

ARTICLES OF ASSOCIATION

OF

J A S R A C

Japanese Society for Rights

of

Authors, Composers and Publishers

As effective on April 1, 2008

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Chapter I : General Provisions

Article 1. (Name)

The name of the Society shall be “Shadan Hojin Nihon Ongaku Chosakuken Kyokai,” and, in English, “Japanese Society for Rights of Authors, Composers and Publishers,” abbreviated to JASRAC.

Article 2. (Offices)

Section 1. The Society shall have its principal office at 3-6-12 Uehara, Shibuya-ku Tokyo.

Section 2. The Society may, by the decision of the Board of Directors, have branches or other offices in districts where they are required.

Article 3. (Manner of Official Announcement and Like Considerations)

Section 1. Any official announcement of the Society shall be posted at the principal office of the Society.

Section 2. The announcement provided for in the preceding Section shall be reproduced in the Membership Bulletin.

Chapter II : Objective and Business Activities

Article 4. (Objectives)

The objection of the Society shall be to protect the rights of owners of musical works and to facilitate the utilization of musical works, thereby contributing to the dissemination and development of musical culture.

Article 5. (Business Activities)

The Society shall engage in the following business activities to realize the objectives mentioned in the preceding Article:

1. Management business concerning copyrights of musical works;
2. Liaison with copyright licensing organizations abroad and arrangements with such organizations for reciprocal protection of copyrights of musical works;
3. Management business concerning copyrights of works other than musical works, excluding those of novels and dramatic works, which may be specially entrusted to the Society for administration;
4. Business activities concerning remuneration of audio and visual home recording;
5. Dissemination of the thought of copyrights and investigations and studies concerning copyrights of musical works;

6. Contribution to promotion of musical works;
7. Promotion of membership welfare;
8. Other business activities which may be deemed necessary to carry out the objectives of the Society;

Chapter III : Membership

Article 6. (Classification of Members)

The membership of the Society shall consist of full members and associate members. Full members fall into the category of constituent defined under the Civil Law.

Article 7. (Qualification for Members)

Section 1. The following shall be associate members:

1. Any person who has signed the Copyright Trust Contract and has endorsed the objectives as provided for in Article 4, and has been admitted for membership to the Society in accordance with the following clarification:
 - (1) Authors, Composers (“Writers” hereafter)
 - (2) Music publishers who, in capacity of copyright owners, engage in the business of utilizing musical works and of promoting the utilization thereof by means of publication, recording to master recordings, and otherwise (“Music publishers” hereafter).
 - (3) Copyright owners other than those provided for in the above (1) (2)
2. Any person who has taken over the rights and interests of a member as successor by virtue of the Copyright Trust Contract, and who has endorsed the objectives as provided for in Article 4., and has been admitted for the rights and interests, representative thereof shall be appointed.

Section 2. The following shall be full members:

1. Associate members, being Writers, whose admission to full membership has been approved by the Board of Directors in accordance with the rules provided for separately.
2. Associate members, being Music Publishers, holding the copyright of musical works created by Japanese nationals, whose admission to full membership has been approved by the Board of Directors in accordance with the rules provided for separately.
3. A corporate entity which shall take over the rights and interests of a full member corporate entity either by continuing to exist or by being newly formed when such full member corporate entity has been dissolved as a result of a merger, or by succeeding the Copyright Trust Contract as a

result of division of the entity who is a full member, whose admission of full membership has been approved by the Board of Directors in the rules provided for separately.

4. A person who has been appointed as Director of the Society, except for such person who is provided for in 1 of this Section, as well as representative of the association who has been registered with the Society in accordance with Article 8 tres.

Article 7 bis. (Disqualification of Full Members)

Those who fall into any of the following categories shall not be eligible for full membership:

1. Person who is placed under the guardianship, person who needs assistance for his life or minors
2. Non-Japanese nationals;
3. Bankrupts
4. Employees of the Society
5. Corporate bodies or entities other than Music Publishers who hold copyright of musical works written by Japanese

Article 8. (Admission Formalities)

Section 1. Any person who wishes to acquire membership of the Society shall apply to the Society upon a printed application form, accompanied by the necessary information or documents, in accordance with the rules provided for separately.

Section 2. Having examined the qualification for membership of the person provided for in the preceding Section in accordance with the rules provided for separately and judged apt for membership, the Board of Directors shall approve it subject to his payment of admission fees.

Section 3. Admission fees once paid shall not be returned for any reasons.

Section 4. The person who becomes a full member in accordance with Section 2, 4 of Article 7 is not required to perform any formalities.

Article 8 bis. (Membership List)

Section 1. The Society shall prepare a membership list, keep it at the office and shall amend it whenever any change occurs with a member.

