INTEGRATED REPORT 2025

Avex Inc. Integrated Report

CORPORATE PHILOSOPHY

MAKING IMPOSSIBLE ENTERTAINMENT, POSSIBLE.

We believe in your abilities, uniqueness and creativity in building a future that is exciting and world changing.

Our mission is to seek out and cultivate new talent, then work with that talent to nurture it and foster new feelings and sympathies among viewers throughout the world, all the while believing in our artists' multifaceted creativity.
That is what we mean when we say our mission is to expand the possibilities of entertainment.
By continuing to pursue those challenges here at Avex, we're confident that we are working to build an exuberant future throughout the whole world.

TAGLINE

Really! Mad+Pure

The ones who change the world are those who are both mad and pure.

We here at avex aim to think outside the box,
to the point where others may question whether we might be mad.
That is how passionate we are about remaining
true and pure to our intent and continuing to astonish
the whole world, to keep our fans saying "Really?!" at our content.

CHAIRMAN'S MESSAGE

We continue to push beyond convention to deliver new inspiration to the world.

Representative
Director and Chairman
Avex Inc.

Masato Matsuura

The origin of Avex lies in a single, electrifying encounter with music that I experienced as a university student.
As someone who knew only rock and pop, the dance music a friend introduced to me was astonishing beyond anything I had imagined.
I want to deliver heart-stirring experiences through entertainment— everything at the core of Avex is encapsulated in this.

"Things that are taken for granted in the industry are not taken for granted at Avex." "Nobody does it. That is why Avex does it." With this conviction, in 1988 we founded the company as a small wholesale distributor of imported records.
From there, we expanded our businesses into labels, management, live performances, and anime/film, and have continued to take on the entertainment markets not only in Japan but also in Asia and around the world.
We will continue to discover new possibilities in entertainment, create many surprises, talent, and works, and deliver inspiration to people around the world.

CONTENTS

On the Issuance of the Integrated Report

The purpose of this report is to convey to a wide range of stakeholders, including shareholders and investors, the value that the Company will create in a medium to long term, in a comprehensive manner using both financial and non-financial information.

Scope of Reporting

Avex Inc. and consolidated subsidiaries (the Avex Group)

Period of Reporting

From April 1, 2024, to March 31, 2025 (FY2024)
However, the report also includes details of some activities that were carried out before or after the above period.

Forward-looking Statements

This report contains forward-looking statements, which reflect the Company’s views based on information that was available to the Company when this report was created.
These statements do not constitute a guarantee of future achievements. They are subject to risk and uncertainty.
Please note that forward-looking statements about the Company’s future achievements may differ from actual results due to factors such as changes in the business environment.

Reference Guidelines

Guidelines used as reference include the International Integrated Reporting Framework from the IFRS Foundation and the Guidance for Collaborative Value Creation from the Ministry of Economy, Trade and Industry of Japan.

Tool Map

Financial Information | Non-financial Information

Integrated Report

Financial Information
Securities Report/Semi-annual Report
Financial Summary
Earnings briefing materials
Corporate profile
Corporate site
Dedicated website for shareholders
Corporate Governance Report
Portal site

SECTION 1

ABOUT avex

ABOUT avex

01

Avex Inc. Communication Area

COMPANY

Company Overview

Avex is a comprehensive entertainment company whose core businesses are the Music Business and the Anime & Visual Content Business that discovers, trains, and develops talent (Intellectual Property), including artists, entertainers, and creators, and delivers excitement and experience to diverse regions and fields.

Established	Listed	Number of locations
1988	1998	7

Net sales composition for the fiscal year ended March 2025

Music Business	Anime & Visual Content Business	Other Businesses
83.6%	13.4%	3.0%

HISTORY

Avex, which began in 1988 in a room of an apartment in Machida, Tokyo, celebrated the 37th anniversary of its founding in 2025.
Since its founding, we have delivered a wide range of entertainment—music, live performances, anime, and film—to the world.
We believe this has been possible because we have walked together with stakeholders who believe in us, never stopped evolving our businesses and services, and have consistently pursued the value demanded by the times.

1988

The Company was established as a wholesale distributor of imported records at Sky Palace Machida, an apartment building in Machida.

1992

trf (now known as TRF) was formed as Japan's first rave unit produced by Tetsuya Komuro and consisting of a vocalist, a DJ, and dancers.

2002

a-nation avex SUMMER FESTA 2002 was held nationwide.

