



# Earnings Results for FY2024 Q3

(Fiscal year ending March 31st, 2025)

(April 1, 2024 to December 31, 2024)

February 13, 2025

Really! Mad+Pure

**Avex Inc.**  
TSE Prime 7860

1

# Consolidated Results

Financial Highlights

## Topics

Ayumi Hamasaki  
「ayumi hamasaki ASIA TOUR  
2024 A (logo) ~I am ayu~」



Operating profit decreased due in part to the impact of the termination of the outsourced operations in the digital video distribution business recorded in the previous fiscal year, in addition to the posting of a provision of allowance for doubtful accounts regarding some business partners and a decline in the profitability of overseas business.

(Million Yen)	FY2023 Q3	FY2024 Q3	YoY	Rate
Net sales	94,382	92,607	-1,775	-1.9%
Operating profit	1,577	-1,262	-2,840	—
Profit attributable to owners of parent	1,437	2,155	+717	+49.9%

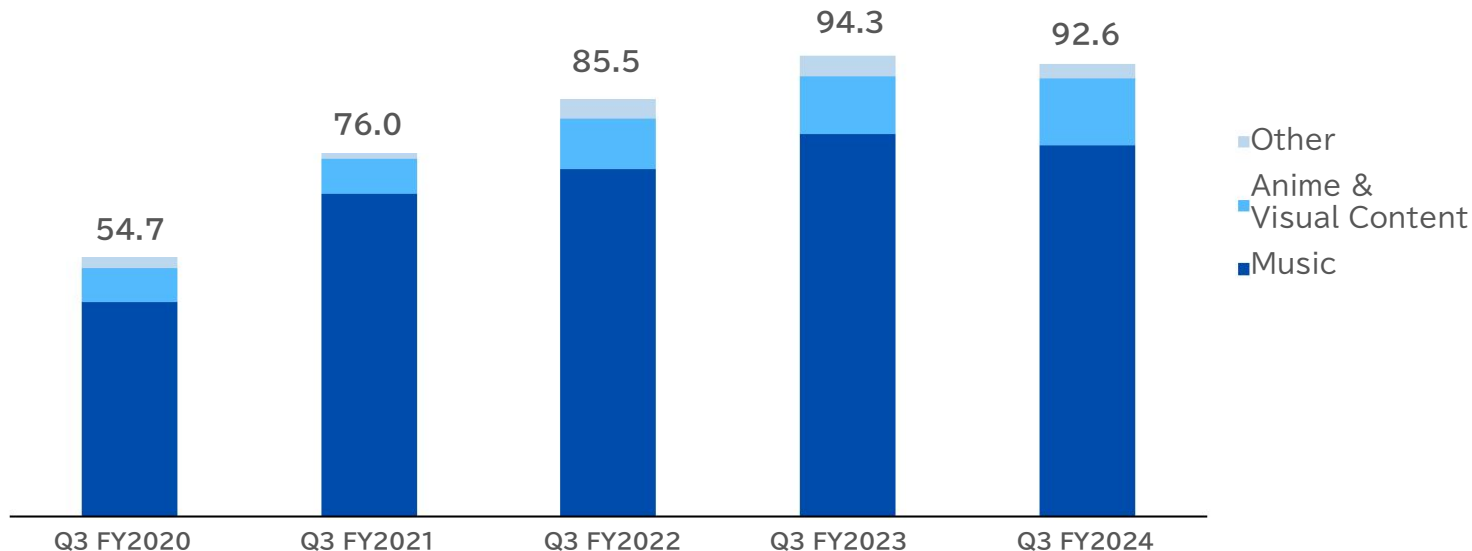
### Overview of Business Results

- ✓ Net sales declined due to a decrease in the number of Live Concerts at large venues, fewer package titles releases, and other factors.
- ✓ Operating profit decreased due in part to the impact of the termination of the outsourced operations in the digital video distribution business recorded in the previous fiscal year, in addition to the posting of a provision of allowance for doubtful accounts regarding some business partners and a decline in the profitability of overseas business.
- ✓ Profit increased due to the transfer of subsidiaries implemented in the first quarter and the second quarter (disclosed on March 21 and June 21, 2024).
- ✓ The full-year forecast was revised to reflect trends in business performance (See page 12).

