



Reports on Earnings Results for FY2024 (Fiscal year ending March 31st, 2025) and Management Policy Explanation Materials

(April 1, 2024 to March 31, 2025)

May 8, 2025

Really! Mad+Pure

Avex Inc.
TSE Prime 7860

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Consolidated Results

Financial Highlights

Topics

Da-iCE
“Da-iCE ARENA TOUR 2025
-EntranCE-”



The decrease in revenue and profit is attributable to factors including the recording of provision for doubtful accounts for certain clients, decreased revenue from local operations in the Asia and Middle East regions, and the completion of commissioned work in the video streaming business, which contributed to revenue in the previous fiscal year.

(million yen)	FY2023	FY2024	YoY	Rate	Reference: FY2024 forecast (Disclosed Feb. 13)
Net sales	133,387	131,691	-1,695	-1.3%	—
Operating profit	1,265	-1,819	-3,084	—	-1,800
Profit attributable to owners of parent	987	1,138	+151	+15.4%	1,800

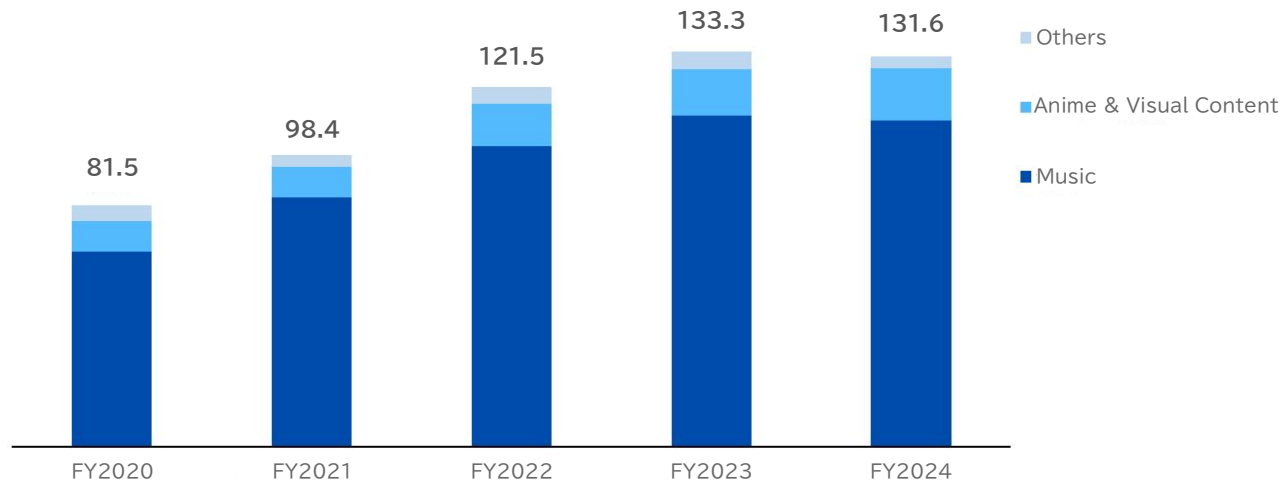
Overview of Business Results

- ✓ The decrease in revenue was primarily due to a reduction in the release of large-scale titles.
- ✓ Lower operating profit resulted from recording a provision for doubtful accounts for certain clients, decreased revenue in local Asia and Middle East operations, and the completion of commissioned work in the video streaming business, which contributed to revenue in the previous fiscal year.
- ✓ Profit attributable to owners of parent increased due to the transfer of shares of subsidiaries during 1Q and 2Q (disclosed on March 21 and June 21, 2024)

While the Anime & Visual Content Business saw an increase in revenue, consolidated net sales slightly decreased due to a decline in revenue in the Music Business.

Trends in Consolidated Net Sales

(billion yen)



Note: The net sales figures in the graph are for reference only, as internal sales have been proportionally allocated to each segment and deducted.

Consolidated Statements of Income

Lower gross profit margin was due to decrease in profitability in the local businesses of the Asia and Middle East regions and the completion of commissioned work in the video streaming business. Also, higher operating expenses, partly from the recording of provision for doubtful accounts for certain clients, led to a loss in operating profit.

(million yen)	FY2023	FY2024	YoY	Rate
Net sales	133,387	131,691	-1,695	-1.3%
Cost of sales	94,097	95,852	+1,754	
Gross profit	39,289	35,839	-3,450	-8.8%
Gross profit margin	29.5%	27.2%	-2.3pt	
Personnel expenses	13,421	12,659	-762	
Sales promotion and advertising expenses	8,049	7,913	-135	
General expenses	16,553	17,085	+531	
Total SG&A expenses	38,024	37,658	-366	
Operating Profit	1,265	-1,819	-3,084	—
Operating margin	0.9%	—	—	

Results by Segment

Profit in the Music Business declined due to the recording of provision for doubtful accounts for certain clients and the completion of commissioned work in the video streaming business. In the Anime & Visual Content Business, sales and profit increased due to strong box office performance.

Net Sales by Segment

(million yen)	FY2023	FY2024	YoY	Rate
Music Business	115,938	114,574	-1,364	-1.2%
Anime & Visual Content	16,118	18,492	+2,374	+14.7%
Other Businesses	6,271	4,109	-2,161	-34.5%
Adjustment	-4,941	-5,485	-543	—
Total	133,387	131,691	-1,695	-1.3%

Operating Profit by Segment

(million yen)	FY2023	FY2024	YoY	Rate
Music Business	1,596	-1,180	-2,776	—
Anime & Visual Content	-17	299	+316	—
Other Businesses	-312	-939	-627	—
Adjustment	-1	0	+2	—
Total	1,265	-1,819	-3,084	—

Note: In the fiscal year ending March 31st, 2025, the allocation method and amount of GMF (Group Management Fees) have been reviewed, and the operating profit of each segment for the previous fiscal year has been partially retrospectively adjusted to match the current allocation method and amount

Revenue declined due to a decrease in the release of large-scale titles.

(million yen)	FY2023	FY2024	YoY	Rate
Net Sales in the Music Business	115,938	114,574	-1,364	-1.2%
Live	44,375	45,571	+1,195	+2.7%
Merchandising	6,772	7,465	+693	+10.2%
Management	7,974	9,706	+1,731	+21.7%
Music package	24,723	21,445	-3,278	-13.3%
Digital music distribution	13,007	13,909	+901	+6.9%
Music publishing	2,927	3,214	+286	+9.8%
E-Commerce	15,305	16,535	+1,230	+8.0%
Fan clubs	1,329	1,585	+256	+19.3%
Other	9,845*	8,172	-1,673	-17.0%
Operating profit	1,596	-1,180	-2,776	—
Operating margin	1.4%	—	—	—

		FY2023	FY2024	YoY
Overview of Live Concerts	Total number of performances	1,265	1,132	-133
	Stadium	32	32	+0
	Arena	129	174	+45
	Hall & Live House class	1,104	926	-178
	Audience (ten thousand people)	344	318	-26
	Average ticket price (yen)	12,851	12,782	-69
Overview of Music Package	Unit price (yen)	2,615	2,950	+335
	Albums Units (thousands)	4,146	5,486	+1,340
	Unit price (yen)	1,080	1,161	+81
	Singles Units (thousands)	6,165	4,669	-1,496
	Unit price (yen)	5,409	6,164	+755
	DVD/Blu-ray Units (thousands)	2,256	904	-1,352

Note 3: Number of performances, audience, and average price for the overview of Live Concerts include our commissioned live concerts (only concerts for which the Company manages ticket sales) and exclude online live concerts, stage performances, events, etc.

Note 4: Average price and units for the overview of Music Package are for new releases only (including sales on consignment).