2022

The Company defined its Corporate Philosophy as "Making impossible entertainment, possible," and formulated the avex vision 2027 Medium-term Management Plan based on this philosophy.

2022~

EVOLUTION INTO A GLOBAL ENTERTAINMENT COMPANY

FOUNDING PERIOD

SECOND FOUNDING PERIOD

THIRD FOUNDING PERIOD

1990-1994
Start of music production
Establishment of our own label

1995-1999
Start of full-fledged management operations
Listing on the Tokyo Stock Exchange First Section

2000-2004
Business model transformation

2005-2015
Promotion of the music and video distribution business

2016-2021
Selection and concentration on growth markets

1993

The Company held avex rave '93, a free-to-enter dancing event at the Tokyo Dome. It attracted 50,000 people.

2018

The Company started a new system composed of Matsuura, the CEO, Kuroiwa, the COO, and Hayashi, the CFO.

Net sales
1988 1989 1990 1991 1992 1993 1994 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 (Fiscal year)

* Starting in FY1994, the Company changed the fiscal year-end from August 31 to March 31.

BUSINESS MODEL

Driving end-to-end from Intellectual Property creation to monetization

Avex has built an end-to-end business model that spans from discovery and development of new talent (Intellectual Property creation) to providing moving experiences that emerge from it (monetization).

CEO'S MESSAGE

Representative Director, CEO Avex Inc.

Katsumi Kuroiwa

Achieve transformation and growth by pursuing Intellectual Property creation with a global outlook and maximizing its value

Intellectual Property creation with a global outlook

Our core business model is a sustainable cycle: from discovery and development of new talent, to maximizing value, and reinvesting the revenue generated into new talent to create new Intellectual Property.

As digital technologies advance and content value expands across borders, we believe it is more important than ever to create Intellectual Property that earns global support.

Based on this approach, in recent years we have placed particular emphasis on Intellectual Property creation with a global outlook.

In the Music Business, to enable such Intellectual Property creation with a global outlook, we are strengthening "avex Youth," established as a global-standard scouting and development organization; the number of trainees has doubled from the fiscal year ended March 2023 to the fiscal year ended March 2025, steadily expanding in scale.

Additionally, alongside the "XGALX" project — including "XG," which concluded its first world tour with a Tokyo Dome performance in May 2025 — multiple other projects are making concrete progress, and we plan to debut artists expected to succeed globally by leveraging the track record and know-how we have accumulated.

In the Anime & Visual Content Business as well, Intellectual Property is expanding globally. The film "Look Back," released in June 2024, became a major hit with approximately 1.2 million domestic admissions, and overseas it achieved about twice the domestic attendance. Furthermore, for the TV anime "GACHIAKUTA," which began airing in July 2025, we implemented a global-scale promotional strategy and achieved significant results, including ranking No. 1 on the viewership charts of "Crunchyroll," one of the world's largest anime-dedicated streaming services.

Moreover, most recently, our new animation studio "STUDIO GRAPH77" has begun full-scale operations, and we are strengthening our production structure with an eye on the globally expanding anime market.

Alongside these instances of Intellectual Property creation, we are also building a global value chain to maximize Intellectual Property value, including producing world tours through "AEGX," a joint venture with AEG Presents in the United States; deploying global e-commerce and fan club initiatives; and local production of merchandise for overseas performances.

As a result, over the past five years our overseas net sales have expanded significantly; overseas attendance at live performances is up 4.7 times, and overseas net sales of merchandise and packaged products are up 8.6 times, yielding unprecedented results.

We will continue to prioritize this policy, and in both the Music Business and the Anime & Visual Content Business we will sustain proactive investments and initiatives to create Intellectual Property that earns global support.

Expansion of the catalog business

Alongside Intellectual Property creation with a global outlook, we are also focusing on growing our stock-type business by owning and expanding rights.
Our business model consists of flow-type businesses such as live performances and packaged products, together with stock-type businesses built on the accumulation of works and rights, such as music streaming, music publishing, and membership-based businesses.
The development of music and visual content streaming services and social media in recent years has created opportunities to generate revenue domestically and internationally that did not exist before, diversifying monetization methods.
In these markets, catalog works as older titles are played more than new releases, and we believe the value of rights to our works will continue to increase.

