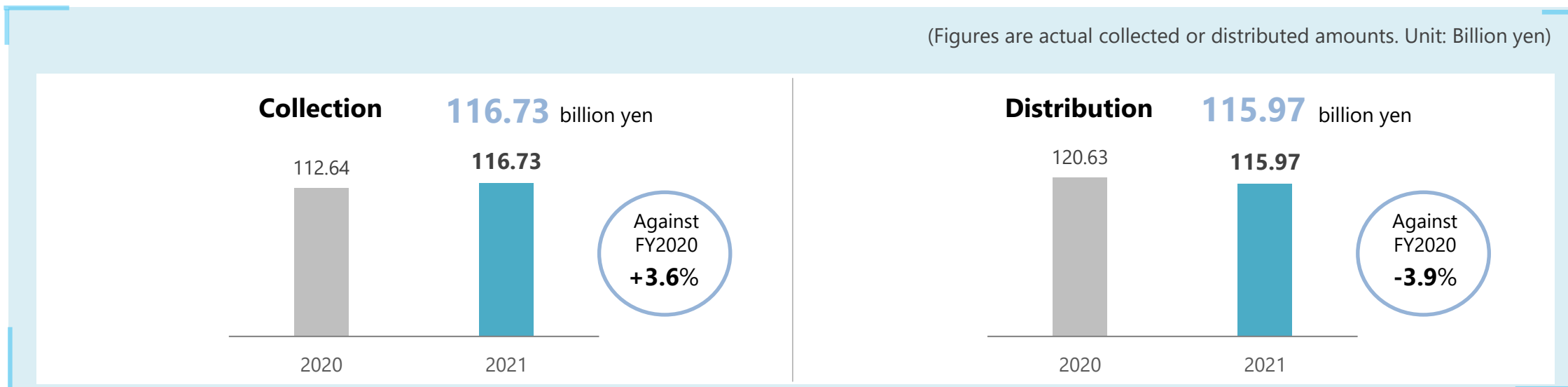


# **Fiscal 2021 Business Affairs**

(Figures are actual collected or distributed amounts. Unit: Billion yen)



## ■ Collection

Collection of royalties increased by 4.08 billion yen compared to FY2020.

The COVID-19 pandemic continued to have a significant impact on society and the economy as a whole, and business conditions remained difficult for restaurants, facilities using karaoke terminals, and other businesses. The collected amount was the second highest after FY2019 because: i) interactive transmissions remained strong backed by a rapid shift to digitalization and online services and; ii) there were signs of a recovery in concerts and other events for which restrictions were partially relaxed.

## ■ Distribution

Distribution of royalties decreased by 4.66 billion yen from FY2020.

While a significant decline was seen in performances, online karaoke, etc., due to the impact of the COVID-19 pandemic, interactive transmissions remained strong. Overall, the distribution amount was the third highest after FY2019, although it did not reach the record-high amount of FY2020.

## Royalties Collected in FY2021

Category	Collection (thousand yen)	Against FY2020 (%)
Performances	49,740,990	97.4
Performances, etc.	16,145,435	104.8
Broadcasts, etc.	27,980,558	93.3
Cable broadcasts	4,503,052	95.6
Film exhibitions	299,267	99.6
Foreign income (performances)	812,676	123.3
Mechanicals	18,270,022	101.2
Audio discs	8,114,981	103.2
Audio tapes	179,937	94.4
Music boxes	7,722	120.0
Film reproduction	62,083	128.2
Videograms	9,617,542	98.8
Foreign income (mechanicals)	287,755	132.6
Publication	768,135	106.4
Reproduction for specific purposes	4,739,095	119.8
Reproduction for advertisement	1,667,580	132.9
Reproduction for games	3,071,515	113.7
Lending	697,205	68.9
Composite use	42,510,341	112.4
Online karaoke	5,055,461	91.5
Interactive transmissions	37,454,879	116.0
Private copying remuneration	4,535	100.8
<b>Total</b>	<b>116,730,325</b>	<b>103.6</b>