*: Including the sales of 1.26 billion yen from the outsourced operations of Avex Broadcasting & Communications Inc. recorded in the former Digital Business segment (terminated in the end of June 2023)

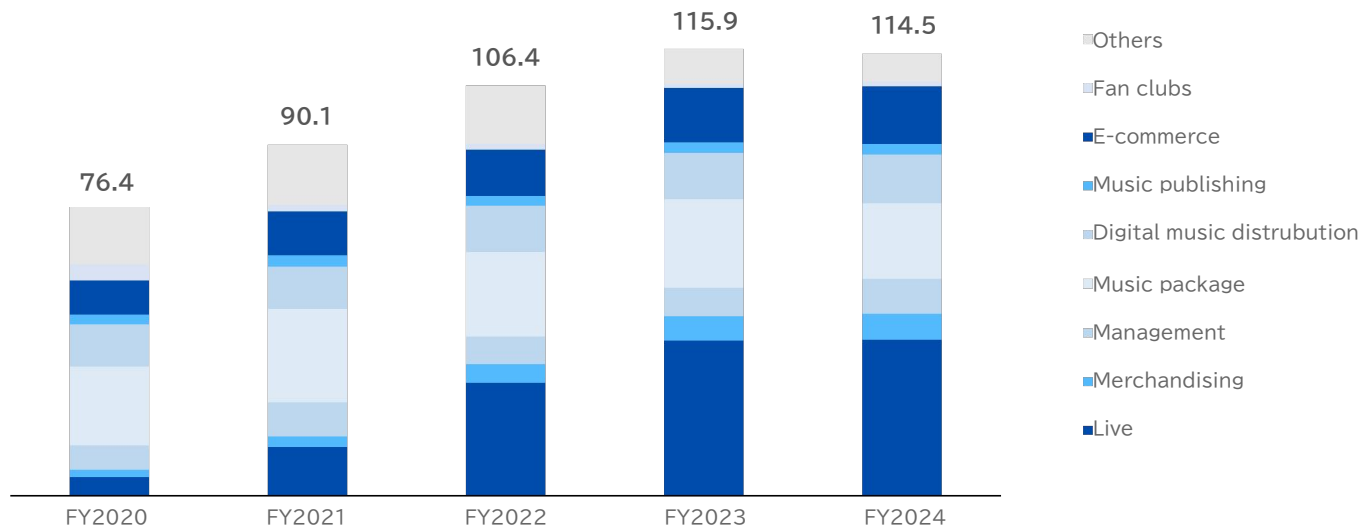
Note 1: In the net sales in each sub-segment, transactions within the subsegment have not been eliminated.

Note 2: In the fiscal year ending March 31st, 2025, the allocation method and amount of GMF (Group Management Fees) have been reviewed, and the operating profit of each segment for the previous fiscal year has been partially retrospectively adjusted to match the current allocation method and amount.

While below the previous fiscal year's net sales, which included the release of major titles and live performances, revenue remained above the level of two fiscal years prior.

Net Sales Trends in the Music Business

(billion yen)



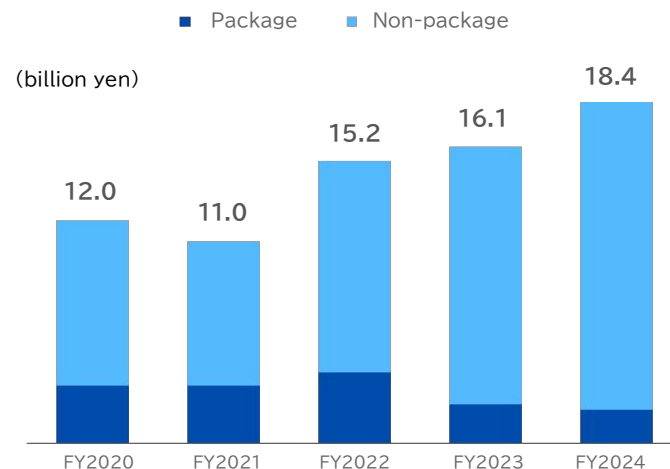
Note: The sub-segment "Other" includes sales of digital video distribution recorded in the former Digital Business and sales of outsourced operations of Avex Broadcasting & Communications Inc. (terminated at the end of June 2023).

Anime & Visual Content Business

Revenue and profit increased due to strong box office performance of film titles.

(million yen)	FY2023	FY2024	YoY	Rate
Net sales in the Anime & Visual Content Business	16,118	18,492	+2,374	+14.7%
Package	2,158	1,835	-323	-15.0%
Non-package	13,960	16,657	+2,697	+19.3%
Operating profit	-17	299	+316	—
Operating margin	—	1.6%	—	—

Net Sales Trends in the Anime & Visual Content Business



Note 1: Non-package net sales include distributed profit from production committee, film distribution, events, live concerts, etc.

Note 2: In the net sales in each sub-segment, transactions within the subsegment have not been eliminated.

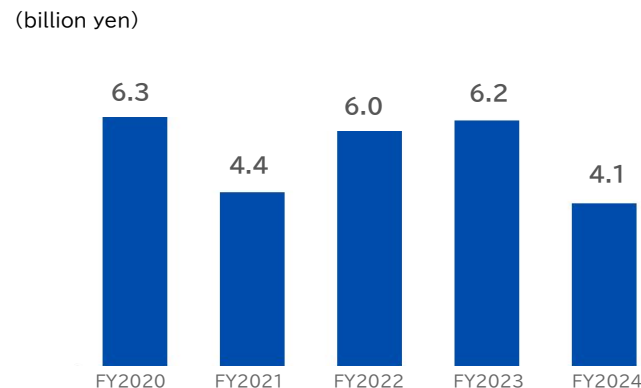
Note 3: In the fiscal year ending March 31st, 2025, the allocation method and amount of GMF (Group Management Fees) have been reviewed, and the operating profit of each segment for the previous fiscal year has been partially retrospectively adjusted to match the current allocation method and amount

Other Businesses

Revenue and profit declined significantly, mainly due to a decrease in large-scale events held in Saudi Arabia compared to the previous year, along with falling short of targets for acquiring other business deals, in local businesses in the Asia and Middle East regions.

(million yen)	FY2023	FY2024	YoY	Rate
Net sales in Other Businesses	6,271	4,109	-2,161	-34.5%
Operating profit	-312	-939	-627	—
Operating margin	—	—	—	—

Net Sales Trends in Other Businesses



Note: In the fiscal year ending March 31st, 2025, the allocation method and amount of GMF (Group Management Fees) have been reviewed, and the operating profit of each segment for the previous fiscal year has been partially retrospectively adjusted to match the current allocation method and amount.

Consolidated Results Forecast for FY2025

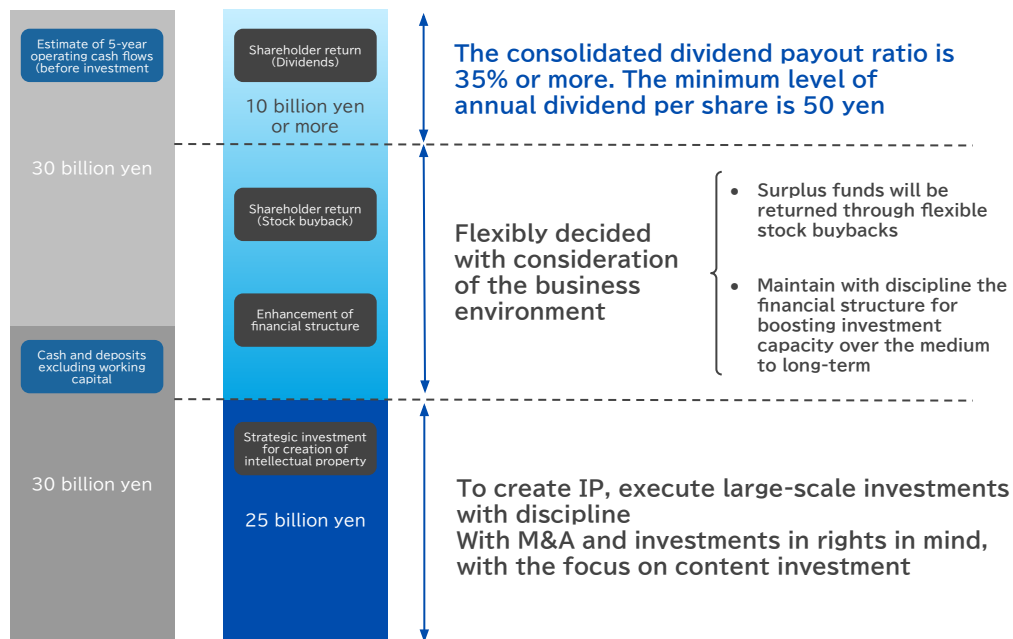
For the fiscal year ending March 31st, 2026, we forecast operating profit of 3.0 billion yen and net income of 1.2 billion yen. We plan to maintain a dividend payout ratio of 35% and a minimum annual dividend of 50 yen.

