

Article 3. FILMS

The fee for the use of works in a film and for the exhibition thereof shall be a sum equal to the amount obtained by adding to the amount calculated hereafter, the amount equivalent to the consumption tax.

1. Synchronization

(1) The fee for the use of a work in a film shall be as follows:

Film category	Duration	Not exceeding 5 minutes	Exceeding 5 minutes but not more than 10 minutes	Exceeding 10 minutes but not more than 20 minutes
	General entertainment		¥50,000	¥75,000
Others		¥20,000	¥30,000	¥40,000

However, in the event of the duration not exceeding 1 minute, the fee shall be 1/4 of the fee for charge “Not exceeding 5 minutes.”

The fee for use of a work whose playing time exceeds 20 minutes shall be a sum equal to the amount obtained by adding to the applicable fee for charge “Exceeding 10 minutes but not more than 20 minutes,” 1/2 of the applicable fee for charge “Not exceeding 5 minutes” for each additional 10 minutes or part thereof.

(2) The fee for the use of a work in an “event recording” shall be as follows:

Film category	Duration	Not exceeding 5 minutes	Exceeding 5 minutes but not more than 10 minutes	Exceeding 10 minutes but not more than 20 minutes
	Event recordings	Concerts	¥70,000	¥105,000
Other than concerts		¥50,000	¥75,000	¥100,000

However, in the event of the duration not exceeding 1 minute, the fee shall be 1/4 of the fee for charge “Not exceeding 5 minutes.”

The fee for use of a work whose playing time exceeds 20 minutes shall be a sum equal to the amount obtained by adding to the applicable fee for charge “Exceeding 10 minutes but not more than 20 minutes,” 1/2 of the applicable fee for charge “Not exceeding 5 minutes” for each additional 10 minutes or part thereof.

2. Exhibition

- (1) The fee for one exhibition of a film, except for the exhibition of those films falling under (2) or (3) is shown on the following table:

Capacity	Type		General entertainment	Others
	Admission charge			
Not exceeding 500	Not exceeding ¥150		¥400	¥120
	Not exceeding ¥300		¥600	¥180
	Exceeding ¥300		¥800	¥240
Not exceeding 1,000	Not exceeding ¥150		¥600	¥180
	Not exceeding ¥300		¥800	¥240
	Exceeding ¥300		¥1,200	¥360
Not exceeding 1,500	Not exceeding ¥150		¥800	¥240
	Not exceeding ¥300		¥1,200	¥360
	Exceeding ¥300		¥1,600	¥480
Exceeding 1,500	Not exceeding ¥150		¥1,200	¥360
	Not exceeding ¥300		¥1,600	¥480
	Exceeding ¥300		¥2,000	¥600

For the time being, the fees falling under the film category of “Event recordings” shall be the same fee for General entertainment. In addition, the fee for films that were categorized as “Theatrical,” “Cultural” and “Newsreel” under the provisions that were effective until December 31, 2013, shall be the same fees as “General entertainment,” “Other” and one-third of “Other,” respectively.

- (2) Fee for one place of exhibition for an exhibitor concluding an annual blanket licensing agreement

The monthly fee for each month during the term of the blanket licensing agreement shall be calculated under (i) or (ii) below.

- (i) In the event that the information about recorded music and the number of admitted persons in a relevant month are reported for all films exhibited in such month:

The monthly fee for each work for all films exhibited in such month (excluding films to be exhibited in such place of exhibition for which the fee will be paid under the agreement in (i) or (ii) of (3) hereof) (which means the fee to be calculated by the formula below) will be combined.

Number of admitted persons for a relevant film work in a relevant month * average admission charge for such film work * 0.02 * music share coefficient of such film work

- (ii) Not in the event of (i)

The fee shall be calculated by the formula below.