Consolidated net sales declined only slightly, despite an increase in net sales in the Anime & Visual Content Business, offset by decreased net sales 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

The gross profit margin declined due to the termination of the outsourced operations in the digital video distribution business and a decline in profitability of overseas business. In addition, a provision of allowance for doubtful accounts was recorded about some business partners. These and other factors led to an increase in general expenses and resulted in an operating loss.

(million yen)	FY2023 Q3	FY2024 Q3	YoY	Rate
<b>Net sales</b>	94,382	92,607	-1,775	-1.9%
Cost of sales	65,379	66,238	+858	
<b>Gross profit</b>	29,003	26,368	-2,634	-9.1%
Gross profit margin	30.7%	28.5%	-2.2pt	
Personnel expenses	9,840	9,313	-526	
Sales promotion and advertising expenses	5,529	5,197	-331	
General expenses	12,055	13,119	+1,064	
Total SG&A expenses	27,425	27,631	+206	
<b>Operating Profit</b>	1,577	-1,262	-2,840	—
Operating margin	1.7%	—	—	

# Results by Segment

Net sales decreased in the music business due to the decrease in the number of Live Concerts at large venues, fewer package titles, the termination of outsourced operations in the digital video distribution business, and other factors.

Net sales from the Anime & Visual Content Business increased because film titles did well at the box office.

## Net sales by Segment

(million yen)	FY2023 Q3	FY2024 Q3	YoY	Rate
Music Business	81,243	79,265	-1,978	-2.4%
Anime & Visual Content	12,485	14,280	+1,794	+14.4%
Other Businesses	4,480	3,087	-1,392	-31.1%
Adjustment	-3,826	-4,025	-198	—
<b>Total</b>	<b>94,382</b>	<b>92,607</b>	<b>-1,775</b>	<b>-1.9%</b>

## Operating Profit by Segment

(million yen)	FY2023 Q3	FY2024 Q3	YoY	Rate
Music Business	1,378	-904	-2,283	—
Anime & Visual Content	227	221	-5	-2.4%
Other Businesses	-20	-586	-565	—
Adjustment	-7	6	+13	—
<b>Total</b>	<b>1,577</b>	<b>-1,262</b>	<b>-2,840</b>	<b>—</b>

Note: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the different segments in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.

Net sales declined due to a decrease in the number of Live Concerts at large venues, fewer package titles, and other factors.

(million yen)	Q3 FY2023	Q3 FY2024	YoY	Rate		Q3 FY2023	Q3 FY2024	YoY	
<b>Net Sales in the Music Business</b>	81,243	79,265	-1,978	-2.4%					
Live	30,020	29,451	-568	-1.9%	<b>Overview of Live Concerts</b>	Total number of performances	1,017	843	-174
Merchandising	4,995	5,385	+389	+7.8%		Stadium	15	14	-1
Management	5,319	7,053	+1,733	+32.6%		Arena	91	112	+21
Music package	17,766	15,154	-2,611	-14.7%		Hall & Live House class	911	717	-194
Digital music distribution	9,581	10,082	+500	+5.2%		Audience (ten thousand people)	211	191	-19
Music publishing	2,199	2,434	+234	+10.7%		Average ticket price (yen)	11,141	12,527	+1,387
E-Commerce	10,309	12,010	+1,700	+16.5%	<b>Overview of Music Package</b>	Albums Unit price (yen)	2,578	2,916	+339
Fan clubs	1,028	1,059	+31	+3.1%		Albums Units (thousands)	3,068	3,169	+101
Other	6,647*	5,439	-1,208	-18.2%		Singles Unit price (yen)	1,134	1,141	+7
<b>Operating profit</b>	1,378	-904	-2,283	—		Singles Units (thousands)	3,678	3,776	+98
<b>Operating margin</b>	1.7%	—	—	—		DVD/Blu-ray Unit price (yen)	5,246	5,692	+447
						DVD/Blu-ray Units (thousands)	2,168	588	-1,580

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).