## Royalties Distributed in FY2021

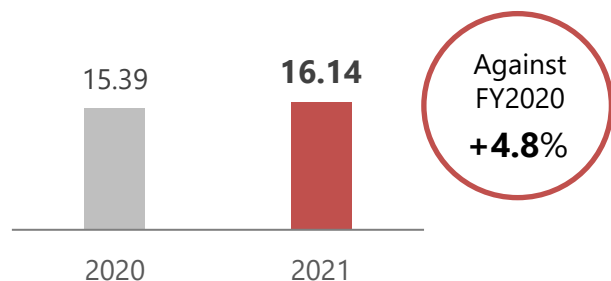
Category	Distribution (thousand yen)	Against FY2020 (%)
Performances	51,378,408	90.9
Performances, etc.	15,908,979	81.5
Broadcasts, etc.	29,561,802	94.2
Cable Broadcasts	4,747,910	98.4
Film exhibitions	378,110	165.9
Foreign income (performances)	781,605	148.9
Mechanicals	17,899,979	94.0
Audio discs	8,229,691	101.7
Audio tapes	180,836	96.4
Music boxes	7,759	112.1
Film reproduction	63,593	113.6
Videograms	9,124,521	86.7
Foreign income (mechanicals)	293,575	170.2
Publication	752,405	100.4
Reproduction for specific purposes	4,268,326	100.3
Reproduction for advertisement	1,563,092	125.7
Reproduction for games	2,705,234	89.8
Lending	853,713	78.4
Composite use	40,813,220	104.7
Online karaoke	5,187,753	90.6
Interactive transmissions	35,625,466	107.1
Private copying remuneration	6,003	106.2
<b>Total</b>	<b>115,972,057</b>	<b>96.1</b>

\*Amounts are rounded down to the nearest thousand yen, so the sum of the amounts of each category may differ from the total amount.

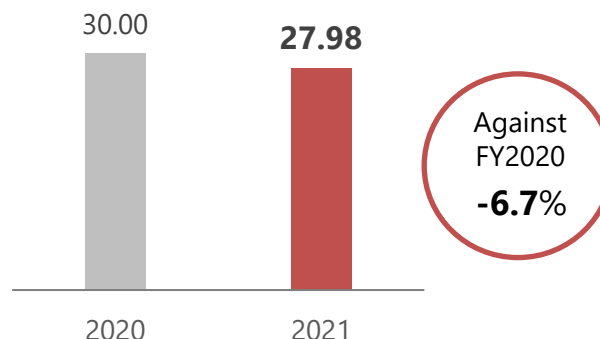
## 1 Performances

(Figures are actual collected amounts. Unit: Billion yen)

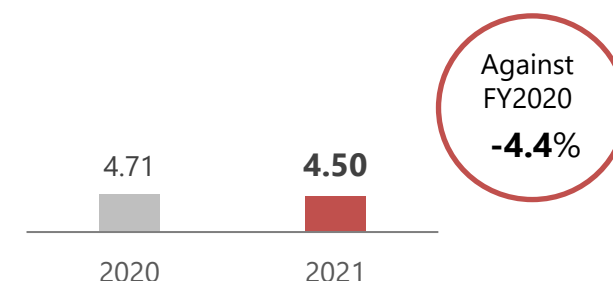
**Performances, etc.** **16.14** billion yen



**Broadcasts, etc.** **27.98** billion yen



**Cable broadcasts, etc.** **4.50** billion yen



### ■ Performances, etc.

Royalties collected for performances, etc., increased from FY2020, driven by a recovery trend in performances, concerts, etc.