(million yen)	FY2024 (results)	FY2025 (forecast)	YoY	Rate
Net sales (Reference value)	131,691	-	-	-
Operating profit	-1,819	3,000	+4,819	-
Profit attributable to owners of parent	1,138	1,200	+61	+5.4%
Annual dividends (yen)	50	50	±0	-

State of Capital Allocation

Continuing to maintain a minimum dividend of 50 yen in accordance with the dividend policy, a large-scale stock buyback of 4.3 billion yen was executed in the previous fiscal year. Moving forward, we will actively invest in IP that excel globally and focus on expanding our business.

Plan at the time of Medium-term Business Plan announcement
(Before revision of target measures)



The situation so far

- ✓ Continue to provide a minimum dividend of 50 yen
(Total Amount of approximately 6.6 billion yen from FY2023 to FY2025)
- ✓ Stock buyback totaling 4.3 billion yen
(Purchase completed from May 2024 to December 2024)
- ✓ Continuing investments in development of IP with global potential as well as establishing “avex Youth” studio in Sakurashinmachi, and executing investments such as acquisition of S10
- ✓ Transferred stock of 4 subsidiaries and reviewed business portfolio

Actions to Achieve Business Management that is Conscious of the Cost of Capital and the Stock Price

ROE remains below the cost of shareholders' equity excluding the impact of the sale of the HQ building. We are enhancing corporate value through business strategies for growth in the medium- to long-term and initiatives to reduce the cost of shareholders' equity.

Evaluation of the current situation

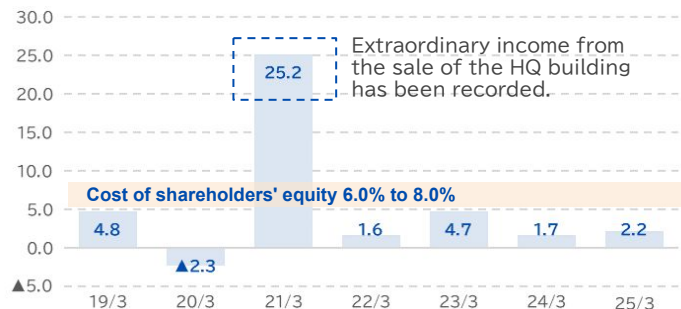
Though PBR is over 1x,
ROE remains below the cost of shareholders' equity.

PBR
(times)



ROE

and
the cost of
shareholders'
equity (%)



Action policies

Business strategy

- While prioritizing global IP creation, drive mainstay businesses that maximize IP value and strategic rights acquisition through M&A, etc.
 - Implement company-wide structural reforms for improvement of profitability.
- * See “2. Towards Mid- to Long-term Growth”

Capital and Financial Strategy

- Implement measures that will increase capital profitability, including shareholder returns.
- Enhance disclosure, including the disclosure of non-financial information, through integration report, etc.
- Promote dialogue with shareholders.

2 | Towards Mid- to Long-term Growth

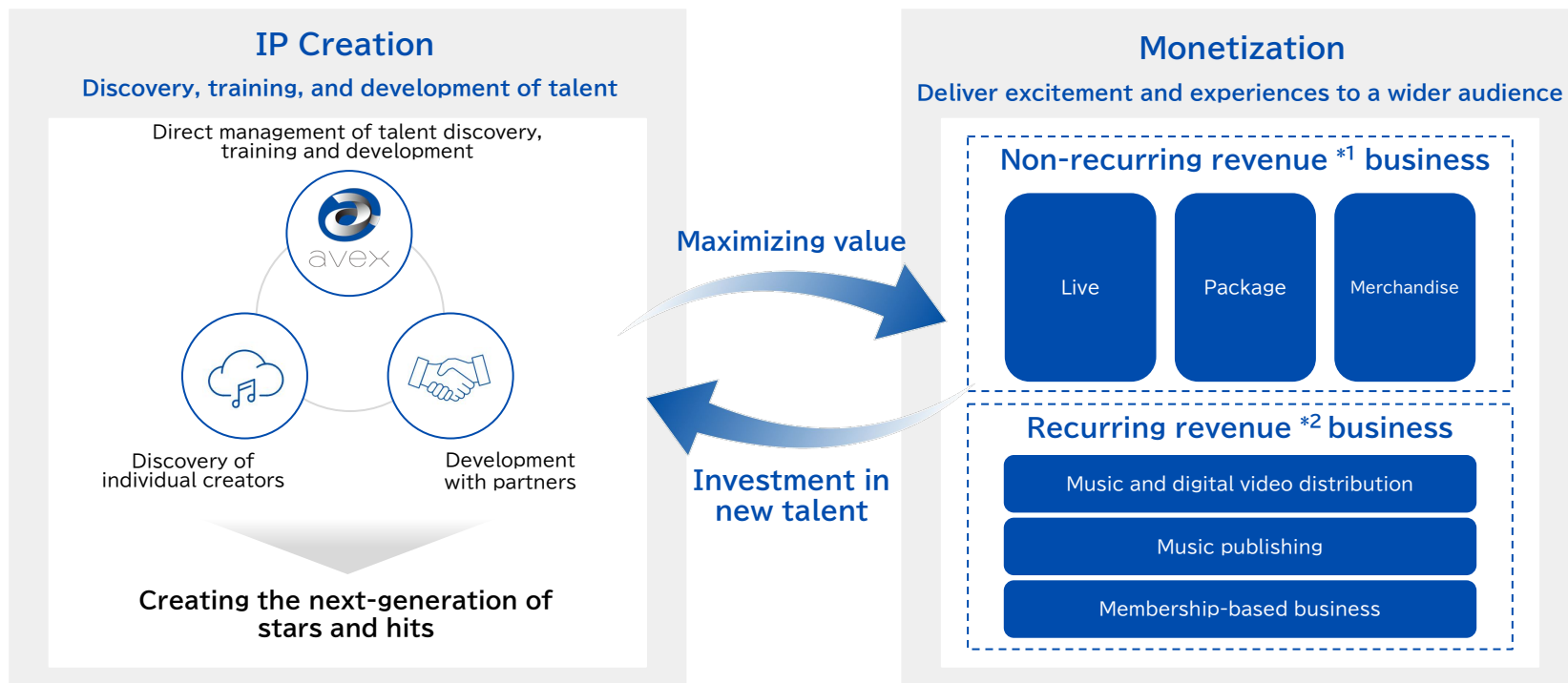
Topics

XG *from XGALX
“Coachella Valley Music and Arts
Festival” Sahara Stage



Avex's Business Model

Our business focuses on talent discovery, training and development (IP creation) and the maximization of the value of our talent. In recent years, we have especially channeled our efforts into the creation of IP targeting the global market.



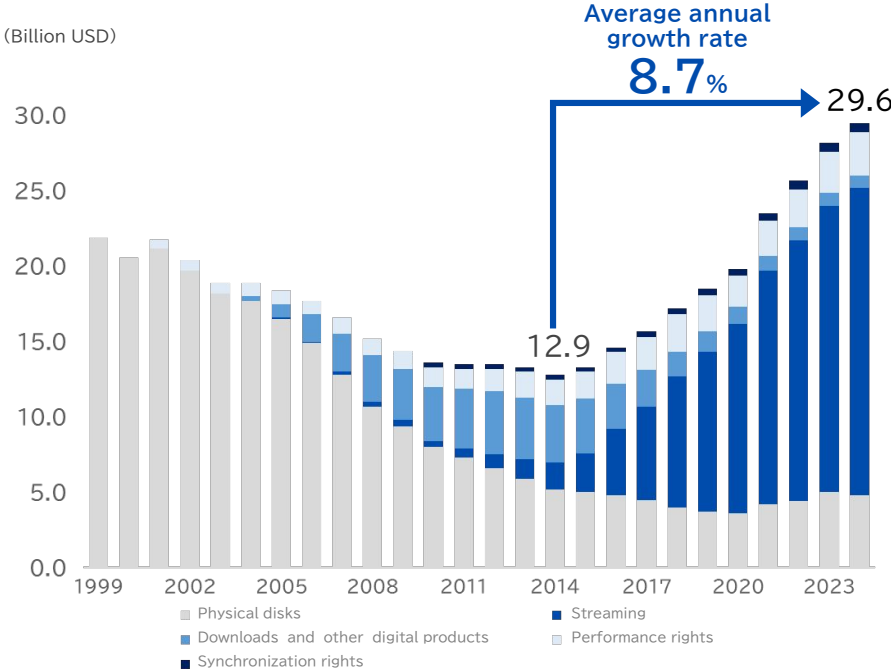
*1: "Non-recurring business" refers to income from ticket sales at live performances, sales of package products, and merchandise sales.