Section 2. A notice or any other notification from the Society to a member shall be sent to his address shown on the list mentioned in the preceding Section or to the address given to the Society by the member.

Section 3. If notices and other notifications have failed to reach the member even directed to the address mentioned in the preceding Section during five

consecutive years, the Society may dispense with the service of sending out notices and notifications. In such case, the office of the Society shall be the venue for the Society's fulfillment of his obligations.

Article 8 tres. (Representative of a Member)

When a corporate body or other entity has been admitted for membership to the Society, it may choose one of its executive officers as representative (a person who exercises the rights representing the body or entity) and register him with the Society. The same shall apply when the representative is changed.

Article 9. (Disqualification of Members)

Section 1. Any member shall be disqualified if any of the following is applicable:

1. Withdrawal from membership;
2. Expiration or cancellation of the Copyright Trust Contract;
3. Death;
4. Adjudication of disappearance;
5. Dissolution of the corporate body or other entity;
6. Non-payment of membership fees for more than two years;
7. Retirement or dismissal of the directors of the Society who has become full members in accordance with Section 2,4 of Article 7;
8. Expulsion from membership;
9. Dissolution of the Society.

Section 2. Any member who withdraws from membership in accordance with 1 of the preceding Section shall submit a notification with reason for withdrawal from the Society.

Article 10. (Disqualification of Full Members)

Section 1. In addition to the disqualification of a member in accordance with the preceding Article, any full member shall be disqualified if any of the following is applicable:

1. when falling into any of the reasons for disqualification of a full member provided for in Article 7 bis;
2. when submitting a notification to excuse himself/herself from becoming a full member;
3. when qualification of the full member is canceled.
4. when the whereabouts of the full member becomes unknown.

Section 2 Except for the person whose membership has been approved in accordance with Section 1 above, any person who has been disqualified for full membership in accordance with any of the reasons provided for in any item of the

preceding Section shall be an associate member without having to perform any formalities.

Article 11. (Suspension, Cancellation of, and Dismissal from, Full Membership)

Section 1. Any full member who has acted in a manner contrary to the purposes of the Society or to the provisions of the Articles of Association (excluding the obligations provided in Section 2 of Article 13), or considerably derogatory to the credit or prestige of the Society may have his membership suspended or canceled or may be dismissed from full membership by the Board of Directors with the approval of the Council in accordance with the rules provided for separately.

Section 2. Notwithstanding the provisions of Section 2 of Article 28 or Section 2 of Article 33, the Board of Directors and the Council shall determine the cancellation or the dismissal from full membership, mentioned in the preceding Section, by an affirmative vote of not less than two-thirds (2/3) of the Directors and Councilors present respectively.

Section 3. The person who has his membership suspended in accordance with the preceding Section 1 may not exercise the right as a full member during the period of suspension.

Section 4. The preceding Sections 1 and 2 shall apply to the dismissal of associate members from the Society.

Article 11 bis. (Cancellation of Full Membership by reason of consecutive absence in the General Assembly)

Section 1. The Board of Directors may cancel Full Membership when Full Member is absent in a General Meeting twice consecutively (absence in a General Meeting which has not been able to conduct any business in accordance with Section 1 of Article 39), is counted in the absence number of times), and any of absences is not considered to be on a good reason in the procedures provided in other rules.

Section 2. Notwithstanding the provisions of Section 2 of Article 28, any decision concerning cancellation of Full Membership by the Board of Directors shall be decided upon by two-thirds(2/3) of votes of the Directors present.

Chapter IV : Rights and Obligations of Members

Article 12. (Rights of Members)

Section 1. Members may have access to the Inventory of Assets and Liabilities and the membership list available at the Society in accordance with the rules provided for separately.

Section 2. Full members may attend and vote at the General Meetings.

Section 3. Full Members, except those who enjoy full membership in accordance with the provisions of Section 2,4 of Article 7 (the same shall apply in the following Section), may be elect Councilors.

Section 4. Full members may be elected as Councilor, Chairman or Auditor of the Society. In the case of a corporate body or other entity a representative of a body who has been registered in accordance with Article 8 tres may be eligible.

Article 13. (Obligations of Members)

Section 1. Members shall abide by the provisions of the Articles of Association and conform to the decisions of the Board of Directors, the Council and the General Meetings.

Section 2. For the purpose of carrying out the objectives of the Society, full members shall endeavor to attend the General Meeting and to exercise voting rights and other rights there.

Section 3. Full members and associate members shall, according to the rules provided for separately, pay membership fees whose amount is to be determined by the General Meeting.

Section 4. Any change in the amount of membership fees shall be subject to the approval of the General Meeting.

Section 5. Membership fees, once paid, shall not be returned for any reason.