Number of total admitted persons in a relevant month * average amount of average admission charge for all films exhibited in such month * 0.02

- (3) Fee for a film producer, distributor or user group concluding an agreement
- (i) In the event that a film producer or a distributor concludes an agreement for the exhibition of films, the exhibition fee per print shall be 20% of the mechanical fee.
 - (ii) In the event a user group for film exhibition concludes an agreement on behalf of its film exhibitor members for the exhibition of films, the exhibition fee for such film shall be determined upon negotiation with such user group within the scope of this Article.

Notes for Films

Term definitions

(i) Film

“Film” in this Article means a fixed series of moving images, regardless of the recording media, for the purpose of public projection at theaters and other places.

(ii) General Entertainment

“General entertainment” in this Article means a film produced mainly for the purpose of being offered for performances, regardless of the type of audiovisual image or its contents. Films which do not fall under this shall be categorized as “Others.”

(iii) Event Recordings

“Event recordings” in this Article means films produced mainly for the purpose of being offered for performances, which works of music used in events such as concerts, operas, ballets, musicals, revues, and plays are recorded along with the relevant events. The films shall be categorized into “Concerts” and “Other than concerts” depending on their contents.

(iv) Exhibition

“Exhibition” in this Article means the projection of films to screens, and does not include radio broadcasting or television broadcasting.

(v) “Admission charge” in 2. Exhibition (1) shall be the normal admission fee for adults (not inclusive of the consumption tax; when the seats are all reserved, the minimum fee).

(vi) “Information about recorded music” in this Article means the information sufficient to identify the copyright holder for all works recorded in an exhibited film and the information about the type of use of such works.

(vii) “Number of admitted persons” in this Article means the actual number of persons admitted to watch a film regardless of the class of admission charge.

(viii) “Average admission charge” in this Article means the amount defined in (a) or (b) below according to the categories set forth in (a) or (b).

(a) If the number of total admitted persons and total amount of admission charge can be calculated in accordance with evidences: Average amount of admission charge per admitted person (or ¥500 if such average amount is below ¥500)

(b) In cases not prescribed in (a): ¥1,200

Music share coefficient

- (ix) “Music share coefficient” in this Article means the coefficient in the table below in accordance with the ratio of total hours to use recorded works to the exhibition hours of a story of each film work, provided that it shall be 1.0 for films categorized in the “event recording (concert)”

Ratio of total hours to use recorded music to the exhibition hours of a film story	Music share coefficient
More than 90%	1.0
More than 70% up to 90%	0.9
More than 50% up to 70%	0.7
More than 30% up to 50%	0.5
Up to 30%	0.3

Special rules for fee calculation

- (x) The mechanical fee in this Article does not include the commission fee or the fee to create new works.
- (xi) In the event the mechanical fee for foreign musical works is designated by trustor, the mechanical fee shall be the relevant designated fee notwithstanding the provisions of this paragraph.
- (xii) Upon applying provision 2. Exhibition (1), in the event of the admission charge exceeding ¥300, the fee shall be a sum equal to the amount obtained by adding to the applicable fee for charge “Exceeding ¥300” on the table in item (1) above, either (i) 1/2 of the charge for “Not exceeding ¥150” if the capacity is “Not exceeding 500,” or (ii) the charge for “Not exceeding ¥150” under the category of “Not exceeding 500” if the capacity is “Not exceeding 1,000,” for each additional ¥150.
- (xiii) Upon applying provision 2. Exhibition (1), in the event there is no set capacity, the actual number of admitted persons shall be considered as the capacity, and in the event no admission fee is required, the minimum fee in the corresponding capacity column of each table shall be considered as the exhibition fee.
- (xiv) Upon applying 2. Exhibition (2), the monthly fee for the exhibition by the same exhibitor in multiple places of exhibition in the same facilities may be combined.

- (xv) Upon applying provision 2. Exhibition (3)(i), in the event foreign films are used for exhibition, or in the event works to which provision 1. Synchronization under such Article is not applied are used for exhibition, such as works which provision (xi) in the Notes is applied, the “mechanical fee” in relevant provision (3)(i) shall be determined within the scope of 1. Synchronization.

Arrangements for usages where this Article is not applicable

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