*2: "Recurring business" refers to recurring income such as monthly revenue from music and video streaming services, music-related copyright royalties, and fan club membership fees.



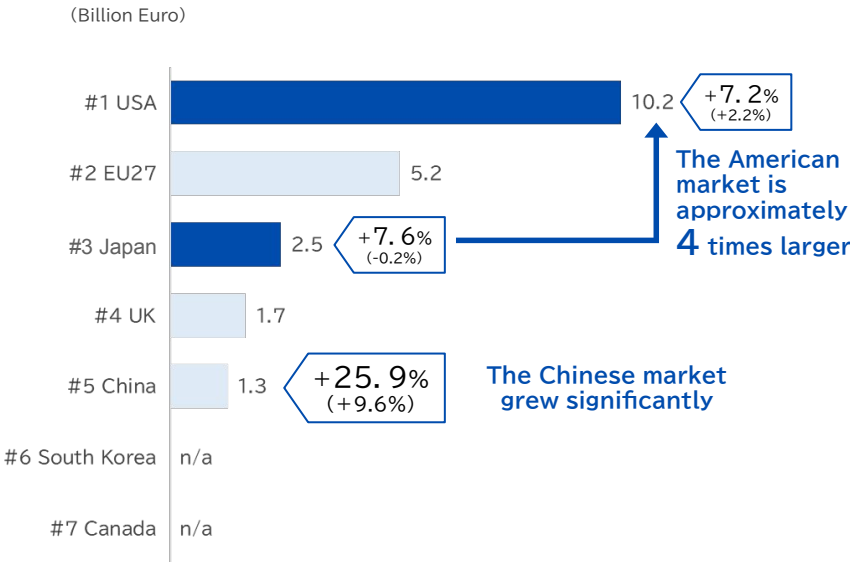
The music market is continually growing, primarily overseas, indicating the high business potential in this market.

Global recorded music market (1999-2024)



Source:IFPI / Global Music Report 2025
IFPI / Music in the EU 2024

Recorded music market by region (2023)

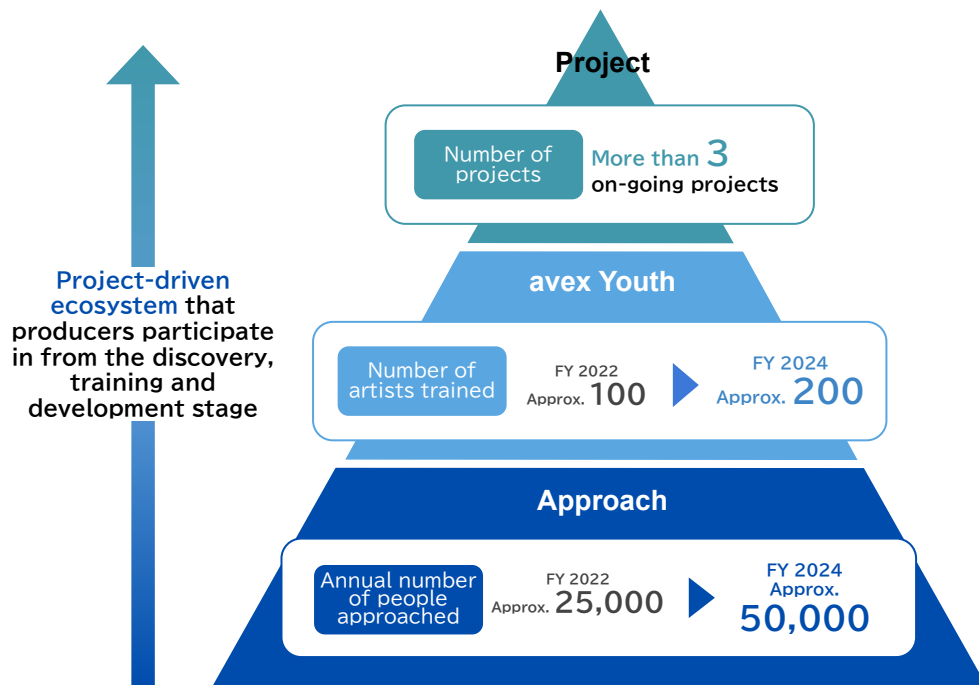


Note: The percentage figures represent the growth rate during 2022-2023 (figures in parentheses are for 2023-2024)

Strengthening the Structure for Talent Discovery, Training and Development that Facilitates the Global IP Creation

The institution for talent discovery, training and development targeting global markets has been strengthened and aims to continuously create IP.

“avex Youth”, an institution for talent discovery, training and development



Investment into global IP creation

XGALX Project*

*from JAKOPS



Next-gen Projects



WARPs Project


New Project

Multiple debuts planned this fiscal year


Value Chain Development on a Global Scale

We are developing a value chain that leverages our unique strengths to maximize the value of IP.

Creative and Promotion

 Collaborate and develop strategies with the front-line team by utilizing the network in the US

Overseas Performance

 Organize world tours with “AEGX”, a joint business established with AEG Presents in the US


Digital Music Distribution

Sign contracts and strengthen connections with global DSPs and leading local DSPs


Overseas E-commerce

 In-house e-commerce channel to expand globally—large-scale replacement (planned)

Fan Clubs

 Manage fan clubs globally

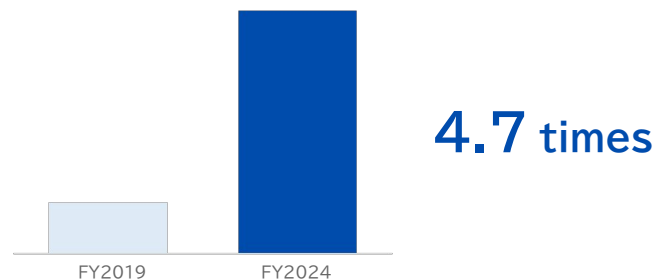
Merchandise

 Locally produce merchandise for overseas performances

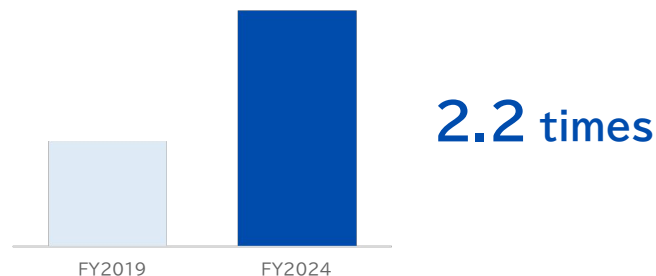
Results within the Global Market

Over the past five years, our overseas sales have steadily expanded, resulting in unprecedented achievements.

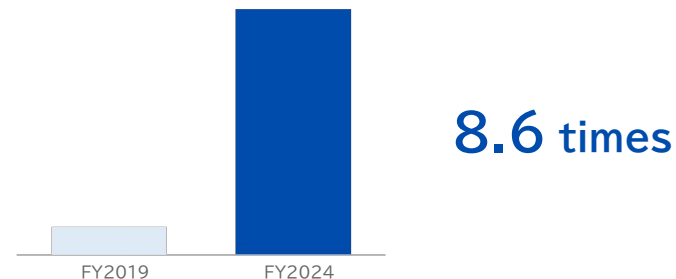
Live performances
Number of overseas audiences



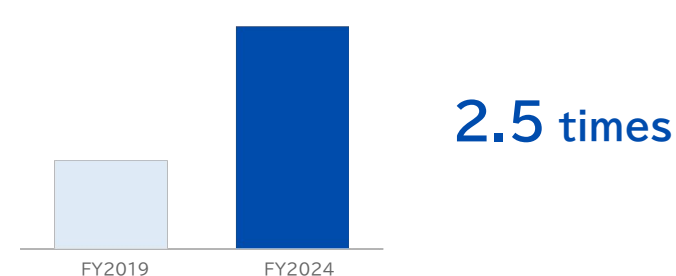
Music streaming Overseas sales



Goods and package products
Overseas sales



Music publishing Overseas sales

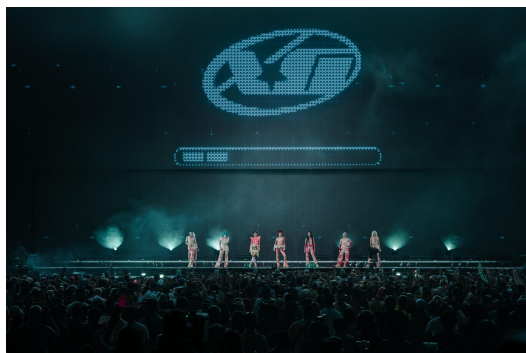


Example 1: XG

Starting with their first world tour, they have expanded their global activities.