Chapter V : Officers and Employees

Article 14. (Classification of Officers)

The Society shall have the following officers:

1. One (1) Chairman;
2. Not more than twenty-nine (29) but not fewer than twenty-one (21) Directors, one of whom shall be President, and several Managing Directors and fulltime Directors, respectively;
3. Three (3) Auditors, one of whom shall be a fulltime Auditor;
4. Not more than seventy-five (75) but not fewer than sixty-five (65) councilors.

Article 15. (Election or Appointment of Officers)

Section 1. The Chairman shall be elected by the Council from full members in accordance with the rules provided for separately. In the case of a corporate body or other entity, a representative of a body who has been registered with the Society in accordance with Article 8 tres may be eligible.

Section 2. The Chairman shall not hold any office of the Society.

Section 3. Not more than eighteen (18) Directors shall be elected by the Council from among the councilors in accordance with the rules provided for separately and not more than eleven (11) Directors shall be appointed by the Chairman from persons of learning and experience or Society employees with the approval of the Council.

Section 4. The President shall be elected by the Board of Directors from among themselves and be appointed by the Chairman.

Section 5. The Managing Directors and the fulltime Directors shall be appointed by the Chairman upon recommendation of the President and with the approval of the Board of Directors.

Section 6. Two (2) of the Auditors shall be elected by the Council from full members in accordance with the rules provided for separately and the experience or Society employees with the approval of the Council. In the case of a corporate body or other entity, a representative of a body who has been registered with the Society in accordance with Article 8 tres may be eligible.

Section 7. The fulltime Auditor shall be appointed by the Chairman from the Auditors.

Section 8. The Auditors shall not hold any other office of the Society.

Section 9. The Councilors shall be elected by full members in accordance with the rules provided for separately.

Section 10. Among the elections provided for in the preceding Section the election following the expiration of the terms of office of Councilors (the ordinary election of Councilors hereafter) shall take place within 30 days prior to the expiration of the terms of office of Councilors.

Article 16. (Terms of Office of Councilors)

Section 1. The term of office of the Councilors shall be for three (3) years, provided, however, that they be re-appointed.

Section 2. The term of office of Councilors provided in the provision of preceding Section shall begin from October 1 of the year when the ordinary election of Councilors takes place.

Article 16. bis (Terms of Office for Officers other than Councilors)

Section 1. The term of office for officers (excluding Councilors) shall be until

the close of the first meeting of the Council after the ordinary election of Councilors held within three years from their taking office, provided, however, that they may be re-appointed.

Section 2. Notwithstanding the provisions of the preceding Section, a director or an auditor appointed from among persons of learning and experience or Society employees may be re-appointed for a term of office of six months or under when there is a particular necessity therefor.

Section 3. The Chairman and non-fulltime Auditor shall not be appointed for more than two consecutive terms of office (one term refers to two or more years in office) and the President shall not be appointed for more than three consecutive terms of office.

Section 4. Officers (excluding Councilors) shall continue to perform their duties after the expiration of their term or after their resignation in accordance with Section 1 of Article 17 until their successors takes office. The same shall, however, not apply when a non-fulltime officer (except Chairman) resigns.

Article 17. (Resignation of Officers)

Section 1. When he, while in his term of office, reaches an age limit mentioned in the following items, any officer (excluding Chairman and Councilors) shall retire on the last day of the fiscal year when such event occurred.

- (1) Age of full 70 years for President among fulltime officers, and full 65 years for all the other fulltime officers.
- (2) Age of full 75 years for Directors and Auditors among non-fulltime officers.

Section 2. An officer shall resign from office without any formalities when he is disqualified for or suspended from full membership. The same shall apply to an officer who is the “full-member” representative registered with the Society by a corporate body or other entity in accordance with the provisions of Article 8 *ter* when the corporate body or entity is disqualified for full membership.

Section 3. The same as in the preceding Section shall apply when an officer who is the “full-member” representative registered with the Society by a corporate body or other entity in accordance with the provisions of Article 8 *ter* is disqualified for full-membership by reason of his resignation as “executive officer” or for any other matter.

Section 4. When a councilor resigns from office in accordance with the provisions of the preceding Section, the corporate body or other entity which registered him as representative with the Society may appoint a new councilor as successor to the reigning councilor.

Section 5. The person registered as successor in accordance with the provisions of the preceding Section shall be appointed a councilor without any formalities.

In such case, the successor shall remain in office during the unexpired term of office of his predecessor.

Article 18. (Removal of Officers)

Section 1. The Council may, with the decision of the Council, remove from office any officer who is deemed to be incompetent in performing his tasks or who has committed an act against his official duties or other acts unbecoming to the dignity of his office.