### ■ Broadcasts, etc.

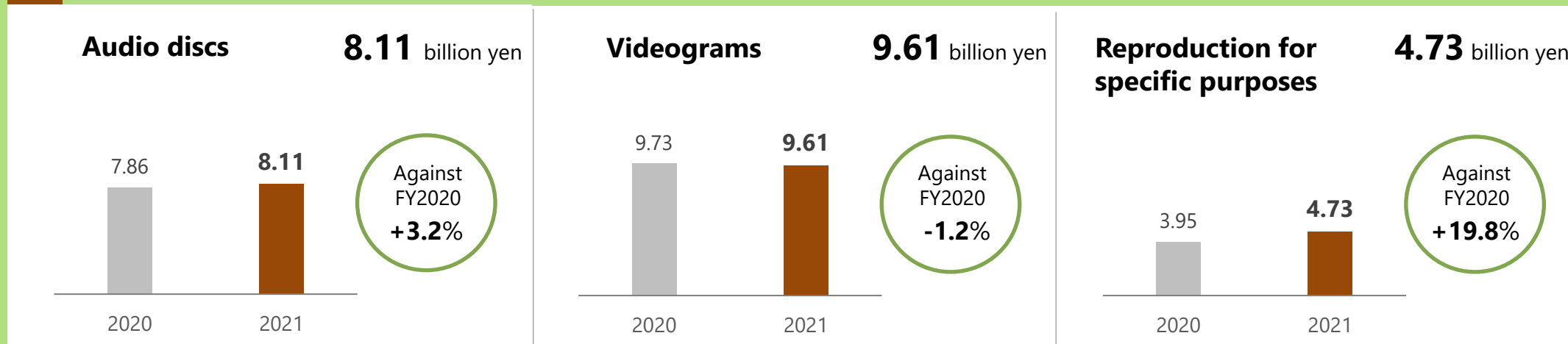
Royalties collected for broadcasts decreased from FY2020 due to the decline of broadcasters' business revenues for FY2020, which are the basis for royalty calculation for individual commercial broadcasters, and the decrease of repertoire share reflected in blanket licensing fees (the percentage of JASRAC repertoire).

### ■ Cable Broadcasts, etc.

Royalties collected for both cable radio and cable TV broadcasts decreased compared to the FY2020 results due to the decrease of repertoire share reflected in blanket licensing fees.

## 2 Reproduction/Reproduction for Specific Purposes

(Figures are actual collected amounts. Unit: Billion yen)



### ■ Audio Discs

Royalties collected from audio discs increased compared to the FY2020 results because the number of applications increased compared to FY2020, when product launches were suspended or postponed in succession, and there were several hit products even though the effects of the COVID-19 pandemic have not fully abated.

### ■ Videograms

Royalties collected from videograms declined compared to the FY2020 results despite several hit products because the number of applications for live videos fell below the FY2020 level due to a series of postponements and cancellations of concerts and live performances caused by the COVID-19 pandemic, and the absence of unprecedented blockbuster products that existed in FY2020.

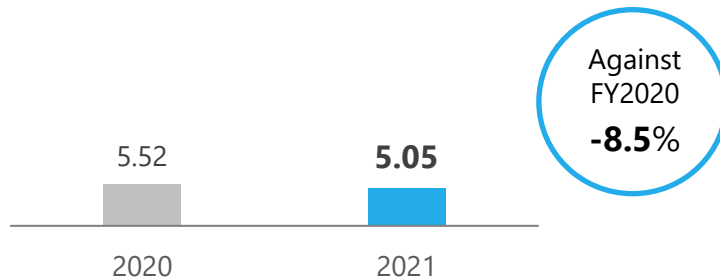
### ■ Reproduction for Specific Purposes

Royalties collected from reproduction for advertisement significantly increased from the FY2020 results, along with an increase in commercials using JASRAC repertoire. Royalties collected from reproduction for games increased from the FY2020 results due to several hit products in family games using JASRAC repertoire and increased use of JASRAC repertoire in smartphone app games.

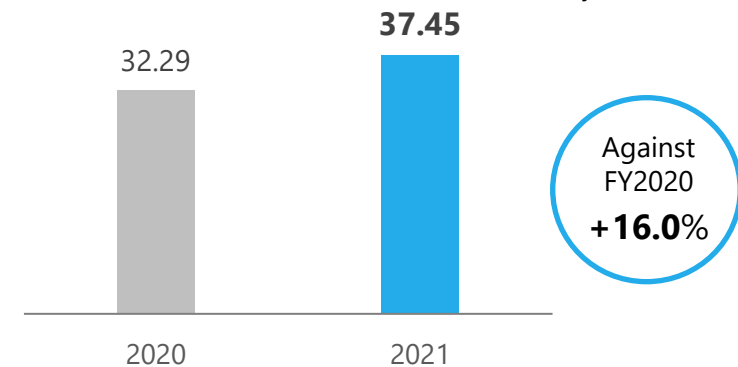
## 3 Composite Use

(Figures are actual collected amounts. Unit: Billion yen)