Under these circumstances, in the Music Business we are promoting multiple measures to secure rights, including entering into music publishing agreements with global hitmakers through S10 Entertainment & Media LLC, the U.S. management company that joined our group in the fiscal year ended March 2025, and acquiring external publishing rights and master rights.
As a company that can create and expand Intellectual Property and maximize the value of content rights, we will continue to strategically acquire rights in Japan and overseas, also leveraging M&A.
In the Anime & Visual Content Business, the number of members of the Anime Times video streaming service is growing steadily in Japan and overseas by offering a broad lineup of both new and old catalog titles.
We will continue to enhance the catalog and, capturing the growth of overseas anime markets that are expanding faster than the domestic market, expand the service beyond India, where we currently operate, into various other regions.
Through these initiatives, we will maximize the value of newly created Intellectual Property through flow-type business and stock-type business.
We will reinvest the revenue generated through these two monetization methods into new talent and continue to create Intellectual Property.
Through this cycle, we will work to achieve sustainable revenue growth.

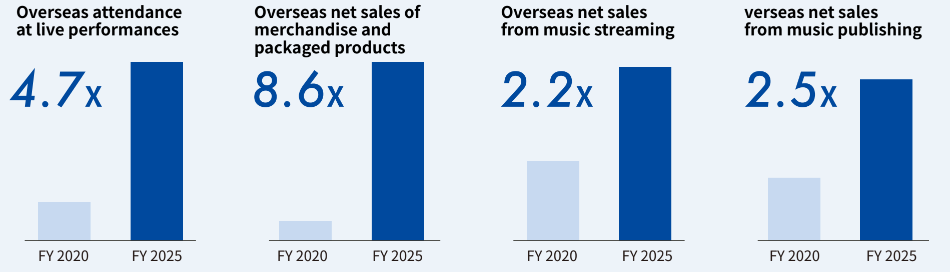
Structural reforms to improve profitability

In the fiscal year ended March 2025, we posted a consolidated operating loss.
We take this result seriously, and while prioritizing Intellectual Property creation with an eye toward global expansion, we are currently advancing company-wide structural reforms to quickly improve our earnings structure.
For the businesses that maximize Intellectual Property value, we will strengthen and leverage networks with external partners, concentrate capital investment in core businesses such as labels and live performances, and pursue select-and-focus initiatives, including exiting inefficient and non-core businesses.
Furthermore, we will achieve early improvement in earnings by optimizing costs and strengthening governance through measures such as reviewing spending and investment rules and enhancing monitoring.

Looking ahead

We will continue to position Intellectual Property creation with a view to the global market as our top priority, strengthen collaboration with partner companies in Japan and overseas, and aim to achieve hits on a global scale.
In parallel, by sharing and deploying across the company the insights and know-how gained through each project, we will work to maximize Intellectual Property value and strengthen our earnings base.
We also recognize balancing growth investments and profitability as a key management issue and, through capital-efficient business operations, execution of structural reforms, and strengthened governance, aim for early earnings improvement and medium- to long-term growth.
Since our founding, we have challenged ourselves to create new value with ideas unconstrained by existing frameworks.
As our tagline “Really! Mad+Pure” suggests, we believe that our commitment to continually delivering entertainment that combines uniqueness and purity is the very source of our competitive strength.
Without losing this mindset, we intend to work with all our stakeholders to achieve sustainable growth and enhance corporate value.
We respectfully ask for your continued support.

Our overseas net sales have expanded significantly over five years



Advance structural reforms to improve profitability and aim to strengthen competitiveness over the medium to long term

Representative Director, CFO Avex Inc.

Shinji Hayashi

Looking back on the fiscal year ended March 2025

In the fiscal year ended March 2025, toward achieving the avex vision 2027 Medium-term Management Plan, we further advanced efforts that discover and develop new talents and proactively invested to maximize their value.
In each business segment, we made steady progress in expanding our Intellectual Property portfolio; in addition, by establishing the training hub "avex Youth studio TOKYO" to produce artists who can go global from Japan and by building a global value chain to maximize Intellectual Property value, we worked to strengthen our business foundation in overseas markets.
In particular, in core businesses such as live performances and labels, we have deepened initiatives to maximize the value of existing Intellectual Property, strengthened collaboration with partner companies, and are building the framework for sustainable growth.