As the last stop on their world tour in which they will visit **35 cities**, they **will perform at the Tokyo Dome**



Performed as the closing act **at Coachella, one of the largest music festivals in America**

They are the first Japanese artist to close the Sahara Stage

Approx. **400,000**
First world tour audience

Approx. **85%**
Percentage of international social media platform followers

Over **12 million**
Number of followers on social media platforms

Example 2: Global Expansion of Prominent Artists

In addition to the growth of new IP, prominent artists are also expanding overseas.

The Growth of “ONE OR EIGHT”



TikTok: 870,000
YouTube: 750,000
Instagram: 500,000

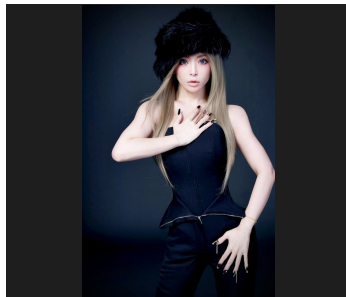
Percentage of overseas
social media followers

70%

April 2025

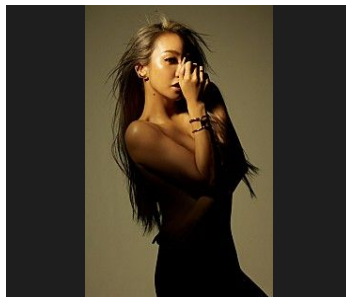
Global Major Contract

Global Expansion of Prominent Artists



Ayumi Hamasaki

In 2024, an Asia tour will be held for the first time in 16 years
Shanghai Mercedes-Benz Arena
The largest audience record in the history of overseas artists



Kumi Koda

One of the nation's largest outdoor music festivals **“2025 Beijing Super Strawberry Music Festival”**
Furthermore, making first appearances at major festivals in Taiwan and Dongguan, Guangdong Province in Asia.

Other new artists have also expanded overseas

Example 3: Anime Business

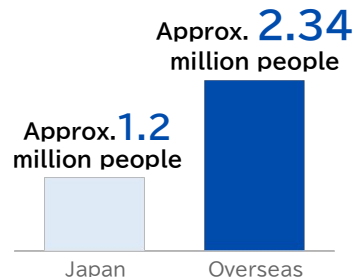
Global expansion of Anime works has been increasing as well.

Film “Look Back” (Released in June 2024)



© Tatsuki Fujimoto/Shueisha
© 2024 “Look Back” Production Committee

- ✓ Huge hit with approximately **1.2** million people in Japan
- ✓ Moreover, achieved approximately **2** times the attendance overseas



- ✓ **Distributed globally** by Prime Video (Amazon)

Animated TV program “Gachiakuta” (Due to be broadcast in July 2025)



©Kei Urana , Hideyoshi Andou , Kodansha / GACHIAKUTA Production Committee

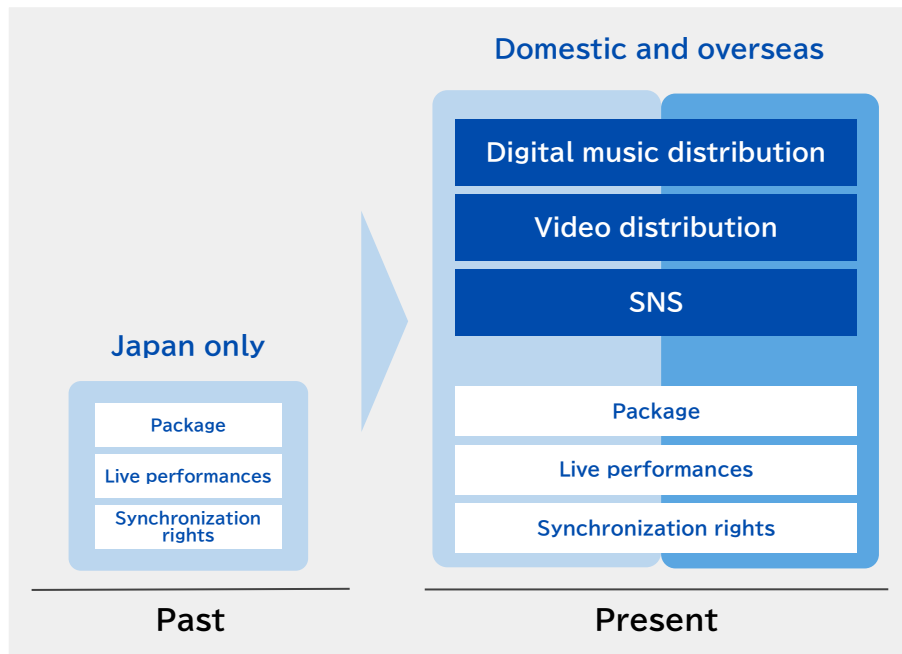
July 2025
Broadcast begins in the “Agaru Anime” slot nationwide on 28 CBC/TBS affiliated stations

Global distribution will begin simultaneously with the TV broadcast

Expansion of Catalog Business

The catalog business as a “recurring business” has increased as streaming services have developed.

Diverse monetization methods



The potential of catalog in the streaming market

Streaming market:
Growth forecast

Size of the worldwide market

CAGR **4.9%**

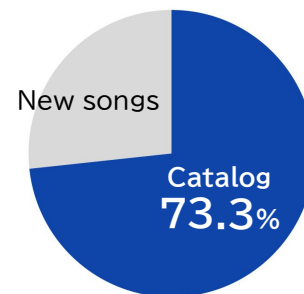
(2025-2029)

Streaming service users

750 million □ **1.2 billion**

(2024)

(2029 forecast)



Over 70% of all of the music listened to in the US via streaming services **are catalog** (released more than 18 months ago)

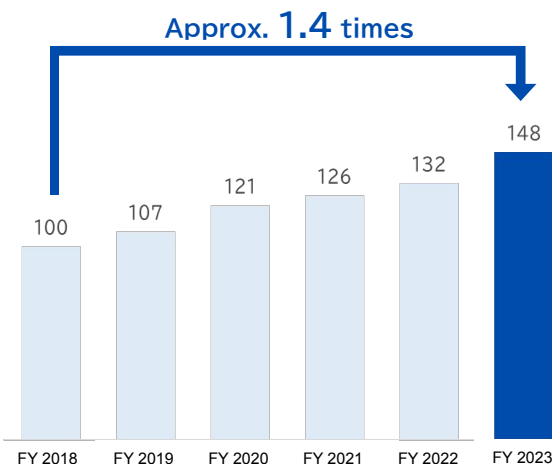
Source:IFPI / Global Music Report 2025
Statista, Luminate

Expansion of Catalog Business (Continued)

The asset value of our catalog is increasing. As a company with the potential to maximize the value of rights, we will strategically promote their acquisition, with M&A activities both in Japan and other countries also in mind.

Increase in revenue from catalog

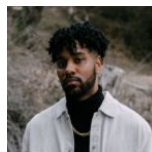
Streaming revenue trend
Song released before FY2018
(Calculated using the value of FY2019 as 100)



Note: Songs with net sales over 1 million yen as of Y2024 were added

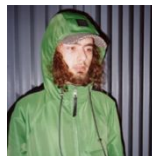
Initiatives to increase rights

Music publishing contracts
with global hitmakers



Harv

Justin Bieber
“Peaches ft. Daniel
Caesar, Giveon”



GENT!

Doja Cat
“Agora Hills”

- Maximize the share of music publishing rights (IP) owned by avex
- Building global top-level master IP through collaboration with affiliated artists

Our advantage

Creation of more revenue opportunities

- ✓ Promotional activities that make the most of Group's 360-degree function
- ✓ Various networks in the entertainment industry

Protection of rights

- ✓ Royalty distribution and processing are done in-house
- ✓ Extensive knowledge about the handling of rights as a rights holder

Maximize the value of music rights
(=maximize royalties received by the rights holder)

Expansion of Catalog Business (Continued)

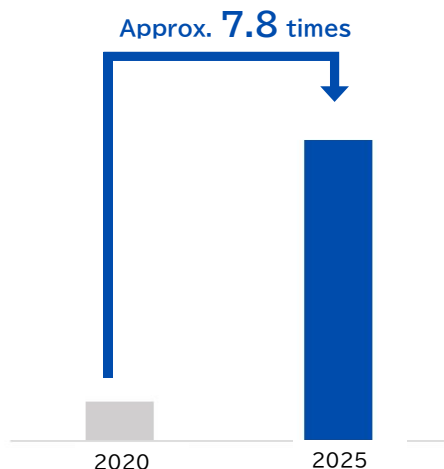
The expansion of the catalog business has also boosted the streaming business in the anime business. We will continue to develop more content to increase the areas of operation.