**Online karaoke** **5.05** billion yen



**Interactive transmissions** **37.45** billion yen



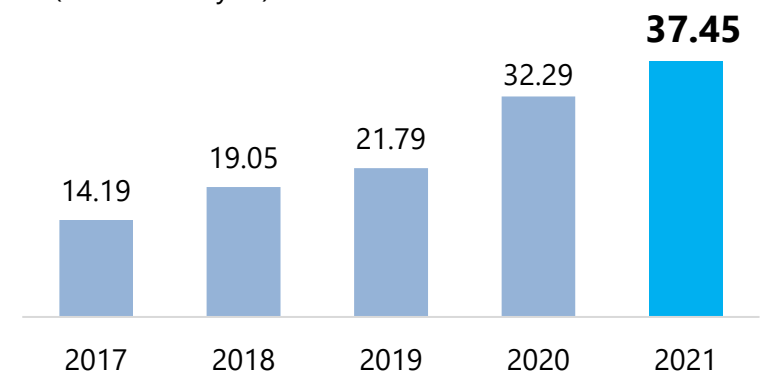
### ■ Online Karaoke

Royalties collected for online karaoke services declined compared to the FY2020 results because the COVID-19 pandemic caused a series of closures and shutdowns of facilities using such services, which led to a decrease in the number of online karaoke terminals in operation.

### ■ Interactive Transmissions

Royalties collected for interactive transmissions grew markedly compared to the FY2020 results due to continued strong performance in almost all areas except music downloads. Royalties collected from music downloads were lower than in the same period of FY2020, as the market continued to shrink with the spread of subscription services.

History of collections for interactive transmissions (Unit: Billion yen)



## ■ Discussion on Simultaneous Distribution Service of Broadcast Programs

As key commercial TV stations in Tokyo prepared for the launch of simultaneous distribution services, JASRAC continued discussions with user groups and broadcasters on how royalty fees should be assessed.

## ■ Initiatives Aimed at Increasing Foreign Income

(1) Registration of video content information, etc.

Regarding information on works and video content, strengthened cooperation among related departments and facilitated the registration process in the database operated by the International Confederation of Societies of Authors and Composers (CISAC).

(2) Conclusion of representation agreements with foreign organizations, etc.

- In April 2021, JASRAC concluded a reciprocal representation agreement of performing rights with ECCO, a copyright management organization in Saint Lucia.

- In January 2022, JASRAC concluded a reciprocal representation agreement for mechanical rights with MACA, a copyright management organization in Macau. JASRAC also concluded representation agreements for performing rights and mechanical rights with ESMAA, a copyright management entity in the United Arab Emirates, for the use of music at EXPO 2020 Dubai.

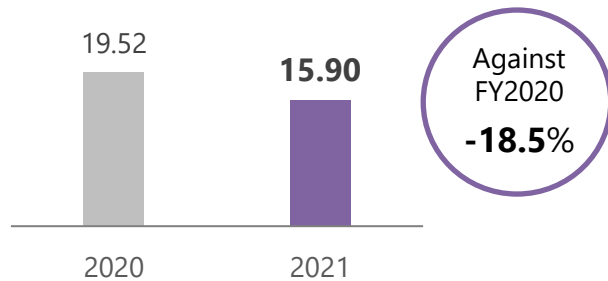
## ■ Development of Regulations Pertaining to Reproduction Royalties for Bridal Purposes

Based on the results of a demonstration experiment targeting bridal businesses, JASRAC established and effected in December the “Handling Rules on Reproduction Royalties for Bridal Purposes,” which sets an upper limit on the amount of royalties for using sound or visual recordings for bridal purposes, with the aim of revitalizing the use of music in the bridal market.