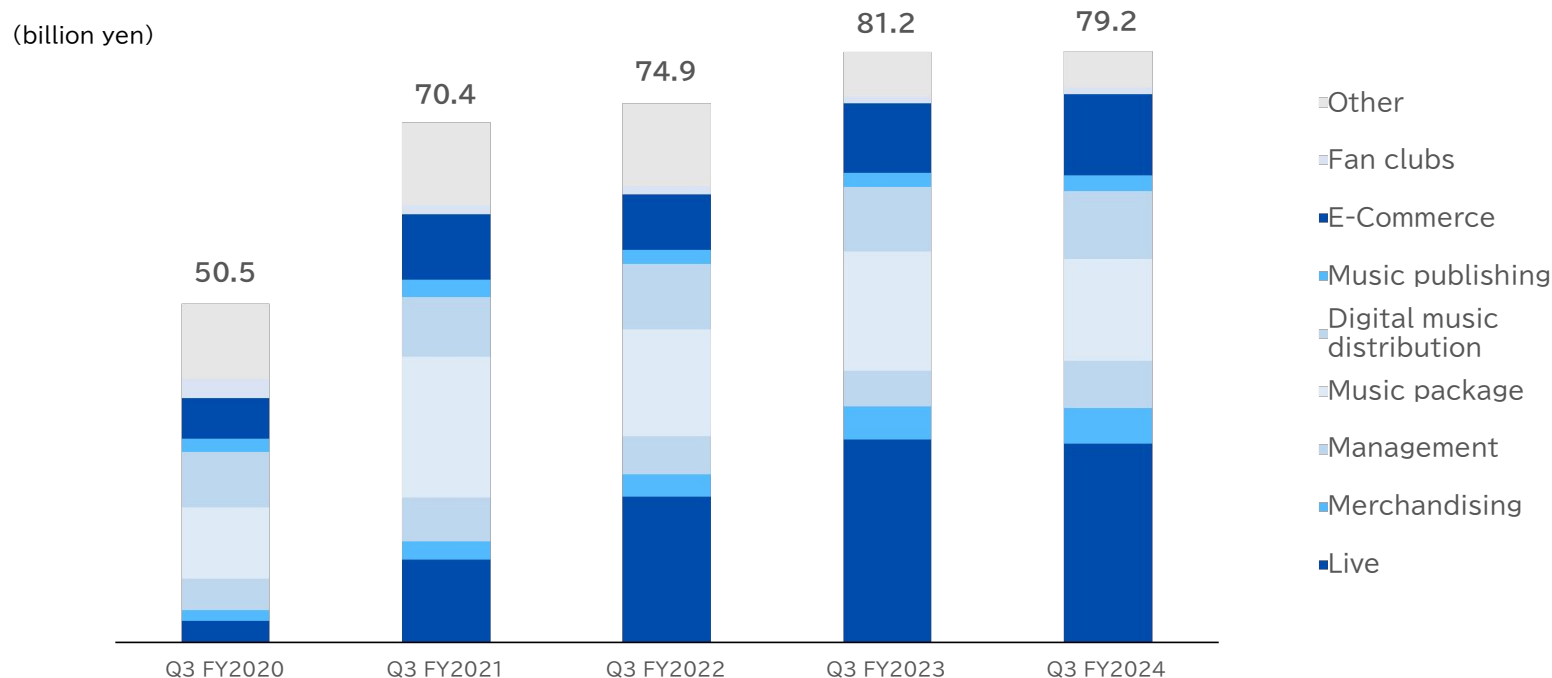
\*: Including the sales of 1.26 billion yen from the outsourced operations of Avex Broadcasting & Communications Inc. recorded in the former Digital Business segment (terminated in the end of June 2023)

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

Note 2: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.

Net sales trended above two years ago, despite falling below the net sales in the previous fiscal year, during which we held Live Concerts at large venues.

