

## Overview of Agreement

JASRAC and the Japan Association of Theatre Owners (Zenkoren) have agreed on the following **three points** with regard to **royalties of major foreign films**, such as films distributed by major foreign distributors (including royalties paid by film distributors through Zenkoren).

1. Royalties for films released between November 2018 and March 2021 will be calculated according to **the six-category tariffs** (on the following page) based on the number of screens at the time of release.
2. Regarding the calculation of royalties for films released in April 2021 onwards, both parties will hold discussions to **adopt a royalty calculation method reflecting the usage of each musical work**, equivalent to a calculation method on a per-work basis.
3. The parties will continue discussions on the tariffs for film exhibition, in parallel with the discussions mentioned in above 2, and will make efforts to **build a consensus as soon as possible**.

## Six-Category Tariffs Based on Number of Screens

Royalties are charged based on **the total number of screens**<sup>\*1</sup> at the time of film release.

New Tariffs	
Category	General films <sup>*2</sup>
1 (up to 10 screens)	150,000 yen
2 (up to 30 screens)	180,000 yen
3 (up to 100 screens)	200,000 yen
4 (up to 300 screens)	220,000 yen
5 (up to 500 screens)	250,000 yen
6 (over 500 screens)	300,000 yen

\*1. The number of screens at a site (movie theater) with multiple screens will be counted as **"1 screen" per site** if either the subtitled or dubbed version of the film is screened, and **"1.5 screens" per site** if both versions of the film are screened.

\*2. Excluding R-rated films.

⇒ Flat royalty rates will no longer be applied, enabling box-office performance to be reflected in the amount of royalties to a certain extent.