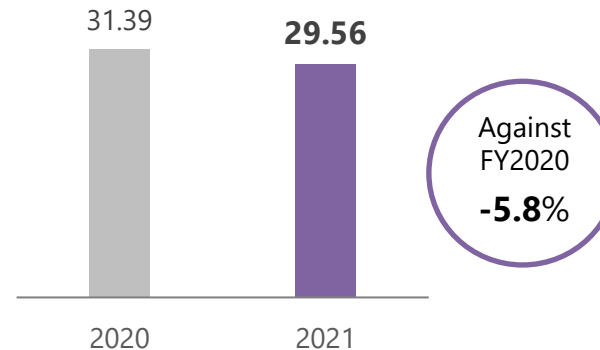
## 1 Performances

(Figures are actual distributed amounts. Unit: Billion yen)

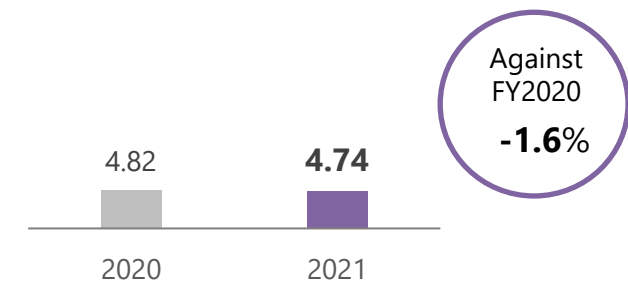
**Performances, etc. 15.90** billion yen



**Broadcasts, etc. 29.56** billion yen



**Cable broadcasts, etc. 4.74** billion yen



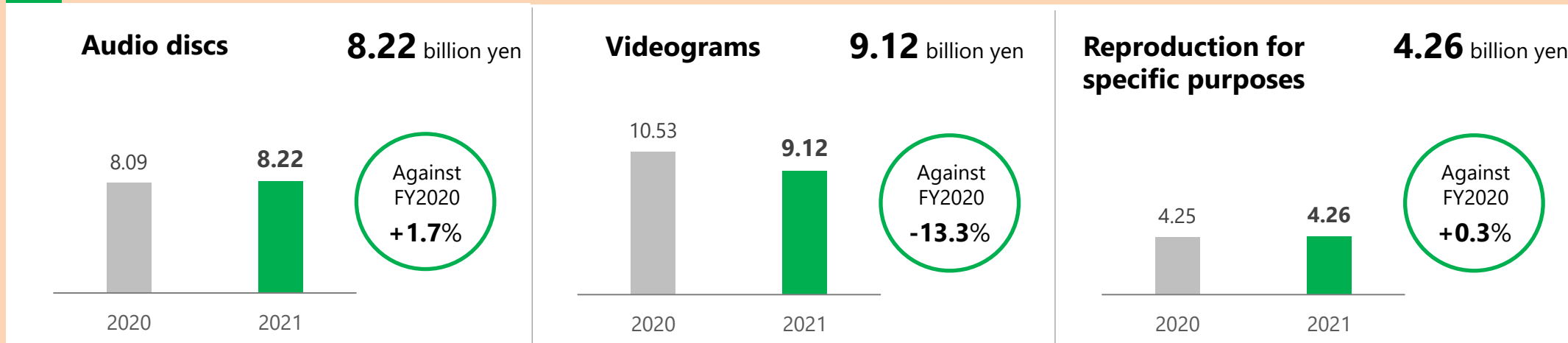
## ■ Number of Distribution Works by Category

Category		Main royalties for distribution	Number of works for distribution
Performances, etc.	Performances and concerts	Portion paid in from October 2020 to December 2021	243,534
	Places of entertainment	Portion paid in from January 2021 to December 2021	32,452
	Karaoke	Portion paid in from January 2021 to December 2021	309,826
Broadcasts, etc.	NHK, commercial terrestrial broadcast radio, and commercial terrestrial broadcast television	Portion used from October 2020 to September 2021	804,095
	Community broadcasts, the Open University of Japan, commercial satellite broadcast radio, and commercial satellite broadcast television	Portion used from April 2020 to March 2021	
	Commercial broadcasts	Portion paid in from October 2020 to September 2021	459
Cable broadcasts, etc.	Cable radio broadcasts	Portion paid in from April 2020 to March 2021	411,049
	Cable television broadcasts	Portion used from April 2020 to March 2021	240,058