Growth of Anime Times

The viewing time of Anime Times users has increased thanks to its expansive lineup comprised of both new and old titles.

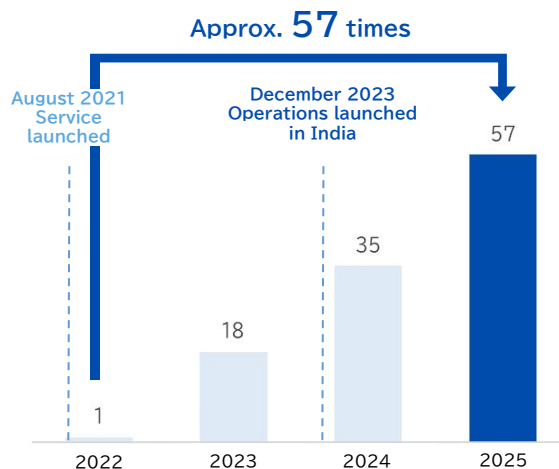
Total number of works supplied
by Anime Times Co., Ltd.

(titles)



Anime Times Channel
Annual Total Viewing Time

(million hours)

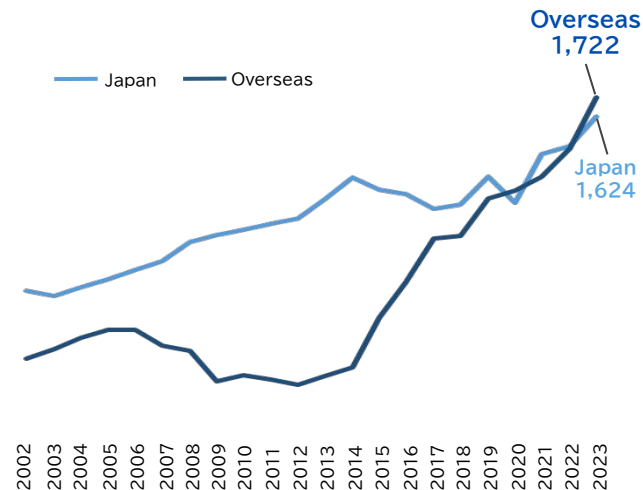


Expansion of the anime market

The overseas market is growing more significantly than the domestic market.

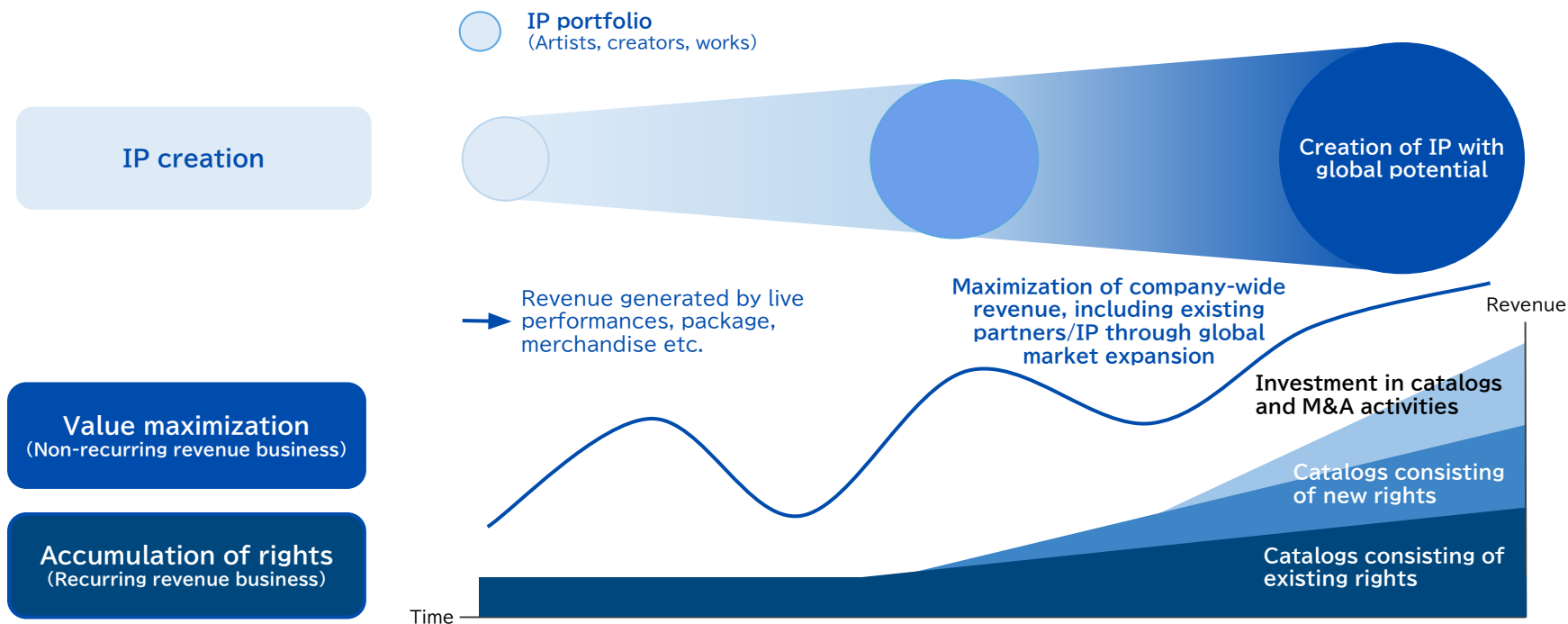
In India, the number of titles distributed via Anime Times doubled in about one year.

(billion yen)



Growth Vision for the Future

Continue to focus on IP creation and the development of the value chain with global expansion in mind. Additionally, strategically promote business expansion with existing partners/IP in core businesses and strategically accumulate rights.



Structural Reform to Improve Profitability

Invest in IP while at the same time restructuring the whole company to increase profitability.

Recognition of issues

Business portfolio

Consequences of the diversification of business:

1. Increase in indirect division costs
2. Risk of bad debts

Increased number of IP

Increased and dispersed resource allocation

Price increase

Increased costs including production costs, personnel expenses, and logistical costs



Priority Measures

Business portfolio and IP selection and concentration

- Step back from inefficient, non-core businesses
- Review insourcing/outourcing functions
- Review contracts

Cost optimization

- Review budget implementation and investment rules
- Optimize business processes through digital transformation
- Review indirect divisions

Governance reform

- Reviewing transaction flow including pre-confirmation, transaction approval, monitoring, etc. in credit management
- Strengthening monitoring in expense execution

Summary

1

The success from the creation of IP targeting the global market is unprecedented. We will continue to create IP as the first priority.

2

Each business segment that helps maximize the value of IP will focus on its main operations, such as the label and live performance segments, and resources will be allocated accordingly while also strengthening and making the most of the external partner network.

3

In terms of “rights” accumulated through IP and business, we will strategically acquire rights, with domestic and international M&As also in mind, to build a sound foundation for the recurring revenue business.

4

We will undergo restructuring within the whole company to increase profitability.

Appendix.