Section 2. The decision provided for in the preceding Section shall be made by two-thirds (2/3) or more of the Councilors who attend the Council.

Article 19. (Filling of Vacancies and Increase of Officers)

Section 1. When there becomes a vacancy of any office and this prevents the proper performance of the business activities of the Society, an election or appointment to fill such vacancy shall be held.

Section 2. When deemed necessary for performance of the business activities of the Society, officers may be increased within the number of officers provided for in Article 14.

Section 3. The term of office for such officers, elected or appointed to fill the vacancy, or increased in accordance with the provisions of the preceding Sections 1 and 2, shall last during the unexpired term of office of his predecessor or until the expiration of the term of office of the other officers in office at the time of his assumption of office.

Article 20. (Duties of Officers)

Section 1. The Chairman shall preside over the Society, and shall perform his duties provided for in the Articles of Association.

Section 2. The President shall perform general supervision over the business activities of the Society and represent the Society.

Section 3. The Managing Director shall assist the President and supervise regular business of the Society.

Section 4. The fulltime Directors shall be in charge of a portion of regular business of the Society.

Section 5. The Directors shall constitute the Board of Directors and determine its views.

Section 6. The Auditors shall perform the following duties:

1. To audit the status of the general property of the Society and of the trust property of the Society.
2. To audit the performance by the President of his duties:
3. To report any irregularities to the Board of Directors, the Council and the

General Meeting or the competent Government authorities when such fact is found in the status of the property or in the performance by the President of his duties;

4. To convene a meeting of the Board of Directors or the Council, or a General Meeting, when necessary to make the report mentioned in 3 above.

Section 7. The Councilors shall constitute the Council and determine its views.

Section 8. When the Chairman is absent or is prevented from performing his duties, a person elected beforehand by the Board of Directors among the Directors who have been elected among the Councilors shall act for the Chairman or perform his duties on his behalf.

Section 9. When the President is absent or is prevented from performing his duties, one of the Managing Directors or fulltime Directors shall act for the President or perform his duties on his behalf in the order of priority determined beforehand by the President.

Article 20 bis. (Duties of Directors)

Section 1. Directors shall abide by the provisions of the laws and the Articles of Association, and the decisions of the General Meeting. They shall carry out their duties faithfully for the Society.

Section 2. When he wishes to conduct business transactions regarding the use of some musical works under the Society's administration for himself or a third party, a director shall disclose the main points in the transactions beforehand for the approval of the Board of Directors. This procedure shall, however, not be applicable if the transactions aimed at the use of musical works are not likely to run counter to the interests of the Society.

Article 21. (Remuneration of Officers)

The Officers shall, for their respective duties, receive such remuneration and allowances including retirement allowances as the President shall determine with the approval of the Board of Directors.

Article 22 (Employees)

Section 1. The Society shall have employees to handle its business affairs.

Section 2. The employees shall receive salaries, and shall be appointed or dismissed by the President.

Chapter VI : Statutory Organs

Article 23. (Classification of Statutory Organs)

The statutory organs of the Society shall consist of the Board of Directors, the

Council and the General Meeting.

Article 24. (Meetings of the Board of Directors)

Section 1. The meetings of the Board of Directors, consisting of ordinary meetings and extraordinary meetings, shall be convened respectively by the President.

Section 2. An ordinary meeting shall be held once each month.

Section 3. An extraordinary meeting shall be held when the President deems it necessary or when one-third (1/3) or more of the existing Directors so request.

Section 4. For the request made by one-third (1/3) or more of the existing Directors, the President shall hold an extraordinary meeting within ten (10) days from the date when such request is made.

Section 5. For the purpose of holding the meeting, a notice showing the objective of the meeting, the date and time and the place, shall be sent to the Directors at least five days before it.

Section 6. If Director's prior meeting decided on the objective of the meeting, the date and time and the place in advance, the convocational steps described in the preceding Section may be omitted.

Section 7. Notwithstanding the provisions of Section 4 and 5 above, in the case of emergency the President may convene a meeting in whatever possible way.

Article 25. (Matters to be decided at Meetings of Board of Directors)

The Board of Directors shall decide the following matters in addition to those provided for separately in the Articles of Association:

1. Determination or alternation of policies concerning the collective and distribution of fees or royalties for musical works;
2. Determination or alternation of the Rule of commission for management;
3. Determination or alternation of Rule of application for membership;
4. Determination or alternation of Rule of commission for audio home taping;
5. Determination or alternation of Rule of commission for audio-visual home taping;
6. Determination or alternation of Tariffs for use of musical works;
7. The Bylaws concerning the term of the period of the Trust Contract;
8. Establishment of, or amendment to, the Bylaws of the Article of Associations;
9. Establishing of, or amendment to, the Bylaws of the Stipulations for the Copyright Trust Contract;
10. Matters concerning institution or withdrawal of Lawsuits, or conciliation;
11. Establishment of, or amendment to, the business regulations and organizations and organizational structure;

12. Determination or alternation of policies concerning labor management;
13. Matters to be submitted to the meeting of the Council and the General Meeting for their deliberation;
14. Matters other than those falling within the competence of Council or of the General Meeting.