## 2 Reproduction/Reproduction for Specific Purposes

(Figures are actual distributed amounts. Unit: Billion yen)



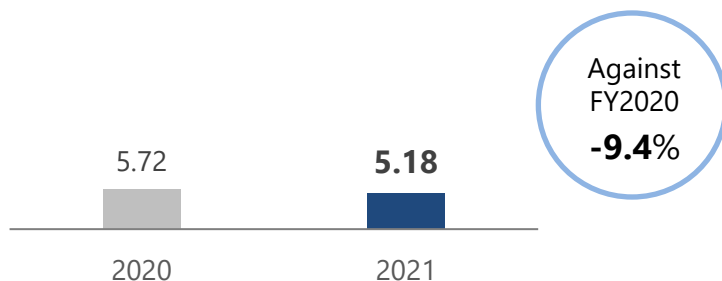
## ■ Number of Distribution Works by Category

Category		Main royalties for distribution	Number of works for distribution
Audio discs	Entities under comprehensive contracts, such as major record companies	Portion used from January 2021 to December 2021	517,274
	Users other than entities under comprehensive contracts	Portion paid in from January 2021 to December 2021	
Videograms	Entities under comprehensive contracts, such as major video software production companies	Portion used from October 2020 to September 2021	159,353
	Users other than entities under comprehensive contracts	Portion paid in from January 2021 to December 2021	
Reproduction for specific purposes	Reproduction for advertisements	Portion paid in from January 2021 to December 2021	788
	Reproduction for games	Portion paid in from January 2021 to December 2021	3,025

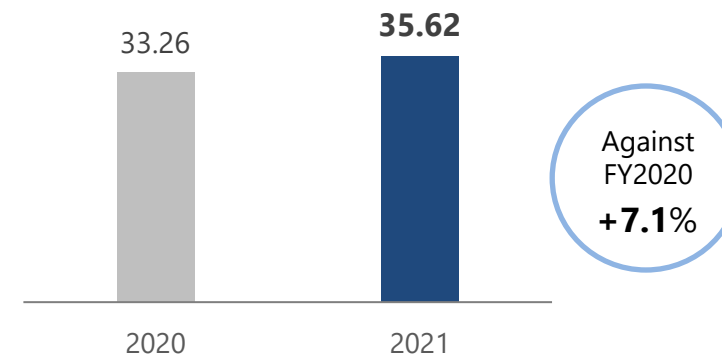
## 3 Composite Use

(Figures are actual distributed amounts. Unit: Billion yen)

**Online karaoke** **5.18** billion yen



**Interactive transmissions** **35.62** billion yen



## ■ Number of Distribution Works by Category

Category	Main royalties for distribution	Number of works for distribution
Online karaoke	Portion paid in from January 2021 to December 2021	302,907
Interactive transmissions	Portion paid in from January 2021 to December 2021	2,272,568

## ■ Number of JASRAC Administrated Works

**77,748,994 works**

(The number of CIS-Net registrations as of May 12, 2022; includes **1,986,784 works** registered by JASRAC)

## ■ Numbers of Distributed Works and Rights Owners (Unique number in all fields)

		FY2020	FY2021
Number of distributed works		2,778,889 works	2,826,076 works
Number of rights owners for distribution (Japan)	Composers / Authors	76,278 persons	76,252 persons
	Music publishers	2,888 companies	2,895 companies
Number of rights owners for distribution (abroad)	Composers / Authors	379,850 persons	383,105 persons
	Music publishers	50,258 companies	48,318 companies
		*Distributed via 126 overseas organizations	*Distributed via 117 overseas organizations

CIS-Net: An international work information database developed by CISAC. The data on managed works are provided by member organizations, and information on works managed by them is shared on networks.

