

## **Article 5. AUDIO RECORDINGS**

The fee for the use of a work recorded in a CD, a record, a cassette tape, CD-ROM and other recording media shall be the amount calculated as stated below, plus an amount equivalent to the consumption tax according to the purpose of reproduction of a media recorded (hereinafter referred to as the “Record”) except if provisions of Article 2, 3, 6, 7, 8, 10, 11, 13, 14, 15 or 16 are applied.

### **1. Commercial reproduction**

#### **(1) Reproduction for sale at a market**

The fee for one use of one musical work shall be a sum obtained by multiplying the amount set forth in (A) or (B) below by the number of copies, provided that, for the purpose of calculating the rate for a work whose playing time exceeds 5 minutes, the same amount shall be added to the fee for the use for each additional 5 minutes or part thereof.

(A) If a retail selling price is marked, a sum obtained by dividing 6% of the retail selling price, not inclusive of the consumption tax, of such Record by the number of works contained in such Record or ¥6.1, whichever is greater, provided that, for the purpose of calculating the rate for a work whose playing time exceeds 5 minutes, each additional 5 minutes or part thereof shall be considered to be one separate work.

(B) If no retail selling price is marked, ¥8.1.

#### **(2) Reproduction for rental for background music**

The fee for the use shall be a sum set forth in (A) or (B) below.

(A) The fee for one use of one musical work shall be a sum set forth in (4).

(B) If an annual blanket licensing agreement is executed, the fee for the use shall be a sum set forth in (a) or (b) below.

(a) In the event that the name, address and other information sufficient to identify a place where a rental record for background music is played (hereinafter referred to as the “place of performance”) is reported: The fee shall be ¥1,200 per annum per place of performance if the number of musical works recorded in the rental record for background music made available to one place of performance is no more than 300 per annum, provided that, if such number of musical works exceeds 300 per annum, the same amount shall be added to the fee for each additional 300 or part thereof.

(b) In cases other than (a):

Regardless of the number of recording and the number of products, the fee shall be ¥1,200 per annum per musical work, provided that, for the purpose of calculating the rate for a work whose playing time exceeds 5 minutes, the same amount shall be added to the fee for the use for each additional 5 minutes or part thereof.

(3) Reproduction for production or recording of a bridal, etc.

(A) If an annual blanket licensing agreement is executed:

The fee for the use shall be ¥1,000 per work if the number of Records (with the same contents recorded, regardless of type of recording media) is no more than 3.

(B) In cases other than (A)

The fee for the use shall be ¥2,000 per work if the number of Records (with the same contents recorded, regardless of type of recording media) is no more than 3.

(4) Reproduction for purposes other than in (1) through (3)

The fee for one use of one musical work shall be a sum obtained by multiplying ¥8.1 by the number of copies or ¥400, whichever is greater, provided that, for the purpose of calculating the rate for a work whose playing time exceeds 5 minutes, the same amount shall be added to the fee for the use for each additional 5 minutes or part thereof.

## 2. Non-commercial reproduction

(1) Reproduction for production or recording of a bridal, etc.

The fee for the use shall be ¥1,000 per work if the number of Records (with the same contents recorded, regardless of type of recording media) is no more than 3. If the number of Records exceeds 3, the same amount shall be added to the fee for each additional 3 or part thereof.

(2) Reproduction for purposes other than in (1)

The fee shall be a sum obtained by multiplying the amount set forth in 1(4) by 50%.

## **Notes for AUDIO RECORDINGS**

### ***Term definitions***

- (i) In this Article, the terms shall be defined as follows.
  - (A) “Commercial reproduction” refers reproduction performed for a charge by persons whose purpose is making a profit or reproduction performed by persons other than such profit-making person (not including the case in which an amount equal to actual costs is charged) for the purpose of distributing copies to a third party.
  - (B) “Non-commercial reproduction” means reproduction other than the reproduction defined in (A) such as reproduction performed for non-commercial purposes by educational institutions, non-commercial entities or private persons in order to distribute copies without charge.
  - (C) “Background music” shall mean a music utilized as a background in restaurants, hair salons, apparel or other shops or offices in order to improve the ambience in shops and offices.
  - (D) “Rental record for background music” shall mean a record produced for rental to provide background music.
  - (E) “Bridal, etc.” shall mean a marriage ceremony, bridal party or other similar events.

### ***Arrangements for usages where this Article is not applicable***

- (ii) With respect to the use on audio recordings, in the event the type of use or some specific circumstances prevent the rates under this Article from being applicable, other appropriate rates may be determined within the scope of the rates or the sums set forth in this Article upon negotiation with the user.

### ***Provisional measures***

- (iii) In the provisions of 1(3)(A) and 2(1), ¥1,000 shall read ¥400 from October 1, 2019 to March 31, 2022 and ¥700 from April 1, 2022 to March 31, 2024.
- (iv) In the provisions of 1(3)(B), ¥2,000 shall read ¥800 from October 1, 2019 to March 31, 2022 and ¥1,400 from April 1, 2022 to March 31, 2024.