Article 26. (Chairman of the Meeting and Minutes)

Section 1. The President shall preside over the meetings of the Board of Directors.

Section 2. The minutes of the meetings of the Board of Directors shall be made and signed by the Chairman of the meetings of the Board of Directors and two (2) or more of the Directors present, and be kept by the President.

Article 27. (Attendance of Chairman, Chairman of Council and Auditors)

The Chairman, the Chairman of the Council and the Auditors may attend the meetings of the Board of Directors and state their opinions.

Article 28. (Manner of Decision at Meetings of Board of Directors)

Section 1. No meeting of the Board of Directors shall conduct any business or make any decision unless a majority of the existing Directors are present at the meeting.

Section 2. Questions arising at any meeting of the Board of Directors shall except when otherwise provided for in the Articles of Association, be decided upon by a majority of votes of the Directors present.

Article 29. (Meetings of Council)

Section 1. The meetings of the Council, consisting of ordinary meetings and extraordinary meetings, shall be convened by the President.

Section 2. An ordinary meeting shall be held in February, June, and November of each year.

Section 3. An extraordinary meeting shall be held either when one-third (1/3) or more of the existing Councilors so request in writing, indicating the objective of the meeting, or when the Board of Directors deems it necessary for such meeting to be held.

Section 4. When one-third (1/3) or more of the existing Councilors so request, the President shall hold an extraordinary meeting of the Council within thirty (30) days from the date when such request is made.

Section 5. A meeting of the Council shall be convened by mailing to each councilor a notice, indicating the objective, the place, the date and time of the meeting, at least five (5) days before the meeting.

Article 30. (Matters to be decided at Meetings of Council)

Section 1. The Council shall decide the following matters in addition to those provided for separately in the Articles of Association:

1. Plan of business activities and a budget of accounts;
2. Establishment or amendment to the aim or structure of the Stipulations of the Copyright Trust Contract;
3. Establishment or amendment to, the Stipulations for the Copyright Trust Contract;
4. Establishment or amendment to, the Distribution Rules for Music Works;
5. Establishment or amendment to, the Distribution Rules for Administrative surpluses;
6. Establishment or amendment to, the Distribution Rules for Remuneration for Audio Home Recording;
7. Establishment or amendment to, the Distribution Rules for Remuneration for Audio Video Home Recording;
8. Any other matters which the Board of Directors deems it necessary for the Council to decide.

Section 2. In addition to those provided for separately in the Articles of Association, the following matters shall be subject to the approval of the Council.

1. Determination or alternation of the rate of administration expenses;
2. Determination or alternation of the Rules of Application fees;
3. Determination or alternation of the Rules of Commissions for Remuneration for Audio Home Recording;
4. Determination or alternation of the Rules of Commissions for Remuneration for Video Home Recording;
5. Determination or alternation of the Tariffs for use if Musical Works;
6. Matters to be submitted to the General Meeting for its deliberation;
7. Any other matters which the Board of Directors deems it necessary for the Council to approve.

Article 31. (Chairman of Council, Vice-Chairman of Council, Temporary Chairman of Council, and Minutes)

Section 1. In accordance with the rules provided for separately, one (1) Chairman and one (1) Vice-Chairman of Council shall be elected by the Councilors from among themselves.

Section 2. The Chairman of the Council shall preside over the meetings of the Council by maintaining orderly deliberations and expediting the proceedings.

Section 3. The Vice-Chairman of the Council assists the Chairman of the Council. When the Chairman of the Council is absent or prevented from

performing his duties, the Vice-Chairman of the Council shall act for the Chairman of the Council or perform his duties on his behalf.

Section 4. When both the Chairman and Vice-Chairman of the Council are absent or are prevented from performing their duties, a Temporary Chairman of council shall be elected by the Councilors present from among themselves, and shall be charged with the duties of the Chairman of the Council.

Section 5. The Chairman or the Vice-Chairman of the Council shall not hold any other office of the Society.

Section 6. The minutes of the meetings of the Council shall be made and signed by the Chairman of the Council and two (2) or more of the Councilors present, and be kept by the President.

Article 32. (Attendance of Chairman, President, Director and Auditors)
The Chairman, the President, the Directors and the Auditors may attend the meetings of the Council and state their opinions.

