

Article 2. BROADCASTING, etc.

The fee for the use of works for broadcasts and recordings for broadcasting purposes (not inclusive of recordings of music for commercials) (hereinafter referred to as “broadcasts, etc.”) shall be a sum equal to the amount obtained by adding to the amount calculated hereafter, the amount equivalent to the consumption tax.

- 1. Nippon Hoso Kyokai (hereinafter referred to as “NHK”)

The annual fee for the use of works for broadcasts made by NHK, if it is fixed by an annual blanket licensing agreement, shall be obtained by multiplying the broadcasting operation income for the fiscal year preceding the current fiscal year by 1.5%.

- 2. Commercial broadcasters engaged in broadcasts by means of terrestrial transmission

The annual fee for the use of works for broadcasts made by a broadcaster engaged in broadcast by means of terrestrial transmission, if it is fixed by an annual blanket licensing agreements, shall be obtained by multiplying the broadcasting operation income for the fiscal year preceding the current fiscal year by 1.5%.

- 3. Commercial broadcasters engaged in satellite broadcasts

The annual fee for use of works for broadcasts made by broadcasters engaged in satellite broadcasts, if it is fixed by an annual blanket licensing agreements, shall be the total amount obtained by multiplying their broadcasting operation income by the royalty rates shown (1) for each channel of the relevant satellite broadcasts.

However, in the event that the relevant broadcasters cannot sum up broadcasting operation income for each channel, the fee shall be obtained by multiplying broadcasting operation income for all channels by the rate obtained on a pro-rated basis among the rates applicable to the related classification for each channel.

In any case, the fee calculated under the above provisions is lower than that shown below on the table (2), the fee shown below on the table (In the case that the relevant broadcaster has more than a channel, the amount obtained on a pro-rated basis among the fee for each classification) shall be applicable as the annual fee.

(1)

Category	Fee rate
Channel featuring music programs	2.25%
General channel	1.5 %
News or sports, etc. channel	0.75%

(2)

Category	Fees
Channel featuring music programs	¥5,400,000

General channel	¥3,600,000
News or sports, etc. channel	¥1,800,000

4. Broadcasts made by the University of the Air Foundation

The fee for the use of works for broadcasts made by the University of the Air Foundation, if it is fixed by an annual blanket licensing agreement, shall be determined with due regard to the particulars, including the purpose in the use and the type of use, upon negotiation with the University.

5. In the event an annual blanket licensing agreement does not apply

In the event that an annual blanket licensing agreement does not apply, the fee shall be a sum fixed for each manner of use, on a per use, per work basis shown on the table below:

(1) Broadcasting

Broadcasting made through national wide	Fees
Not exceeding 5 minutes	¥64,000
For each additional 5 minutes	¥64,000

(2) Recordings for broadcasting purposes

Per copy reproduced	Fees
Not exceeding 5 minutes	¥6,400
For each additional 5 minutes	¥6,400

Notes for BROADCASTING etc.

- (i) In case that an annual blanket licensing agreement is concluded, the fiscal year begins in April and ends in March of the next year.
- (ii) “The broadcasting operation income” as mentioned in 1. shall be a sum equal to the balance obtained by deducting the following, not inclusive of the consumption tax, from the total receiving fee income:
- Operation expenditure for contracts conclusion and fee collection
 - Expenditure for reception improvements
 - Expenditure for studies and researches, etc.
 - Expenditure aiming at making up a deficit of receiving fee income
 - Expenditure involved in protecting copyrights and in improving technology for information of administration
- (iii) “The broadcasting operation income” as mentioned in 2. means a sum equal to their total income obtained by deducting a sum equal to the agency fees and the expenditure aiming at receiving the pay broadcast fees (not inclusive of the consumption tax).
- (iv) “The broadcasting operation income” as mentioned in 3. means a sum equal to their total income obtained by deducting a sum equal to the agency fees and the expenditure aiming at receiving the pay broadcast fees (not inclusive of the consumption tax).
- (v) When the provisions of 2. shall apply in the event there is an entity which is composed of broadcasters and entrusted with the right to fix the amount of an annual blanket fee for each of the broadcaster members, the amount fixed by the entity for each of the members may be regarded as an annual fee for each of them to pay, provided that the total of such amounts is equal to the total of the annual fees as fixed in accordance with the provisions of 2.

However, for a newly-established station the above provisions shall not apply. In such cases, a sum equal to its broadcasting operation income shall be determined upon negotiation with the broadcaster.

- (vi) With respect to the provisions of 2, the fees for broadcasts of works in commercials (except in the case of the use of works in commercials produced by broadcasters by means of their own facilities for their own broadcasts), shall not be included in the annual fee calculated under the provisions 2 for the time being. The fee provided on the table below shall apply to such broadcasts on a per work and per use basis:

Type	Radio commercials	TV commercials
1	¥6,000	¥12,000
2	¥4,200	¥8,400
3	¥3,600	¥7,200
4	¥2,400	¥4,800

5	¥1,800	¥3,600
6	¥1,500	¥3,000

- (a) The category in which the broadcaster shall belong to shall be determined upon negotiation with the broadcaster.
- (b) In the event of a work being repeatedly and continuously broadcasted in the same commercial, the fee amount may be lowered.
- (vii) Of broadcasters to which the provisions of 2. shall apply, the fee for community broadcasters shall be determined separately within the limit of the provisions of 2 upon negotiation with the broadcaster.
- (viii) When the provisions of 3. shall apply, the fee for a newly-established station shall be calculated in line with the table (2). In such cases, when the term of broadcast does not exceed one year, the fee listed on the table (2) may be lowered in accordance with the months of the broadcast.
- (ix) When the provisions of 3. shall apply, the term during which broadcasting operation income is accrued in the previous year does not exceed one year, the annual fee shall be calculated based on the amount converting to annual broadcasting operation income.
- (x) When the provisions of 5. shall apply, the area where broadcast is transmitted at the same time is limited, the fee listed on the table (1) may be lowered in consideration of the number of households receiving broadcast.
- (xi) When the provisions of 5. shall apply, and in the case corresponding to any of the followings, the fee shall be reduced to a sum equal to 6/12 of a work of the respective rates.
 - (a) For a vocal work, whose music is not copyrighted or is not under the administration of the Society.
 - (b) For a vocal work, whose lyric is not under the administration of the Society.
- (xii) In the event the type of broadcasts such as those solely featuring music or those using new technologies prevent the rates under this Article from being applicable, Article 17 shall apply.