## ■ Revision to Distribution Rules

- (1) As JASRAC started to reflect its repertoire share in blanket licensing fees (the percentage of JASRAC repertoire) for concerts, etc., the period from performance to payment for royalties was extended. In order to minimize the impact, JASRAC shortened the collection-to-distribution period for royalties. Accordingly, JASRAC distributed royalties related to concerts, etc., for five terms from October 2020 through December 2021. However, the decrease in revenues due to the impact of the COVID-19 pandemic resulted in a decrease of distribution compared to the FY2020 results.
- (2) JASRAC has partially revised the Distribution Rules to make it possible to distribute royalties for services for which distribution materials cannot be collected due to reasons such as users not reporting the titles of music pieces used in interactive transmissions, by utilizing distribution materials for other distribution services with similar service content (effective from the March 2022 distribution period).

## ■ Digitalization of Distribution Statements

JASRAC has been considering the digitalization of distribution statements to improve the convenience for entrustors, etc., while confirming their needs, with the goal of providing statements in digital format from the June 2023 distribution period.

## ■ Response to Non-submission of Work Notification

For works for which no work notification has been submitted, distribution will be suspended even if the use of the work is confirmed, because the rights owners involved and their distribution rates cannot be identified.

To solve this problem, JASRAC has promoted the use of the “Inquiry List for Copyright Confirmation as Work Notification” for domestic works and requested music publishers and foreign organizations to submit work notifications for foreign works as well. As a result, 46,652 suspended works worth 1.06 billion yen were distributed.

## ■ Trial Implementation of a Device That Automatically Identifies the Music Being Played

JASRAC conducted a trial for Audoo Audio Meter, a device that utilizes fingerprint technology to automatically identify the music being played. The device was placed in two DJ bars to verify its accuracy in identifying music and to understand its operational issues. It was the first time that JASRAC collected data on the music played in the category of performing rights using fingerprint technology.

## ■ Reduction of Applied Administrative Expense Rate for the March 2022 Distribution Period

With its efforts to reduce expenses, ordinary expenditures are expected to fall within the budget, so JASRAC decided to return the portion of budget expenses that are not expected to be spent to as many beneficiaries as possible. Accordingly, JASRAC lowered the administrative expense rates applied to the March 2022 distribution for the categories shown in the table below.

Royalty Category	Notification Rate	Rate Applied to FY2021	Rate Applied Only to the March 2022 Distribution
Performances, etc. (major live concerts, etc.)	25%	15%	13%
Performances, etc. (karaoke)	25%	24%	22%
Broadcasts, etc.	10%	8.5%	6.5%
Cable broadcasts, etc.	10%	9.5%	7.5%
Online karaoke for business	10%	9%	7%
Interactive transmissions	10%	9.5%	7.5%

## ■ Initiatives Involving Copyright Owners

JASRAC held online events called JASRAC Creator's Path 'THE LAB' in November 2021 and February 2022 for young music creators nationwide. The purpose of these events was to familiarize them with JASRAC by explaining the basics of music copyright and how to manage copyright, as well as to promote the conclusion of trust agreements.

In addition, JASRAC strengthened its efforts to utilize our branches nationwide. Specifically, branch staff visited music creators based in regional areas to explain JASRAC's business and the benefits of concluding trust agreements.

## ■ Initiatives Involving Music Publishers

JASRAC explained the current management status for interactive transmissions to music publishers, focusing on the latest trends in distribution services and other information of high interest to rights owners. JASRAC also explained the benefits of choosing it as the entrustee. As a result of these efforts and the expanded scope of management delegation, the management of some popular works has been delegated to JASRAC.

Numbers of new entrustors for FY2021

	Copyright owner	Music publisher	Others	Total
<b>Number of new trustors</b>	295 (341)	82 (83)	2 (4)	379 (428)
<b>Number of new members</b>	71 (97)	12 (14)	4 (2)	87 (113)

Numbers shown in brackets are for FY2020.

## ■ JASRAC Awards

JASRAC awarded copyright owners and music publishers for works that were highly ranked in distribution for FY2020. For details, see the QR code shown on the right.



2021 JASRAC Awards

## ■ JASRAC Music Culture Award

JASRAC commended four entities for their contribution to developing music culture by engaging in low-profile activities that cannot be expressed in numbers such as for sales or usage results, and presented them with the award. For details, see the QR code shown on the right.



The Eighth JASRAC Music Culture Award

## ■ Presentation of Letter of Appreciation to Longtime Users

To express its gratitude, JASRAC presented letters of appreciation to 1,005 individuals/entities nationwide who have concluded license agreements with JASRAC for over thirty years to support the creation of new works through royalty payments.