Article 33. (Manner of Decision a Meetings of Council)

Section 1. No meeting of the Council shall conduct any business or make any decision unless a majority of the existing Councilors are present.

Section 2. Questions arising at any meeting of the Council shall, except when otherwise provided for in the Articles of Association, be decided by a majority of the Councilors present.

Section 3. When a meeting of the Council is to be concerned with the election of Chairman, directors, auditors, or Chairman or Vice-Chairman of the Council, any Councilor who is prevented by unavoidable circumstances from attending such meeting shall be entitled to cast a vote in a written form in advance according to the rules provided for separately. In such a case, the Councilor voting in a written form shall be considered not absent from the meeting in the application of the provisions of the preceding two Sections.

Article 34. (Official Announcement)

Essential parts of the proceedings of any meeting of he Council shall be officially announced to members.

Article 35. (General Meeting)

Section 1. The General Meeting shall consist of full members.

Section 2. The General Meetings, consisting of Ordinary General Meetings and Extraordinary General Meetings, shall be convened by the President.

Section 3. An Ordinary General Meeting shall be held within three (3) months from the end of each fiscal year.

Section 4. An Extraordinary General Meeting shall be held, either when the Board of Directors deems it necessary for such Meetings to be held or one-fourth (1/4) or more of the existing full members, having voting right, so request in writing, indicating the objective of the Meeting.

Section 5. When one-fourth (1/4) or more of the existing full members, having voting rights so request, the President shall convene an Extraordinary General Meeting within thirty (30) days from the day when such request is made.

Section 6. A General Meeting shall be convened by mailing to each full member a notice, indicating the objective, the place, the date and time of the Meeting, at least then (10) days before the Meeting.

Article 36. (Matters to be decided at General Meetings)

Section 1. The General Meetings shall decide the following matters in addition to those provided for separately in the Articles of Association:

1. Any matters which the Board of Directors deems it necessary for the General Meeting to decide;
2. Any matters which the Council deems it necessary for the General Meeting to decide.

Section 2. In addition to those provided for separately in the Articles of Association, the following matters shall be subject to the approval of the General Meeting:

1. Report on the business activities and settlement of accounts therefore;
2. Establishment or amendment to the aim or structure of the Stipulations of the Copyright Trust Contract;
3. Establishment of or amendment to, the Stipulations for Copyright Trust Contract;
4. Establishment of or amendment to, the Distribution Rules for Musical Works;
5. Establishment of or amendment to, the Distribution Rules for administrative Surpluses;
6. Establishment of or amendment to, the Rules of Commissions for Remuneration for Audio Home Recording;
7. Establishment of or amendment to, the Rules of Commissions for Remuneration for Video Home Recording;
8. Any other matters which the Board of Directors deems it necessary for the General Meeting to approve.

Article 37. (Chairman of the General Meeting and Minutes)

Section 1. The Chairman of the General Meeting shall be elected among the full members present at each General Meeting in accordance with the rules

provided for separately. In the case of a corporate body or other entity, a representative of a body who has been registered in accordance with Article 8 tres may be eligible (applicable throughout this Article.)

Section 2. The Chairman of the General Meeting shall preside over the General Meeting by maintaining orderly deliberations and expediting the proceedings.

Section 3. The Chairman of the General Meeting may designate, from full members present, a person who assists the Chairman of the General Meeting, as occasion demands.

Section 4. The minutes of the General Meetings shall be made and signed by the Chairman of the General Meeting and two (2) or more of the full members present, and be kept by the President.

Article 38. (Attendance of Auditors)
The Auditors may attend the General Meetings and state their opinions.

Article 39. (Manner of Decision at General Meeting)
Section 1. Except when otherwise provided for in the Articles of the Association, no General Meeting shall conduct any business or make any decision unless a majority of the existing full members, having the voting right, are present.

Section 2. Questions arising at any General Meeting shall, except when otherwise provided for in the Articles of Association, be decided by a majority of votes of the full members present.

Article 39 bis. (Voting in Written Form and Like Considerations)
Section 1. Any full member who is prevented from attending a General Meeting by unavoidable circumstances shall be entitled to exercise his/her voting right by submitting to the Society a written form to vote on matters given by advance notice (called “written form to vote” in Section 3 of the present Article) or a written notice that he chooses another full member as his proxy (.called “a written notice of proxy” in Section 3 and 4 in the present Article).

Section 2. In the case of a full member being a corporate body or other entity, when the representative mentioned in Article 8 tres cannot attend the meeting, the full member may choose another executive officer as the proxy for the exercise of the voting right.

