

The CDs21 Solutions Charter

Article 1.(Name)

This association shall be called “CDs21 Solutions”(shi-di-zu nijuichi soryushonzu) and its English name shall be “CDs 21 Solutions” (abbreviated to: CDs21).

Article 2. (Purpose)

The purpose of CDs21 is to strive for the spread and promotion of application products that comply with various CD and overall optical disc standards, including hardware, disc, software and contents production as well as associated services, thereby contributing to the industry and consumers concerned.

Article 3. (Activity)

CDs21 shall actively work on the following to accomplish the purpose set forth in Article 2.

- 1.To conduct technical examinations of compatibilities and like matters and to make recommendations, as and when necessary, regarding application products that comply with various CD and overall optical disc standards, including hardwares, discs, software, and content production.
2. To pursue activities for the promotion for those products and productions cited in the preceding item 1..
3. To conduct technical examination and to make recommendations, as and when necessary, regarding application related to various CD and overall optical disc standards.
4. To conduct joint studies and researches and to make recommendations, as and when necessary, for media reliability that complies with various CD and overall optical disc standards.
5. To conduct technical examination and to make recommendations, as and when necessary, regarding environmental issues of such media that complies with various CD and overall optical disc standard.
6. To conduct joint studies and researches through exchanges of information among CDs21 members.
7. To look into other relevant technical information and copyright laws.

8. To seek interactions with associated governmental and private organizations.
9. To engage in other activities important for accomplishing the Purpose.

Article 4. (Membership)

1. Membership for CDs21 is open to any corporation or organization engaged in the manufacture and/or the sales of application products that comply with various CD and overall optical disc standards, including hardwares, discs, software, and the other associated products as well as the contents produced thereto.
2. Membership for CDs21 is also open to any corporation or organization engaged in services, including distributions, public relations, and other activities aimed at the spread and the promotion of the products mentioned in item1.
3. Admission processes of the CDs21 membership shall be handled according to the procedures in a prescribed format.
4. CDs21 members may opt for a withdrawal from CDs21 any time upon a written notice to CDs21.

Article 5. (Membership Fees)

1. CDs21 members shall pay the annual membership fee within the specified period of time.
2. The membership fee paid shall not be refunded at any time for any reason.
3. CDs21 may collect an extra membership fee if so determined at General Meeting.

Article 6. (Organization)

1. CDs21 shall consist of the Chairman of the Board, Advisor(s), General Meeting, KANJIKAI (Steering Committee), Secretary Office, Auditor, Committees, Working Groups, and Study Groups.
2. [Chairman of the Board]
 - (2.1) The Chairman of the Board shall be elected through a recommendation by KANJIKAI and a subsequent resolution at General Meeting. The term of office shall be one (1) year from the date of his/her appointment, but the reappointment of the Chair shall be allowed.

(2.2) The Chairman of the Board shall officially represent CDs21.

3. [Advisor]

(3.1) An Advisor(s) shall be designated through a recommendation by the Chairman of the Board and a subsequent approval at KANJIKAI. The term of the Advisor shall be one (1) year from the date of his/her appointment but the reappointment of the Advisor(s) shall be allowed.

(3.2) The Advisor shall commit to CDs21 by giving pertinent advice from time to time.

4. [General Meeting]

(4.1) General Meeting shall be composed of all CDs21 members.

(4.2) General Meeting shall be held upon the call of KANJIKAI and shall be presided over by the chairman of KANJIKAI.

(4.3) A resolution of the General Meeting shall be passed by a majority vote of the members present at such a meeting. A proxy vote shall also be deemed valid.

(4.4) General Meeting shall decide on the annual membership fee, an extra membership fee, the annual budget, the annual statement of accounts, and the other important issues that are proposed by KANJIKAI.

5. [KANJIKAI(Steering Committee)]

(5.1) KANJIKAI members shall be elected through the votes by CDs21 members and a subsequent resolution at General Meeting. The term of KANJIKAI membership shall be one (1) year from the date of his/her appointment, but the reappointment of KANJIKAI member shall be allowed.

(5.2) KANJIKAI, as an executive organization, shall be responsible for steering CDs21.

(5.3) KANJIKAI shall have a chairman.

(5.4) The chairman of KANJIKAI shall be elected through the votes by KANJIKAI members. The term of the chairmanship shall be one (1) year from the date of his/her appointment but the reappointment of the chairman shall be allowed.

(5.5) KANJIKAI shall deliberate on the basic policy of CDs21, regarding the course of action, membership fees, budgets, organizations and other important issues, and shall report and/or

propose to General Meeting on necessary matters.

- (5.6) The chairman of a Committee shall be entitled to attend KANJIKAI meeting.
- (5.7) KANJIKAI shall have a power to organize a new committee as well as a KANJIKAI ad hoc meeting.
- (5.8) A resolution of KANJIKAI shall be passed by a majority vote of the members present at KANJIKAI meeting. A proxy vote shall also be deemed effective.

