

Guidelines for Derivative Works

Introduction

LOY CO., Ltd. (hereinafter referred to as "LOY", "We", "Us", or "Our" as the case may be) has established the following guidelines (hereinafter referred to as the "Guidelines") for Derivative Works regarding the contents belong to LOY and LOY's talents (hereinafter collectively referred to as "LOY's Contents") for the safe and secure enjoyment by the fans. Please note that these Guidelines are applied to Derivative Works created by individuals. As for usage by groups, companies, or any other legal entities, please contact us separately.

Definition of "Derivative Works"

In these Guidelines, the creation of a new work by adding originality and creativity to LOY's Contents (excluding music contents) is defined as "Derivative Work".

As long as you comply with these Guidelines, you may create Derivative Works without LOY's permission.

NOTE: If you want to create new works based on LOY's music content, please refer to "Derivative Works of LOY's Music Content" mentioned later in this page.

Any content that is copied as is, or that lacks originality or creativity (including, but not limited to, simply changing colors or trimmed content) is not regarded as Derivative Works. In this case, therefore, these Guidelines do not apply and you need LOY's permission to use LOY's Contents.

Use of Derivative Works by LOY

By publishing or using Derivative Works, you agree to allow LOY and third parties designated by LOY to use the Derivative Works by free of charge without any restrictions. LOY will determine the scope of published or used Derivative Works by LOY's sole discretion, regardless of your usage of LOY's talents' names, titles of LOY's Content, or tags on social networking services.

LOY's use of Derivative Works includes, but is not limited to: (i) using and/or introducing Derivative Works in live broadcasts, social networking services, etc. and (ii) official

merchandising.

Please note that LOY basically will not make prior notification regarding the use of Derivative Works.

Prohibited Derivative Works

LOY prohibits any Derivative Works which fall into the following categories:

- Anything that LOY or LOY's talents find offensive.
- Anything that defames LOY or LOY's talents.
- Anything that is intended to damage the image, honor, or dignity of LOY or LOY's talents.
- Anything containing expressions offensive to public order and morals.
- Anything containing antisocial expressions.
- Anything containing specific ideological, creedal or religious, or political messages.
- Anything that infringes the rights of third parties.
- Any content that falsely claims to be or could be misinterpreted as LOY's Contents or LOY's official recognition.
- Any other content that LOY deems inappropriate.

Sale of Derivative Works

Derivative Works may be sold or distributed only if LOY can reasonably judge that such activity is within the scope of hobby (e.g. exhibiting at Expo or Comiket, selling small-scale art books, etc.).

The followings are prohibited: (i) sales by corporations and (ii) sales and/or distribution by individuals as a business activity.

For clarity, reproduction and/or modification of LOY's Contents is not deemed as Derivative Works and therefore cannot be sold or distributed.

LOY will determine whether the act of selling constitutes a business activity or not, taking into consideration various factors (e.g. production volume, sales price, etc.). If LOY decides your activity to be a business activity, you must discontinue the sale at LOY's request.

About Clipped Videos

Although not considered as Derivative Works, you may create and post "clipped videos" that

cut out portions of the content of our talent's videos (hereinafter referred to as "Clipped Videos") without LOY's permission.

The followings are prohibited when you are creating and uploading Clipped Videos:

- Contents prohibited under "Prohibited Derivative Works."
- Thumbnails or clipped videos that are significantly different from the content of the stream or video itself.
- Selling and/or distributing Clipped Videos for a fee*.

*The use of monetization schemes provided in video posting platforms such as YouTube are excluded from here. Please use such video posting platforms in compliance with the terms and conditions of each service.

Derivative Works of LOY's Music Content

For all of LOY's music contents, you may record your own song and/or musical performance as the covers and post such covers on video posting platforms without LOY's permission. If you want to use covers created by third parties other than yourself, contact such third parties by yourself for the permission.

Please note that such Derivative Works may be detected by Content ID on YouTube or any other automated identification system on other video posting platforms. As a result of such detection, you may get a copyright strike from the video posting platforms, deletion of your videos, account suspension, and/or any other measures which the video posting platforms decided to take. LOY will not be liable for any consequences caused by such detections.

Other

- In no event shall LOY be liable for any obligation or damage arising from Derivative Works occurred to creators of Derivative Works or any third parties.
- Please note that LOY may not be able to answer questions regarding Derivative Works.
- If you discover any unauthorized use of LOY's Contents or any work that violates these Guidelines, please contact us.

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LOY Co., Ltd.