Section 3. The full member exercising the voting right by virtue of the provisions of Article 2 of the present Article (not including the one who has submitted to the Society a written form to vote or a written notice of proxy which

shall be invalid by reason of deficiency in the form or by other reasons shall be considered not absent from the meeting in the application of the provisions of Section 2 (1) of Article 11 bis, the preceding Article, Section 2 of Article 56, and Article 59.

Section 4. In case the full member who has submitted to the Society a written notice of proxy bearing no deficiency in the form, may not exercise his/her voting right by reason that the proxy has not been present in the General Assembly, such a case is not counted in the absence number of times.

Article 40. (Official Announcement)

Section 1. Essential parts of the proceedings of any General Meeting shall be officially announced to members.

Chapter VII : Property and Accounting

Article 41. (Properties)

The property of the Society shall consist of the following:

1. Admission fee, including the special admission fee (meaning the same below)
2. Deduction for membership fee;
3. Deduction for administration expenses;
4. Monetary contributions or contributions in kind;
5. Fees or royalties owing to members and affiliated Societies;
6. Remuneration for audio, video home recording;
7. Interest from investments;
8. Others;

Article 42. (Basic Property of Society)

Section 1. The property of the Society shall consist of the following:

1. Admission fee;
2. Monetary contributions or contributions in kind made for specified appropriation to the basic asset.

Article 43. (Control of General Property)

Section 1. The property of the Society shall be controlled by the President in such manner as the Board of Directors shall determine

Section 2. It is required that management of fees or royalties, or other entrusted property be in accordance with the provisions of the law and ordinance, and Stipulations for Copyright Trust Contract.

Article 44. (Expenses)

Section 1. The expenses required for the carrying on of the business activities of the Society shall be paid out of deductions for administration expenses, revenue from membership fees received, proceeds from assets (excluding the remuneration for audio, video home recording received from the organization designated under (1) of Article 104 bis of the Copyright Law) and contributions made for unspecified appropriation and other income.

Section 2. The expenses required for the business activities mentioned in Items 5 and 6 of Article 5 shall be paid out of the membership fee revenue, proceeds from, and monetary contributions for, such activities, trust money, subsidies, subventions and proceeds from these revenues.

Article 45. (Accounting)

Section 1. The Society shall establish accounts, as mentioned in the following items, which are each based on the incomes mentioned therein:

(1) Membership Account:

- a. fees and royalties received by virtue of the Copyright Trust Contracts and those received by virtue of reciprocal agreements with foreign organizations administering copyrights;
- b. fees and royalties received from foreign organizations administering copyrights.
- c. remuneration for audio, video home recording and interests accruing a quo.

(2) Account for the dissemination of copyright concepts and the promotion of musical culture, abbreviated into "Copyright Promotion Account:"

- a. membership fees and interests accruing a quo.
- b. monetary contribution for the business activities mentioned in Items 5 and 6 of Article 5, trust money, subsidies, subventions and interests accruing a quo.
- c. income accruing from the business activities mentioned in Items 5 and 6 of Article 5 and interests accruing a quo.

(3) Society Account:

Property other than that mentioned in the preceding two items.

Section 2. The accounts as provided for in the preceding Section are separately classified.

Article 46. (Plan of Business Activities and Budget of Accounts)

Section 1. A plan of business activities of the Society and a budget of accounts shall be submitted to the competent Government authorities upon the decision of

the Council, no later than ten (10) days before the commencement of each fiscal year.

Section 2. Any amendment of the plan of business activities of the Society and a budget of account as provided for in the preceding Section upon the decision of the Council shall be submitted to the competent Government authorities without delay.

Article 47. (Report on Business Activities and Settlement of Accounts)

Section 1. The President shall make a settlement of the accounts of the Society at the end of each fiscal year, prepare Report on Business Activities, Report on Charges in Membership, and Financial Statement (Statement of Net Assets showing its Increase or Decrease, Balance Sheet, and Statement of Cash Flow), and obtain the approval thereof by the General Meeting upon decision of the Board of Directors, at the latest one (1) day before the submission of such documents to the competent Government authorities as provided for in the following Section.

Section 2. The President shall submit to the competent Government authorities the documents, mentioned in the preceding Section, with an Audit Report by the Auditors, within three (3) months from the end of each fiscal year.

Article 48. (Transfer of Admission Fees and Like considerations)

(Deleted)

Article 49. (Disposition of Surplus)

Section 1. When any surplus arises due to the case that revenue (excluding admission fee and monetary contributions to be used for the limited purposes) exceeds expense in the settlement of accounts of the Society, it shall be paid to the right-owners involved in the fees or royalties in accordance with the Stipulations for the Copyright Trust Contract.

Section 2. When any deficit arises in the settlement of accounts provided for in the preceding Section, it shall be covered by any surplus arising in the following fiscal year or other subsequent fiscal years.