As for consolidated results for the fiscal year ended March 2025, net sales were 131.6 billion yen (down 1.3% year on year) due to factors such as a decline in releases of major works.
Operating profit was impacted by the failure to secure large projects anticipated in Asia and the Middle East, decreased earnings in local operations, and lower gross margin due to the termination of commissioned transactions in the video distribution business; in addition, recording an allowance for doubtful accounts for certain counterparties led to higher selling, general and administrative expenses, resulting in an operating loss of 1.8 billion yen (compared with operating profit of 1.2 billion yen in the previous fiscal year).
Meanwhile, due to recording a gain on the sale of shares of a subsidiary, profit attributable to owners of parent was 1.1 billion yen, an increase of 15.4% year on year.

Initiatives to improve profitability and strengthen governance

We take the operating loss in the fiscal year ended March 2025 very seriously. In the current fiscal year, while continuing to proactively invest in Intellectual Property creation, the source of our value creation, we are undertaking company-wide structural reforms to deliver growth in operating profit and profit attributable to owners of parent.
Specifically, we have begun a fundamental overhaul of our business portfolio by exiting or downsizing inefficient and non-core businesses, consolidating and reorganizing subsidiaries, and transferring shareholdings, among other actions.
Furthermore, by establishing new expense execution rules and strengthening our monitoring framework, revising transaction flows — such as transaction approvals and monitoring — in credit management, and reviewing our organizational setup, particularly in indirect departments, we are working to reduce fixed costs, optimize costs, and reinforce governance.
By steadily executing these initiatives, we aim to achieve early improvements in profitability and strengthen our competitiveness over the medium to long term, building a robust earnings foundation through company-wide reforms.

Advancing investment in Intellectual Property while initiating company-wide reforms to improve our earnings structure

Recognition of challenges

Business portfolio	As a result of business diversification 1) Increase in indirect department costs 2) Occurrence of bad-debt risk
Increase in Intellectual Property count	Increase and dispersion of deployed resources
Inflation	Increase in production costs, personnel expenses, logistics costs, etc.

Priority initiatives

Selection and focus on the business portfolio and Intellectual Property	• Exit from inefficient and non-core businesses • Review of insourcing/outsourcing functions • Review of contracts
Cost optimization	• Review of expense execution/investment rules • Optimization of business processes through DX • Review of indirect departments
Governance enhancement	• Review of transaction flows in credit management, including pre-checks, transaction approvals, and monitoring • Strengthening of monitoring in expense execution

Toward enhancing corporate value

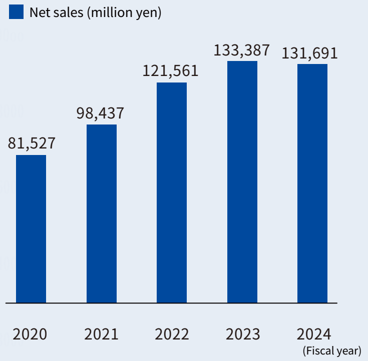
Our basic capital allocation policy is to pursue strategic investments for Intellectual Property creation and shareholder return.
With respect to strategic investments, while continuing to invest in Intellectual Property development with a global perspective, we are also making investments such as acquiring a U.S. artist management company as a subsidiary, expanding opportunities for our Group' s artists to enter overseas markets, and aiming for further business growth in the global market.
As for shareholder return, we regard delivering long-term, comprehensive returns to our shareholders as one of our most important management initiatives, and we have set a dividend policy targeting a performance-linked dividend level of a consolidated payout ratio of at least 35% and a minimum annual dividend per share of 50 yen.
Based on this policy, while continuing stable shareholder return, in fiscal year ending March 2025 we carried out an additional shareholder return by repurchasing our own shares with a total acquisition value of approximately 4.3 billion yen and a total of 3 million shares (equivalent to 6.6% of the total number of issued shares, excluding treasury stock, as of the resolution date).
Going forward, in addition to continuing these efforts on both the business and financial fronts, we will work to lower our cost of capital and improve profitability through communication — including non-financial disclosures via our integrated report launched last year — and dialogue with the market, striving to sustainably enhance corporate value.
(P.40 "Measures Toward Realizing Management Conscious of Capital Costs and Stock Price ")

HIGHLIGHT

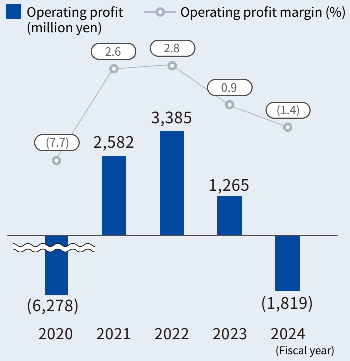
Financial Highlights / Non-financial Highlights