### Net Sales Trends in the Music Business

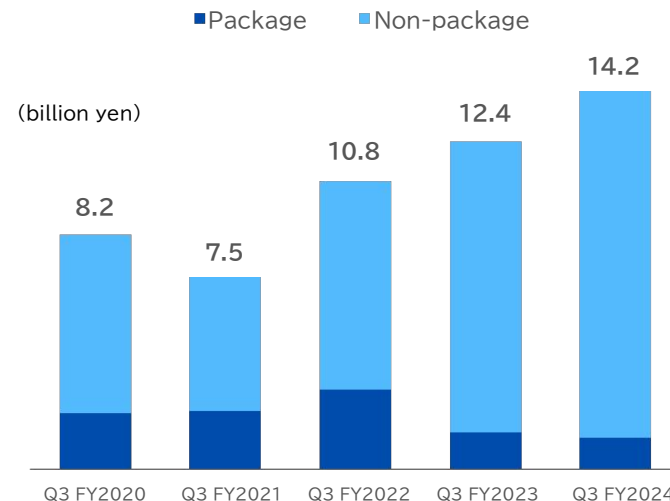


Note: The "Other" sub-segment includes sales of digital video distribution recorded in the former Digital Business and sales of outsourced operations of Avex Broadcasting & Communications Inc. (terminated at the end of June 2023).

Net sales increased because film titles did well at the box office.

(million yen)	Q3 FY2023	Q3 FY2024	YoY	Rate
<b>Net sales in the Anime &amp; Visual Content Business</b>	12,485	14,280	+1,794	+14.4%
Package	1,499	1,247	-251	-16.8%
Non-package	10,986	13,032	+2,046	+18.6%
<b>Operating profit</b>	227	221	-5	-2.4%
<b>Operating margin</b>	1.8%	1.6%	-0.2pt	—

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.

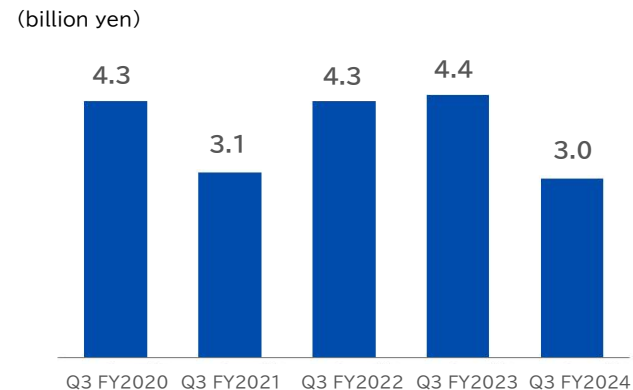
Note 2: In the net sales in each sub-segment, transactions within the subsegment have not been eliminated.

Note 3: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.

Both net sales and operating profit declined significantly due to fewer events held at large venues in Saudi Arabia compared to the previous fiscal year, as well as the unachieved acquisition of other projects, in Asia and the Middle East.

(million yen)	Q3 FY2023	Q3 FY2024	YoY	Rate
Net sales in Other Businesses	4,480	3,087	-1,392	-31.1%
Operating profit	-20	-586	-565	—
Operating margin	—	—	—	—

### Net Sales Trends in Other Businesses



Note: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.

## 2 | Regarding the FY 2024 Consolidated Earnings Guidance

# Consolidated Results Forecast for FY2024(\*Revised from the Values Announced on June 21)



(million yen)	Previous forecast (announced on June 21, 2024)	Revised forecast	Rate	Reference FY2023 results
<b>Operating profit</b>	2,000	-1,800	-3,800	1,265
<b>Profit</b>	4,500	1,800	-2,700	987

The consolidated results forecast for FY2024 was revised due to factors including the posting of provision of allowance for doubtful accounts for accounts receivables from some business partners in the Music Business segment and the unachieved acquisition of large projects, which were expected at the beginning of the fiscal year, in addition to a decline in locally earned revenue in the business in Asia and the Middle East in the Other Business segment.

\*Year-end dividend forecast will not be revised reflecting the above revisions to the consolidated results forecast.

In consideration of such performance trend, the Company's board strives to adapt to the change of business environment, review the business portfolio, withdraw or cutback from inefficient businesses, improve cost structure, and strengthen governance system. In addition, the Company plans on advancing in further IP development combined with advanced technology in our goals stated in the Mid-Term Management Plan "avex vision 2027." Furthermore, the Company plans on implementing strategic investment in relation to music publishing and master recording rights to advance IP synergy for the Group.

The details will be announced in later dates.

