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FOR IMMEDIATE RELEASE

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(Securities code: 7860, TSE Prime
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Notice of Revision of Financial Results Forecast

Avex Inc. (the “Company”) hereby announces that a meeting of its Board of Directors held today resolved to revise the consolidated results forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025) that was announced on June 21, 2024, mainly reflecting recent trends in business performance.

Details

1. Revision to consolidated results forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

	Operating profit	Profit attributable to owners of parent	Profit per share
	million yen	million yen	yen
Previous forecast (A)	2,000	4,500	99.51
Revised forecast (B)	-1,800	1,800	41.28
Change (B - A)	-3,800	-2,700	
Difference (%)	—	-60.0%	
[Reference] Results for the fiscal year ended March 31, 2024 (For the year ended March 31, 2024)	1,265	987	21.83

2. Reason for the revision to consolidated results forecast

Operating profit and profit attributable to owners of parent are expected to fall below the forecast, due to factors including the posting of provision of allowance for doubtful accounts for accounts receivables from certain business partners in the Music Business segment and the unachieved acquisition of large projects, which were expected at the beginning of the fiscal year, and a decline in locally earned revenue in the business in Asia and the Middle East in the Other Business segment.

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.

The Company will not reflect the above revision in the year-end dividend forecast, in accordance with its basic payout policy (consolidated payout ratio of at least 35% and paying a minimum annual dividend of 50 yen per share).

* Forward-looking statements

Descriptions regarding business results forecasts included in this document are made based on the information available as of the date of announcement thereof and include latent risks and uncertainty. In particular, there are many factors in the business areas of the Avex Group that could cause an impact on the Group’s business results, in addition to changes in general economic conditions. Actual results, therefore, may differ from the projected figures herein.