Financial

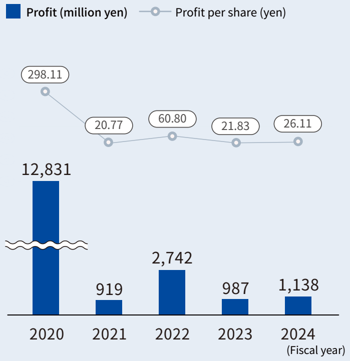
Net sales



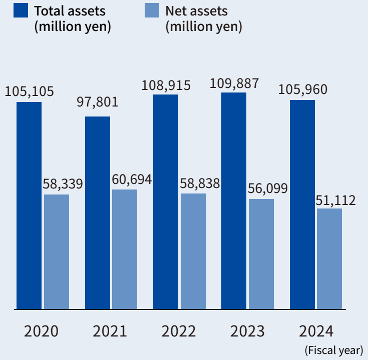
Operating profit



Profit and profit per share

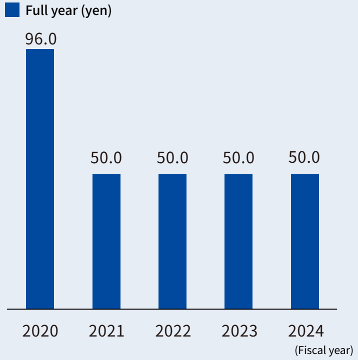


Total assets and net assets



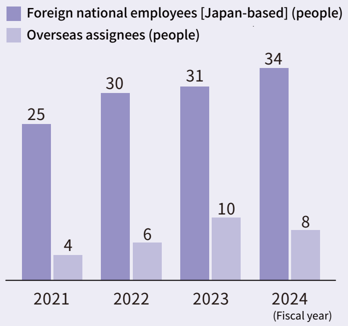
ROE

Dividends per share

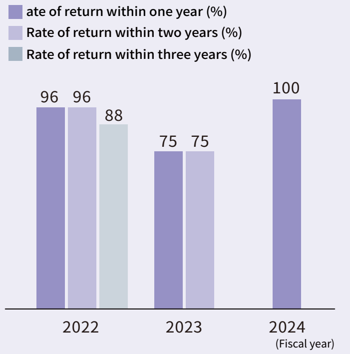


Non-financial

Foreign national employees and overseas assignees



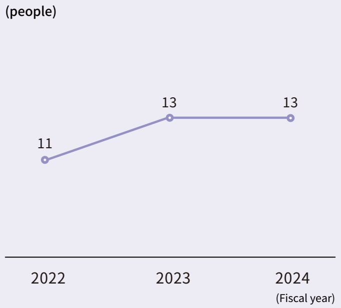
Rate of return from childcare leave



Ratio of female managers

Trends in the number of experts

Experts are human resources eligible for flexible compensation in the expert system based on their expertise and skills.



SECTION 2

VALUE CREATION PROCESS

VALUE CREATION PROCESS

02

North American Base Recording Studio “Avex House”

VALUE CREATION PROCESS

At the Company, the value creation process is composed of two major pillars: growth investments aimed at creating new Intellectual Property and monetization functions that maximize the value of Intellectual Property.

External environment In both music and anime/visual content: diversification of consumption behavior due to digitalization and increased Intellectual Property value; expansion of the global market leading to greater opportunities for competition and collaboration beyond the domestic market; and growing importance of localization as markets diversify.

Input

Management capital (as of March 31, 2025)

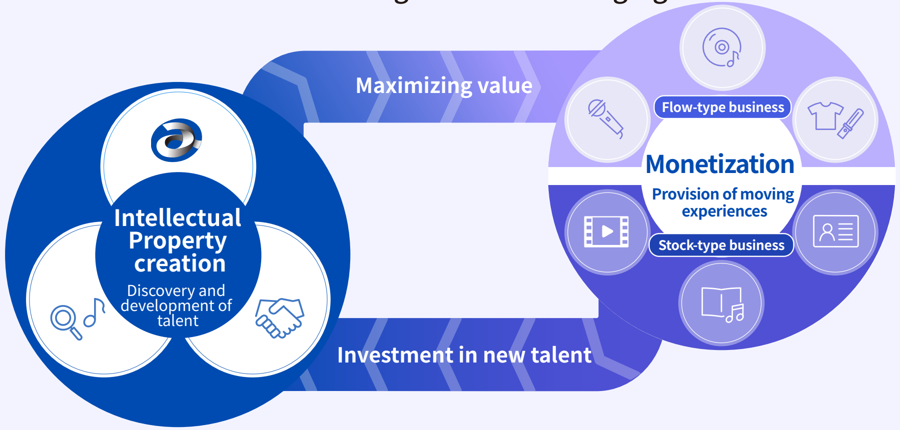
Number of employees (consolidated)	1,457 employees
Number of Group companies (consolidated)	28 companies
Number of overseas locations	6 locations
Net assets	51.1 billion yen
Number of Japanese songs with publishing rights owned	over 42,000 songs
Annual number of new talent approached	Approximately 50,000 people