# Appendix.



Topics

「Paradox Live」  
©Paradox Live2025

# Highlights from Q3 of FY2024

## Major news releases

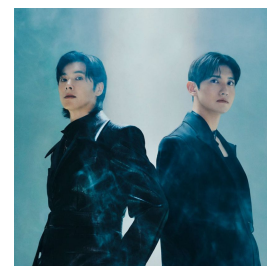
May 9	Press release	Avex USA Makes Strategic Investment in U.S. Management Company S10 Entertainment
May 9	IR	Notice Regarding Differences Between Financial Forecasts and Actual Results for Fiscal Year Ended March 31, 2024 and Differences Between Actual Results for Fiscal Year Ended March 31, 2024 and Previous Year
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
June 21	IR	Notice Regarding Issuance of New Shares as Restricted Stock Compensation
July 5	Press release	Creating Intellectual Property in the Domain of Art and Offering Interfaces with Artists, "MEET YOUR ART" is Recognized as a "This is MECENAT 2024" Activity
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.
August 23	Press release	Avex Pictures, in collaboration with Studio Dragon, the leading drama series production company in Asia, held "K-Drama Fest 2024 with Studio Dragon," the second project launched through their strategic partnership agreement.
November 12	Press release	"Opus" by Ryuichi Sakamoto nominated for Best New Age, Ambient, or Chant Album in the 67th Annual GRAMMY Awards
December 24	IR	Notice Regarding the Status and Completion of Acquisition of Treasury Stocks
December 27	IR	INTEGRATED REPORT 2024 issued

Note: "Notice of Status of Acquisition of Treasury Shares" is disclosed on the first business day of each month.

	Month(s)	Artist/Genre	Title
Live/Event	May-June	NCT DREAM	2024 NCT DREAM WORLD TOUR <THE DREAM SHOW 3: DREAM( )SCAPE> in JAPAN
	May-April 2025	XG	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”
	December-February 2025	BE:FIRST	BE:FIRST DOME TOUR 2024-2025 “2:BE”



a-nation 2024



Tohoshinki

## Content highlights from Q3 of FY2024

Music

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



SKE48



Kis-My-Ft2

## Content highlights from Q3 of FY2024

	Genre	Month(s)	Title
Live/Event	Film	June	<i>Look Back</i>
	Film	August	<i>KING OF PRISM -Dramatic PRISM.1-</i>
	Film	October	<i>JUNGKOOK : I AM STILL</i>
	Live	October-November	Paradox Live 2MAN SHOW
	Film	November	<i>BE:the ONE-MEANT TO BE-</i>

	Format	Release	Title
Package		April	<i>Lumberjack the Monster</i>
	DVD/Blu-ray	April-May	<i>Boku no Kokoro no Yabai Yatsu (The Dangers in My Heart) Vol. 5 and 6</i>
		November	Paradox Live Dope Show 2024



© Tatsuki Fujimoto/Shueisha © 2024 "Look Back" Production Committee  
*Look Back*



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

	Month(s)	Artist/Genre	Title
Live/Event	January 2025	Da-iCE	Da-iCE DAY 2025
	January-February 2025	Stage	CHITTY CHITTY BANG BANG
	February 2025	Events	Happy Cat Day MUSIC FESTIVAL 2025
	February-March 2025	GENIC	GENImeeting TOUR 2025 FUN FOR FAN ~Thank you very much~
	February-March 2025	Da-iCE	a-i contact TOUR 2025
	February 2025	NCT DREAM	NCTzen DREAM-JAPAN Meeting 2025 <NCT DREAM: DREAMIES' Wonderland>
	February 2025	Show Lo	SHOW LO 30th WORLD TOUR CONCERT TOKYO
	March-April 2025	Stage	Secret of Mana 3 TRIALS of MANA THE STAGE
	March-May 2025	NCT 127	4TH TOUR 'NEO CITY : JAPAN - THE MOMENTUM'