Article 50. (Assumption of Obligations and Waiver of Rights)

Except when otherwise fixed in a budget of accounts, if the Society assumes additional obligations or waives rights with respect to loans and others, it shall obtain the approval of the competent Government authorities upon the decision of the Board of Directors and with the approval of the Council, provided, however, that such procedure shall not apply to temporary loans to be redeemed from the income within the fiscal year.

Article 51. (Auditing by Auditors)

Section 1. The President shall, within two (2) months from the end of each fiscal year, present to the Auditors for their auditing the documents which he shall submit to the General Meeting, provided for in Section 1 of Article 47.

Section 2. The Auditors shall submit the Audit Report to the Council and the General Meeting.

Article 52. (Fiscal Year)

The fiscal year of the Society shall begin on the 1st of April and end on the 31st of March of the following year.

Chapter VIII : Honorary Members, Advisers and Committees

Article 53. (Honorary Members)

The Society may, in accordance with the rules provided for separately, upon the recommendation of the Board of Directors and with the approval of the Council, confer the title of Honorary Member upon a person who has rendered a notable service toward the elevation of musical culture for many years in line with the objectives of the Society.

Article 54. (Advisers)

Section 1. The Society may have Advisers.

Section 2. The Advisers shall be appointed by the Chairman from persons of learning and experience, upon the recommendation of the President and with the approval of the Board of Directors.

Section 3. The Advisers may state their opinions regarding management of the Society to the President.

Article 55. (Committees)

The Society may, when they are required, appoint committees upon the decision of the Board of Directors, and in accordance with the rules provided for separately, as its advisory bodies.

Chapter IX : Amendment to Articles of Association

Article 56. (Amendment to Articles of Association)

Section 1. Any amendment to the Articles of Association shall be subject to the decision of the General Meeting.

Section 2. The decision mentioned in the preceding Section shall be made by

majority at the General Meeting where a majority of the existing full members having the voting right are present.

Section 3. Any amendment made to the Articles of Association shall be officially announced and be notified to members without delay.

Article 57. (Establishment of, or Amendment to, Bylaws of Articles of Association)

Section 1. Procedural details necessary for the enforcement of the Articles of Association may be provided for in the Bylaws.

Section 2. The Bylaws of the Articles of Association established or amended by the Board of Directors shall be officially announced, and be notified to full members.

Section 3. Of the Bylaws mentioned in the preceding Section, the Membership Qualification Rules, Rules of Membership fees, and other rules which deemed it necessary by the Board of Directors shall be notified to associate members.

Chapter X : Dissolution

Article 58. (Dissolution)

The Society shall not be dissolved for any reason other than those stipulated under the laws.

Article 59. (Disposal of Remaining Assets)

When there remains any part of the asset which the Society holds at the dissolution of the Society, it shall be contributed to other music-related organizations upon the decision of the General Meeting, provided, however, that with the agreement of two-thirds (2/3) or more of the full members present at the General Meeting, such remaining part of the assets may be disposed of in any other appropriate manner upon the approval of the competent Government authorities.

Supplementary Provisions

Article 1 (Date of Enforcement)

The Articles of Association shall go into force on April 1, 2007.

Article 2 (Special Admission Fee)

Speaking of those who have been associate members since the date of enforcement for the Articles of Association, as approved on January 19, 1977, in accordance with the provisions of Section 1 of Article 61 of the said Articles of Association,

they shall pay a special admission fee according to the rule provided for separately, when they become full members after the enforcement of the Articles of Association.

Article 3 (Basic Fund)

Speaking of the Basic Fund stipulated in the provisions of Section 1 of Article 41 of the Article of Association as approved and amended on August 8, 2001, it is considered as the Basic Fund stipulated in the provisions of Section 1 of Article 41 of this Article of Association when it was the Admission Fee or the Special Admission Fee, and it is considered as the Monetary contributions or contributions in kind stipulated in the provisions of Section 4 of Article 41 of this Article of Association when it was the Monetary contributions or contributions in kind aimed at being included in the Basic Fund. They compose the Basic Fund stipulated in Article 42 of this Article of Association.

Supplementary Provisions in respect to the Rules for amending a part of the Articles of Association

Article 1 (Date of enforcement)

The present Rules (the Rules for amending a part of the Article of Association, established on June 21, 2007) shall come into effect as from April 1, 2008. However, the provisions of Article 1 of the Rules for amending a part of the Article of Association shall come into effect as from the date when it was approved by the supervising government agency.

Article 2 (Transitional Measures)

Absence number of times in a General Assembly provided in Section 2(1) of the Articles of Association which was amended by the present Rules does not include absence done before the enforcement of the present Rules.