (excluding those falling under category 6 or 11)
    - b. Performance or communication of works (limited to those conducted by using Pachinko machines, or used for the purpose of BGM (background music), excluding those falling under category 11)
  - (6) Places of entertainment, karaoke performances, etc.  
Category in which the following acts of usage are subject to:
    - a. Performance or communication (both excluding those falling under category 5 b.) of works conducted for business purposes of places of entertainment
    - b. Performance, exhibition, or communication conducted by using karaoke machines, and singing to karaoke accompaniment (all excluding those falling under category 11)
  - (7) Recording in films  
Category in which the fixation of works along with a series of images to recording media such as theatrical films and the duplication or distribution of such fixed material, all for the purpose of public exhibition in theaters and other places (excluding those falling under category 10), is subject to.
  - (8) Recording in videograms  
Category in which the fixation of works along with a series of images to recording media such as videotapes and videodiscs and the duplication or distribution of such fixed material (excluding those falling under any of category 7, 9, 10, or 11), is subject to.
  - (9) Reproduction for Games  
Category in which the reproduction of works in electromagnetic or optical recording media and the distribution of such reproduction, all for the purpose of being offered for Games (non-commercial Games are limited to those which have a series of images), is subject to.
  - (10) Reproduction for Advertising Purposes  
Category in which the reproduction of works and the distribution of such reproduction, all for the purposes of advertisement, is subject to.
  - (11) Broadcasting/cable broadcasting

Category in which the (public transmission of works either by broadcasting or by cable broadcasting (hereinafter called "Broadcasting, etc.") or reproduction of works for Broadcasting, etc. and use by methods other than public communication, accompanying Broadcasting, etc., is subject to.

(12) Interactive transmissions

Category in which the public transmission of works by methods other than Broadcasting, etc. or reproduction of works accompanying said public transmission and use by methods other than public communication accompanying said public transmission (all excluding those falling under category 13) is subject to.

(13) On-line karaoke for business use

Category in which the fixation of works to karaoke databases for the purpose of being sung at karaoke facilities and places such as entertainment venues, their public transmission to terminals, etc. placed in such venues, and their fixation to such terminals, etc., is subject to.

3. In case Trustor excludes the rights in category 2 from the Extent of Trust of Rights, usage forms 7 through 10 shall naturally be excluded from the Extent of Trust of Rights.
4. With regard to the details concerning the use of categories stipulated in paragraphs 1 and 2 (called "Category Selectable from the Extent of Trust of Rights" in the next paragraph), the matters practically required shall be determined separately by Trustee. In this case, the contents of the relevant determination shall be made known to Trustors and Beneficiaries by the use of the Internet or by any other appropriate means.
5. The table preceding paragraph 1 is created for convenience of overviewing the entire picture of the Category Selectable from the Extent of Trust of Rights and is not intended to affect the interpretation of the stipulations in the relevant paragraph and paragraph 2.

Appendix 2 (in relation to Article 17)

Category of works	Category of usage	Usage forms for which administration by Trustee may be limited	Termination date of the period of limitation of administration by Trustee
New Musical Works	Use in theatrical films	a) Synchronization (limited to cases where the work is recorded as theme music)	Day on which three (3) months have passed from the date on which the sale of the commercial recording commenced or from the date on which commercial transmissions commenced, whichever comes first (hereinafter called "Release Date" in this table)
		b) Exhibition of films in relation to synchronization in a) above	Day on which three (3) months have passed from the Release Date (in case all Interested Parties agree on the postponement of this termination date, such date agreed upon by the parties; limited to one (1) year from the Release Date)
Commissioned Musical Works for Films	Use in advertisements	Use in advertisements by the Advertiser that is designated by Trustor	Day on which three (3) months have passed from the first public performance of the relevant theatrical film (hereinafter called "Date of First Public Performance" in this table) (in case all Interested Parties agree on the postponement of this termination date, such date agreed upon the parties; limited to one (1) year from the Date of First Public Performance)



Appendix 3 (in relation to Article 24)

Royalty Category		Administrative Expense Rates
Royalty based on the Tariffs	General Performances Background Music	25%
	Lending (Records) Online Karaoke for Commercial Use	10%
	Broadcasting Cable Broadcasting Interactive Transmissions	10%
	Film Publications	25%
	Audio Recordings Music Boxes CD Graphics, etc. Karaoke IC Memory Cards	6%
	Videogram Recordings Reproduction for Advertisements Reproduction for Games	10%
	Others	25%
Income from Abroad		5%
Remuneration		20%

Notes

- 1 The categories indicated in the Royalty Category column shall correspond to the provisions of Article 1 to 17 of Chapter 2 of the Tariffs for Use of Musical Works.
- 2 Royalty based on the Tariffs shall include damages equivalent to the royalties.
- 3 Income from Abroad shall mean royalties received from foreign societies.
- 4 Remuneration shall mean remuneration stipulated in the Copyright Law (excluding private audio remuneration and private video remuneration).