NCT 127



GENIC

	Format	Release Date	Artist	Title
Package	Singles	January 2025	Kis-My-Ft2	Curtain call
		February 2025	BE:FIRST	Spacecraft / Sailing
	Albums	January 2025	Snow Man	THE BEST 2020 - 2025
		February 2025	GENIC	if
		February 2025	FANTASTICS from EXILE TRIBE	Dimensional Bridge
		March 2025	THE RAMPAGE from EXILE TRIBE	(R)ENEW
		March 2025	WOLF HOWL HARMONY from EXILE TRIBE	WOLF
	DVD/Blu-ray	March 2025	Kis-My-Ft2	Kis-My-Ft2 Dome Tour 2024 Synopsis
		March 2025	J Soul Brothers III from EXILE TRIBE	J Soul Brothers III LIVE TOUR 2024 "ECHOES OF DUALITY"



Snow Man



J Soul Brothers III from EXILE TRIBE

## Content highlights from Q4 of FY2024 and after

	Genre	Month(s)	Title
Live/Event	Film	January 2025	<i>RM: Right People, Wrong Place</i>
	Stage	January 2025	Stage "Hwarang: The Poet Warrior Youth"
	Film	January 2025	<i>ENHYPEN WORLD TOUR "WALK THE LINE IN JAPAN"</i> live viewing
	Film	January 2025	Animated film <i>The Rose of Versailles</i>
	Film	January 2025	<i>IU Concert : The Winning</i>
	Live	February 2025	Puripara 10th Anniversary Thank you♡Music Live
	Genre	Release Date	Title
Package	DVD/Blu-ray	January-February 2025	<i>MF GHOST</i> 2nd Season Blu-ray BOX Sector 1/Sector 2
		January-March 2025	<i>Let This Grieving Soul Retire</i> Blu-ray Vol. 1 and 2



©Ikeda Riyoko Production/The Rose of Versailles Production Committee  
"The Rose of Versailles"



©Shuichi Shigeno, Kodansha / MF GHOST Production Committee  
"MF GHOST"

# Consolidated Statements of Income

(million yen)	Q3 FY2023	Q3 FY2024	YoY	Rate
<b>Net sales</b>	94,382	92,607	-1,775	-1.9%
Cost of sales	65,379	66,238	+858	
<b>Gross profit</b>	29,003	26,368	-2,634	-9.1%
Gross profit margin	30.7%	28.5%	-2.2pt	
Personnel expenses	9,840	9,313	-526	
Sales promotion and advertising expenses	5,529	5,197	-331	
General expenses	12,055	13,119	+1,064	
Total SG&A expenses	27,425	27,631	+206	
<b>Operating profit</b>	1,577	-1,262	-2,840	—
Operating margin	1.7%	—	—	
Non-operating income	82	280	+198	
Non-operating expenses	354	160	-194	
<b>Ordinary profit</b>	1,305	-1,141	-2,447	—
Extraordinary income	1,825	6,514	+4,689	
Extraordinary losses	295	666	+370	
<b>Profit before income taxes</b>	2,835	4,706	+1,870	+66.0%
Income taxes	1,272	2,360	+1,087	
Profit attributable to non-controlling interest	125	191	+65	
<b>Profit attributable to owners of parent</b>	1,437	2,155	+717	+49.9%

# Consolidated Balance Sheet and Cash Flow Statement

## Consolidated Balance Sheet

(million yen)	End of Mar. 2024	End of Dec. 2024
<b>(Assets)</b>		
<b>Current assets</b>	86,463	83,344
Cash and deposits	47,075	41,106
Trade accounts receivable, etc.	22,700	23,928
Inventories	4,502	5,530
Other	12,184	12,780
<b>Non-current assets</b>	23,424	26,630
Property, plant and equipment & intangible assets	8,809	10,918
Investment securities	8,214	8,762
Other	6,400	6,949
<b>Total assets</b>	<b>109,887</b>	<b>109,975</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>	51,587	55,575
Notes & accounts payable-trade, etc.	1,762	3,156
Accounts payable - other	31,163	27,252
Income taxes payable	1,050	1,617
Refund liabilities	1,705	1,410
Other	15,905	22,138
<b>Non-current liabilities</b>	2,200	2,461
<b>Total liabilities</b>	<b>53,787</b>	<b>58,036</b>
<b>(Net assets)</b>		
<b>Total net assets</b>	<b>56,099</b>	<b>51,938</b>
<b>Total liabilities &amp; net assets</b>	<b>109,887</b>	<b>109,975</b>