## ■ Public Awareness Activities for Copyright System

JASRAC continued to raise public awareness about copyright via endowed courses (Shinshu University and the Open University of Japan) and to support research by conducting study promotion research meetings on topics such as the Copyright Act (University of Tokyo).

## ■ Musical Instrument Classes

On June 8, JASRAC submitted a statement of reasons for a final appeal and a statement of reasons for a petition to accept the final appeal to the Supreme Court on a lawsuit filed against JASRAC by musical instrument class operators seeking to confirm that copyright does not extend to performances in musical instrument classes.

\*On March 18, 2021, the Intellectual Property High Court issued a ruling rejecting part of JASRAC's claims. In response, on March 31, 2021, JASRAC filed a final appeal and petition for the acceptance of the final appeal to the Supreme Court.

## ■ Response to the COVID-19 Pandemic

As in FY2020, JASRAC moved up the date of royalty remittance for distribution terms by two weeks, and suspended the invoicing of membership fees to members.

At the annual general assembly held on June 30, JASRAC introduced a system for exercising voting rights via the Internet (electronic voting) and live-streamed the proceedings, thereby ensuring convenience for regular members and preventing the spread of infection.



## ■ Initiatives for Providing Fair Compensation to Rights Owners

(1) Submission of opinions, etc.

- Director Toshiyuki Watanabe participated in the Copyright Subdivision of the Culture Council of the Agency for Cultural Affairs as a member, and requested for the urgent establishment of a system in which fair compensation is distributed to rights owners.
- Managing Director Takashi Miyauchi attended a hearing held by the Fundamental Policy Subcommittee of the Copyright Subcommittee of the Council for Cultural Affairs, which is examining the so-called Extended Collective Licensing System, etc., and stated that careful consideration should be given to the protection of rights and the situation regarding collective management.
- In response to a request for public comment on the “Guidelines for Interpretation and Operation of Presumption Rules of Permission for Simultaneous Broadcast Distribution,” JASRAC stated that fair compensation must be ensured to rights owners.
- JASRAC participated in the operations of the Society for the Administration of Remuneration for Public Transmission for School Lessons (SARTRAS) and sought to ensure that the collection and distribution of compensation for public transmissions for educational purposes are properly carried out.

(2) Courtesy visit to Prime Minister Kishida

On January 11, 2022, Chairman Ide Haku and President Michio Asaishi paid a courtesy visit to Prime Minister Fumio Kishida, and Chairman Ide Haku conveyed his request from the standpoint of a music writer that culture should not be left out when implementing policies.

## ■ Strengthening Cooperation in the Asia-Pacific Region

- (1) In May, Director Toshiyuki Watanabe was elected as a member of the Executive Committee of the Asia-Pacific Music Creators Alliance (APMA), a regional organization of the International Council of Music Authors (CIAM), at its extraordinary general assembly. In order to strengthen the protection of the rights and interests of music creators in the Asia-Pacific region, JASRAC has worked to address the issue of copyright buyouts by cooperating with APMA.
- (2) In June, in collaboration with the Agency for Cultural Affairs and the World Intellectual Property Organization (WIPO), JASRAC provided online lectures to government officials and management organization officials from the Asia-Pacific region (25 people from 6 countries) at the “WIPO Training on Copyright Collective Management Organizations (CMO Training).” JASRAC explained the challenges of facilitating collective management and how JASRAC manages copyrights.
- (3) In September, at the request of the Government of Cambodia, one of the participating countries in the “WIPO Training on Copyright Collective Management Organizations (CMO Training),” a follow-up training was conducted by WIPO, where we provided online lectures for Cambodian government officials, officials of a management organization (CamCos), and authors.
- (4) In March 2022, JASRAC held an online working-level meeting with the Music Copyright Society of China (MCSC), a copyright management organization in China, where the music market is growing rapidly, to exchange information and opinions on various issues related to copyright management.

# **Japanese Society for Rights of Authors, Composers and Publishers (JASRAC)**

JASRAC<sup>®</sup>