6. [Committee, Working Group, and Study Group]

- (6.1) CDs21 shall organize various Committees, Working Groups and Study Groups..
- (6.2) The chairman and the vice-chairman of each Committee shall be elected by KANJIKAI. The term of the chairmanship shall be one (1) year from the date of his/her appointment, but the reappointment shall be allowed.
- (6.3) Each Committee shall consist of the Committee Chairman, Vice-Chairman ,and the Head and Sub-head of Working Groups of the respective Committees.
- (6.4) The Committee shall be authorized to organize an ad hoc Committee, Working, and/or Study group meeting upon the approval of KANJIKAI.
- (6.5) Each Working Group and Study Group shall have a Head elected voting of each of group members.
- (6.6) Each Working Group shall be composed of CDs21 members, who shall make contribution to attain the Working Group's aim.

7. [Secretary Office]

- (7.1) Secretary Office shall set up its office at a place to be determined by KANJIKAI.
- (7.2) Secretary Office members shall be commissioned by the KANJIKAI.
- (7.3) Secretary Office members shall handle the matter based on resolutions made by General Meeting and/or KANJIKAI.
- (7.4) After the end of each fiscal year, Secretary Office shall promptly have the audit of accounts and report to KANJIKAI on the annual statement of the accounts.
- (7.5) Secretary Office shall handle public relations activities according to the instructions given by KANJIKAI.

Article 7. (Compliance with the Laws)

CDs21 is a nonprofit, voluntary association and shall comply with applicable laws, including, but not limited to the relevant antitrust laws.

Article 8. (Accounting and Auditing)

1. The fiscal year shall be from April 1 to March 31 of the following year.
2. KANJIKAI shall appoint two auditors from its members.

The terms of the auditors shall be one(1) year.

Article 9. (Internal Regulation)

KANJIKAI shall have a power to stipulate Internal Regulation required for steering CDs21 within the scope of this Charter.

Article 10.(Dissolution)

CDs21 may dissolve its association subject to the resolution of General Meeting.

*** Supplementary Provisions (April 1 , 2001)**

1. This Charter shall be effective as of April 1, 2001.
2. CDs21 shall operate as a new organization as a result of mutual consultation and the decision between the Orange Forum and Multimedia CD Consortium of Japan.
3. This Charter may be reviewed and revised by a resolution of General Meeting.
4. Activities under CDs21 shall, in no way, bind upon its members nor shall exclude other third parties.
5. The type of font to be used for the name and the abbreviation of CDs21 (CDs21 soryushonzu, CDs21 Solutions, CDs21) shall be decided in due course.
6. The following Committees, Working Groups, Study Groups and Committee ad hoc shall be organized at the start of CDs21 in April 2001.

(a) Technical Committee [TC]

Technical Working Group 1 [TWG1] : R Physical
Technical Working Group 2 [TWG2] : RW Physical
Technical Working Group 3 [TWG3] : R/RW Logical
Audio ad hoc

(b) Study Committee [SC]

Study Working Group 1 [SWG1] : Solutions
Study Working Group 2 [SWG2] : Related & Future Technologies
Study Working Group 3 [SWG1] : Archiving
Study Group:

- 1) Earth Environmental Protection Study Group
- 2) Copyright Related Issues Study Group

(c) Communication Committee [CC]

Communication Working Group 1 [CWG1] : Members
Communication Working Group 2 [CWG2] : Consumer & PR

7. Promoting companies at the start of CDs21 in April, 2001

(Total of 13 companies)

DENNO SHOKAI CO., LTD.
HICOM Corporation
Matsushita Electric Industrial Co.,Ltd.
MITSUI CHEMICALS, INC.
Philips Japan, Ltd
PIONEER CORPORATION
RICOH COMPANY, LTD.
Sony Corporation
TAIYO YUDEN CO., LTD.
TDK Corporation
TOPPAN PRINTING CO., LTD.
VICTOR COMPANY OF JAPAN, LIMITED
YAMAHA CORPORATION

* Supplementary Provisions (April 1 , 2002)

1.Fund:

The carry-over amount of ¥17,853,891.-, which was transferred from MMCD and OSJ at the start of CDs21 Solutions in April 2001, shall be reserved as a fund of this organization and be made use of

effectively for its future activities.
2.The fund shall be used in line with a proposition
of KANJIKAI and upon subsequent approval by
the General Meeting.

* Supplementary Provisions (July 19 , 2005)

For the purpose of expanding the scope of CDs21 solutions
activities to various CD and overall optical disc standards, Article 2(Purpose),
Article 3(Activity) and Article4(Membership) of this Charter shall be revised.

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