## Consolidated Statement of Cash Flows

(million yen)	Q3 FY2023	Q3 FY2024
<b>Cash flow statement</b>		
Net cash provided by operating activities	5,092	-2,091
Net cash provided by investing activities	-1,574	3,627
Net Cash provided by financing activities	-2,319	-4,066
Consolidated cash flow	1,198	-2,530
Effect of exchange rate change on cash and cash equivalents	-25	143
Net increase in cash and cash equivalents	1,172	-2,387
Cash and cash equivalents at beginning of period	48,143	46,933
Cash and cash equivalents at end of period	49,316	41,106
<b>Free cash flows</b>	<b>3,517</b>	<b>1,535</b>

# Music Business Results

(million yen)	Q3 FY2023	Q3 FY2024	YoY	Rate
<b>Net sales</b>	<b>81,243</b>	<b>79,265</b>	<b>-1,978</b>	<b>-2.4%</b>
Live	30,020	29,451	-568	
Merchandising	4,995	5,385	+389	
Management	5,319	7,053	+1,733	
Music package	17,766	15,154	-2,611	
Digital music distribution	9,581	10,082	+500	
Music publishing	2,199	2,434	+234	
E-Commerce	10,309	12,010	+1,700	
Fan clubs	1,028	1,059	+31	
Other	6,647	5,439	-1,208	
Cost of sales	56,480	57,293	+812	
<b>Gross profit</b>	<b>24,763</b>	<b>21,972</b>	<b>-2,790</b>	<b>-11.3%</b>
Gross profit margin	30.5%	27.7%	-2.8pt	
Personnel expenses	6,229	5,465	-764	
Sales promotion and advertising expenses	4,904	4,387	-516	
General expenses	5,752	6,511	+758	
GMF (Group management fee)	6,497	6,512	+15	
Total SG&A expenses	23,384	22,876	-507	
<b>Operating profit</b>	<b>1,378</b>	<b>-904</b>	<b>-2,283</b>	<b>—</b>
Operating margin	1.7%	—	—	

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

Note 2: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method

# Anime & Visual Content Business Results

(million yen)	Q3 FY2023	Q3 FY2024	YoY	Rate
<b>Net sales</b>	12,485	14,280	+1,794	+14.4%
Package	1,499	1,247	-251	
Non-package	10,986	13,032	+2,046	
Cost of sales	9,383	10,581	+1,197	
<b>Gross profit</b>	<b>3,102</b>	<b>3,698</b>	<b>+596</b>	<b>+19.2%</b>
Gross profit margin	24.8%	25.9%	+1.1pt	
Personnel expenses	880	958	+78	
Sales promotion and advertising expenses	613	829	+216	
General expenses	471	592	+121	
GMF (Group management fee)	910	1,095	+185	
Total SG&A expenses	2,874	3,476	+602	
<b>Operating profit</b>	<b>227</b>	<b>221</b>	<b>-5</b>	<b>-2.4%</b>
Operating margin	1.8%	1.6%	-0.2pt	

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

Note 2: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method

# Other Businesses Results

(million yen)	Q3 FY2023	Q3 FY2024	YoY	Rate
<b>Net sales</b>	<b>4,480</b>	<b>3,087</b>	<b>-1,392</b>	<b>-31.1%</b>
Cost of sales	2,999	2,065	-934	
<b>Gross profit</b>	<b>1,480</b>	<b>1,022</b>	<b>-457</b>	<b>-30.9%</b>
Gross profit margin	33.0%	33.1%	+0.1pt	
Personnel expenses	736	851	+114	
Sales promotion and advertising expenses	52	31	-20	
General expenses	649	679	+29	
GMF (Group management fee)	62	46	-15	
Total SG&A expenses	1,501	1,608	+107	
<b>Operating profit</b>	<b>-20</b>	<b>-586</b>	<b>-565</b>	<b>—</b>
Operating margin	—	—	—	

Note: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.

# 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.

## Inquiries

Avex Inc.

Business Administration Group

<https://avex.com/jp/ja/contact/ir/>