Topics

“Look Back”

© Tatsuki Fujimoto/Shueisha

© 2024 “Look Back” Production Committee



Highlights from FY2024

Major news releases

May 9	Press release	Avex USA Makes Strategic Investment in U.S. Management Company S10 Entertainment
May 9	IR	Notice Regarding Establishment of Nomination and Compensation Committee
May 9	IR	Notice Regarding Determination of Matters Related to Treasury Share Acquisition(*)
May 15	Notice	Kuroiwa, Representative Director, CEO, Named as One of Billboard Magazine's 2024 International Power Players. He has been Included in the List for the Second Time and for Two Consecutive Years
June 14	Press release	"a-nation 2024" is to be Held! One of the Summer Festivals with the Largest Cumulative Attendance in Japan is to be Held for the First Time in Four Years
June 21	IR	Notice of Change in Consolidated Subsidiary
June 21	IR	Notice of Revision of Financial Results Forecast
August 23	Press release	The animated film, "Look Back," created by manga artist Tatsuki Fujimoto, tells a coming-of-age tale and has attracted an audience of one million viewers. The film achieved the highest box office revenue during the first three days after its release. It became a trending subject.
December 24	IR	Notice Regarding the Status and Completion of Acquisition of Treasury Stocks
December 27	IR	INTEGRATED REPORT 2024 issued
February 13, 2025	IR	Notice of Revision of Financial Results Forecast
February 27, 2025	IR	Notice of Reorganization of Group Companies and Change of Board Members
March 25, 2025	Notice	Additional Acquisition of Equity Interest of US-based Artist Management Company (Consolidated Subsidiary), Reorganization of US Headquarters, and Changes in US Subsidiary Company Representative (CEO) and Executive Officers
May 8, 2025	IR	Notice of Non-Payment of Board Members' Compensation

Content highlights from FY2024

Music

Live/Event	Month(s)	Artist/Genre	Title
	May-June	NCT DREAM	2024 NCT DREAM WORLD TOUR <THE DREAM SHOW 3 : DREAM()SCAPE> in JAPAN
	May-May 2025	XG	1st WORLD TOUR “The first HOWL”
	July-August	TREASURE	2024 TREASURE FAN MEETING~WONDERLAND~
	August-September	WayV	2024 WayV CONCERT [ON THE Way] IN JAPAN
	September	Festival	a-nation 2024
	September	Festival	ULTRA JAPAN 2024
	November-March 2025	Nissy	Nissy Entertainment “Re:10th Anniversary Final” BEST DOME TOUR
	November-December	2NE1	2024 2NE1 CONCERT [WELCOME BACK] IN JAPAN
	November-April 2025	Tohoshinki	Tohoshinki 20th Anniversary LIVE TOUR “ZONE”
	November-February 2025	BE:FIRST	BE:FIRST DOME TOUR 2024-2025 “2:BE”
	March 2025-May	NCT 127	NCT 127 4TH TOUR ‘NEO CITY : JAPAN - THE MOMENTUM’



a-nation 2024



Nissy



Tohoshinki

Content highlights from FY2024

Music

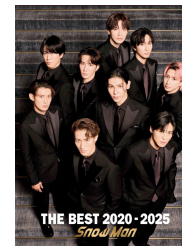
Package	Format	Release Date	Artist	Title
	Singles	July	THE RAMPAGE from EXILE TRIBE	24karats GOLD GENESIS
		July	Snow Man	BREAKOUT / Kimi wa Bokuno mono
		October	SKE48	Kokuhakushinpakusuu
	Albums	October	Snow Man	RAYS
		November	Tohoshinki	ZONE
		November	XG	AWE
		December	NCT WISH	WISHFUL
		January 2025	Snow Man	THE BEST 2020 - 2025
	DVD/Blu-ray	August	Kis-My-Ft2	For dear life
		December	Hikaru Iwamoto, Tatsuya Fukazawa, and Ryota Miyadate	Matsuri GALA



SKE48



NCT WISH



Snow Man

Content highlights from FY2024

Anime & Visual Content Business

Live/Event	Genre	Month(s)	Title
	Live	May	Paradox Live Dope Show 2024
	Film	June	<i>Look Back</i>
	Film	October	<i>JUNGKOOK : I AM STILL</i>
	Stage	January 2025	Stage “Hwarang: The Poet Warrior Youth”
	Film	January 2025	Animated film <i>The Rose of Versailles</i>
Package	Format	Release	Title
		April	<i>Lumberjack the Monster</i>
	DVD/Blu-ray	April-May	<i>Boku no Kokoro no Yabai Yatsu</i> (The Dangers in My Heart) Vol. 5 and 6
		March 2025	<i>Vampire Hunter D</i> Blu-ray special collection



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Look Back



©Norio Sakurai (Akita Publishing) / Boku Yaba Production Committee
Boku no Kokoro no Yabai Yatsu



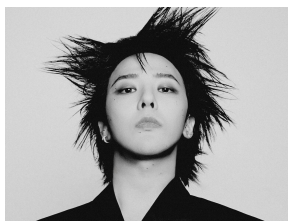
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/ Vampire Hunter D Production Committee
Vampire Hunter D

Content highlights from Q1 of FY2025 and after

Music

Live/Event

Month(s)	Artist/Genre	Title
May 2024-May	XG	1st WORLD TOUR “The first HOWL”
November 2024-April	Tohoshinki	Tohoshinki 20th Anniversary LIVE TOUR ~ZONE~
March-May	NCT 127	NCT 127 4TH TOUR ‘NEO CITY : JAPAN - THE MOMENTUM’
April	Ayumi Hamasaki	ayumi hamasaki ASIA TOUR 2025 ㊦ I am ayu -ep. II-
April-May	TREASURE	2025 TREASURE FAN CONCERT [SPECIAL MOMENT] IN JAPAN
May	G-DRAGON	G-DRAGON 2025 WORLD TOUR [Übermensch] IN JAPAN
May	Events	STAR ISLAND 2025
September	Festival	ULTRA JAPAN 2025
October-November	Da-iCE	Da-iCE ARENA TOUR 2025 -EntranCE-
October-December	Koda Kumi	KODA KUMI 25th ANNIVERSARY TOUR 2025 ~De-CODE~
January 2026	BLACKPINK	BLACKPINK 2025 WORLD TOUR



G-DRAGON



Koda Kumi



BLACKPINK

Content highlights from Q1 of FY2025 and after

Music

Package	Format	Release Date	Artist	Title
	Singles	April	CHO TOKIMEKI♡SENDENBU	The World's Greatest Idol/Himitsu no Fufufu
		May	XG	MILLION PLACES
		May	BE:FIRST	GRIT
		May	YUTA	TWISTED PARADISE
	Albums	April	NCT WISH	poppop
		May	Kis-My-Ft2	MAGFACT
		May	TEN	Humanity
	DVD/Blu-ray	June	Snow Man	Snow Man Dome Tour 2024 RAYS



CHO TOKIMEKI♡SENDENBU



BE:FIRST

Content highlights from Q1 of FY2025 and after

	Format	Release	Title
TV/Film	TV/Streaming	July	<i>GACHIAKUTA</i>
	TV/Streaming	July	<i>Osomatsu-san</i> season 4
	TV/Streaming	October	<i>KINGDOM</i> season 6
	Film	October	<i>Zombie land saga Yumeginga Paradise</i>

	Genre	Month(s)	Title
Live/Event	Live	April	Secret AiPri x PriPara Puri♡PuriLive
	Live	June	Paradox Live Dope Space



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Osomatsu-san



©Zombie land saga Yumeginga Paradise Production Committee
Zombie land saga Yumeginga Paradise

Consolidated Statements of Income

(million yen)	FY2023	FY2024	YoY	Rate
Net sales	133,387	131,691	-1,695	-1.3%
Cost of sales	94,097	95,852	+1,754	
Gross profit	39,289	35,839	-3,450	-8.8%
Gross profit margin	29.5%	27.2%	-2.3pt	
Personnel expenses	13,421	12,659	-762	
Sales promotion and advertising expenses	8,049	7,913	-135	
General expenses	16,553	17,085	+531	
Total SG&A expenses	38,024	37,658	-366	
Operating profit	1,265	-1,819	-3,084	—
Operating margin	0.9%	—	—	
Non-operating income	337	442	+104	
Non-operating expenses	465	327	-137	
Ordinary profit	1,137	-1,703	-2,841	—
Extraordinary income	2,031	6,486	+4,454	
Extraordinary losses	404	1,020	+615	
Profit before income taxes	2,764	3,762	+997	+36.1%
Income taxes	1,584	2,420	+835	
Profit attributable to non-controlling interest	193	203	+10	
Profit attributable to owners of parent	987	1,138	+151	+15.4%

Consolidated Balance Sheet and Cash Flow Statement

Consolidated Balance Sheet

(million yen)	End of Mar. 2023	End of Mar. 2024
(Assets)		
Current assets	86,463	77,774
Cash and deposits	47,075	35,690
Trade accounts receivable, etc.	22,700	22,952
Inventories	4,502	4,910
Other	12,184	14,221
Non-current assets	23,424	28,186
Property, plant and equipment & intangible assets	8,809	11,161
Investment securities	8,214	9,839
Other	6,400	7,185
Total assets	109,887	105,960
(Liabilities)		
Current liabilities	51,587	52,834
Notes & accounts payable-trade, etc.	1,762	2,972
Accounts payable - other	31,163	29,511
Income taxes payable	1,050	2,105
Refund liabilities	1,705	1,323
Other	15,905	16,921
Non-current liabilities	2,200	2,013
Total liabilities	53,787	54,848
(Net assets)		
Total net assets	56,099	51,112
Total liabilities & net assets	109,887	105,960

Consolidated Statement of Cash Flows

(million yen)	FY2023	FY2024
Cash flow statement		
Net cash provided by operating activities	3,691	-4,675
Net cash provided by investing activities	-2,399	928
Net Cash provided by financing activities	-2,360	-4,111
Consolidated cash flow	-1,068	-7,858
Effect of exchange rate change on cash and cash equivalents	-142	55
Net increase in cash and cash equivalents	-1,210	-7,803
Cash and cash equivalents at beginning of period	48,143	46,933
Decrease in cash and cash equivalents resulting from change in scope of consolidation	—	-3,439
Cash and cash equivalents at end of period	46,933	35,690
Free cash flows	1,291	-3,747

Music Business Result

(million yen)	FY2023	FY2024	YoY	Rate
Net sales	115,938	114,574	-1,364	-1.2%
Live	44,375	45,571	+1,195	
Merchandising	6,772	7,465	+693	
Management	7,974	9,706	+1,731	
Music package	24,723	21,445	-3,278	
Digital music distribution	13,007	13,909	+901	
Music publishing	2,927	3,214	+286	
E-Commerce	15,305	16,535	+1,230	
Fan clubs	1,329	1,585	+256	
Other	9,845	8,172	-1,673	
Cost of sales	82,549	83,829	+1,279	
Gross profit	33,388	30,744	-2,644	-7.9%
Gross profit margin	28.8%	26.8%	-2.0pt	
Personnel expenses	8,403	7,532	-870	
Sales promotion and advertising expenses	7,234	6,703	-530	
General expenses	8,105	9,029	+923	
GMF (Group management fee)	8,049	8,659	+610	
Total SG&A expenses	31,792	31,924	+131	
Operating profit	1,596	-1,180	-2,776	—
Operating margin	1.4%	—	—	

Note 1: In the net sales in each sub-segment, transactions within the subsegment have not been eliminated.

Note 2: In the fiscal year ending March 31st, 2025, the allocation method and amount of GMF (Group Management Fees) have been reviewed, and the operating profit of each segment for the previous fiscal year has been partially retrospectively adjusted to match the current allocation method and amount.

Anime & Visual Content Business Results

(million yen)	FY2023	FY2024	YoY	Rate
Net sales	16,118	18,492	+2,374	+14.7%
Package	2,158	1,835	-323	
Non-package	13,960	16,657	+2,697	
Cost of sales	12,324	13,945	+1,620	
Gross profit	3,794	4,547	+753	+19.9%
Gross profit margin	23.5%	24.6%	+1.1pt	
Personnel expenses	1,207	1,335	+128	
Sales promotion and advertising expenses	855	1,296	+441	
General expenses	671	768	+97	
GMF (Group management fee)	1,077	847	-230	
Total SG&A expenses	3,811	4,248	+436	
Operating profit	-17	299	+316	—
Operating margin	—	1.6%	—	

Note 1: In the net sales in each sub-segment, transactions within the subsegment have not been eliminated.

Note 2: In the fiscal year ending March 31st, 2025, the allocation method and amount of GMF (Group Management Fees) have been reviewed, and the operating profit of each segment for the previous fiscal year has been partially retrospectively adjusted to match the current allocation method and amount.

Other Businesses Results

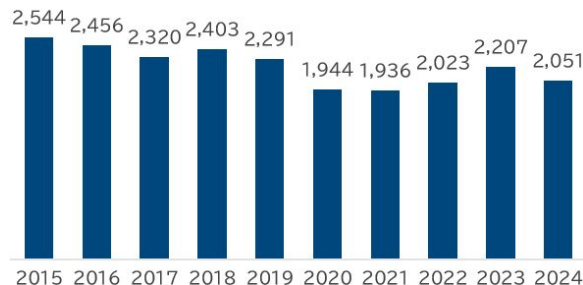
(million yen)	FY2023	FY2024	YoY	Rate
Net sales	6,271	4,109	-2,161	-34.5%
Cost of sales	3,781	2,720	-1,061	
Gross profit	2,490	1,389	-1,100	-44.2%
Gross profit margin	39.7%	33.8%	-5.9pt	
Personnel expenses	1,141	1,251	+109	
Sales promotion and advertising expenses	77	39	-37	
General expenses	928	943	+15	
GMF (Group management fee)	654	94	-560	
Total SG&A expenses	2,802	2,329	-473	
Operating profit	-312	-939	-627	—
Operating margin	—	—	—	

Note: In the fiscal year ending March 31st, 2025, the allocation method and amount of GMF (Group Management Fees) have been reviewed, and the operating profit of each segment for the previous fiscal year has been partially retrospectively adjusted to match the current allocation method and amount.

Related Market Data

(hundred million yen)

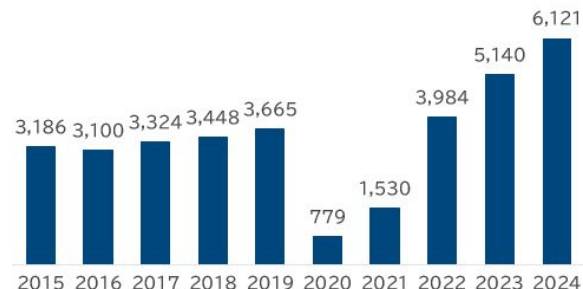
■ Music Package Market



Source: The Recording Industry Association of Japan

A decrease of 7.1% YoY, marking the first negative trend in 3 years.

■ Live Concert Market



Source: All Japan Concert and Live Entertainment Promoters Conference

The increase of 19.1% YoY is attributed to the impact of the operation of newly established arena venues in the Kanto region.

■ Paid Digital Music Distribution Market

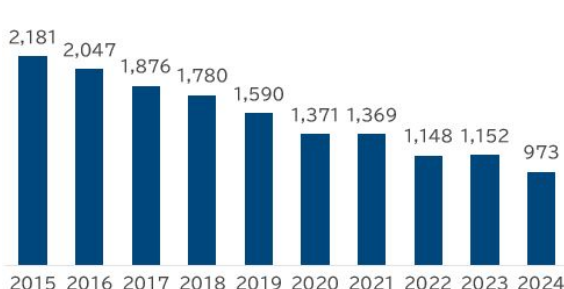
■ Streaming ■ Download, etc.



Source: The Recording Industry Association of Japan

The streaming market saw a YoY increase of 7.2%, driving the growth of the paid music distribution market.

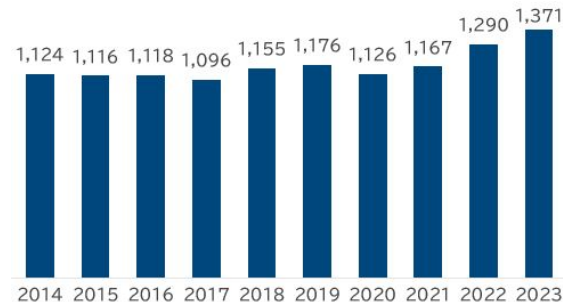
■ Video Software Market



Source: Japan Video Software Association

The YoY decline of 15.5% marks the first decrease in 2 years.

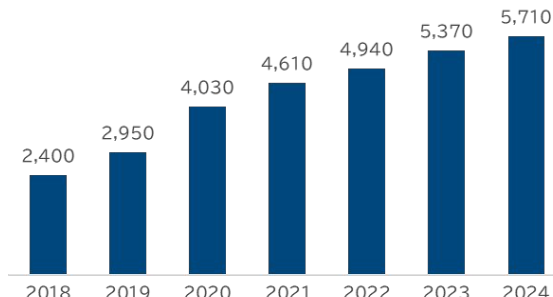
■ JASRAC Royalty Collections



Source: Japanese Society for Rights of Authors, Composers and Publishers

With a YoY increase of 6.3%, it reached an all-time high, driven by the expansion of streaming services and the live market.

■ Digital Video Distribution Service Market (Japan)



Source: Digital Content Association of Japan

Growth continues with a 6.3% increase compared to the previous year.

Disclaimer

The guidance for operating results and other information contained in this release were prepared by management based on currently available data and information.

Therefore, the document includes potential risks and uncertain elements. In particular, in Avex Inc.'s business domain, there are factors other than general economic conditions that may affect its performance.

Please note that actual results may greatly differ from guidance.

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