Our Value

Corporate philosophy

Making impossible entertainment, possible.

We believe in your abilities, uniqueness and creativity in building a future that is exciting and world changing.



Foundation supporting the business
Materiality / Environmental initiatives
Corporate governance / Compliance / Risk management

Output

Consolidated results (Fiscal year ended March 31, 2025)

Net sales	131.6 billion yen
Operating profit	(1.8 billion yen)
Profit	1.1 billion yen

Music Business

Annual live performances attendance	3.18 million attendees
Annual number of music streaming plays	14.4 billion plays
Annual number of live performances	1,132 performances

Anime & Visual Content Business

Number of animated and video works we produce each year	24 titles
Annual total viewing hours on Anime Times	57 million hours

Discovery and Development of Global Intellectual Property

About "avex Youth"

To realize the key strategy of the avex vision 2027 Medium-term Management Plan announced in May 2022 — "Seek to discover and develop "beloved" Intellectual Property in many different regions and fields" — we launched a new organization dedicated to artist development, "avex Youth," and began operations under the new structure. At the launch of the new structure, talent-discovery specialists conducted scouting and auditions.

We also partnered with over 500 dance studios nationwide, approaching more than 50,000 people annually; more than 200 selected trainees are currently enrolled.

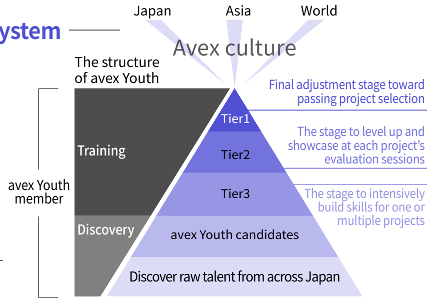
About "avex Youth studio TOKYO"

In 2025, "avex Youth studio TOKYO," which serves as a training hub, began full-scale operations. The large studio, with a total floor area exceeding 1,200 square meters, is fully equipped with state-of-the-art, world-class facilities such as dance studios, vocal studios, and recording rooms. Furthermore, in collaboration with partner companies in each field, we have introduced our proprietary training program.

"avex Youth" training program

Talent discovery and building a continuous debut system

Specialists select talent through scouting and auditions, and trainees undergo project-based development geared toward diverse debut paths such as dance & vocal, acting, and voice acting. While advancing continuous debuts and ecosystem building, we also plan one to two new groups going forward. We aim to create next-generation stars and to foster a cycle in which their success inspires and attracts outstanding talent.



World-class proprietary training program

At avex Youth, we advance a seamless, end-to-end process from discovery and development through to debut.

In addition to improving performance skills such as dance and vocals, we provide language learning, physical support from expert trainers, mental health care from licensed psychologists, meal support, and more, promoting the training and development of artists who can thrive globally from Japan.

FEATURE

ONE OR EIGHT

An eight-member boy group composed entirely of Japanese members: MIZUKI, NEO, REIA, RYOTA, SOUMA, TAKERU, TSUBASA, and YUGA. The group name originates from the Japanese idiom "ichi ka hachi ka" (one or eight), meaning an all-or-nothing gamble, and with the tagline "BET ON YOURSELF," they are taking all-or-nothing shots at the world as they pursue their dreams together. They debuted in August 2024 with the single "Don't Tell Nobody," reaching No. 1 on the Billboard Japan Heatseekers Songs chart.
Furthermore, the collaboration track "KAWASAKI (with Big Sean)" ranked No. 5 on the U.S. iTunes Hip-Hop/Rap Song chart.
They also won "Upcoming Dance & Vocal Group" at MTV VMAJ 2025, drawing attention as next-generation artists.

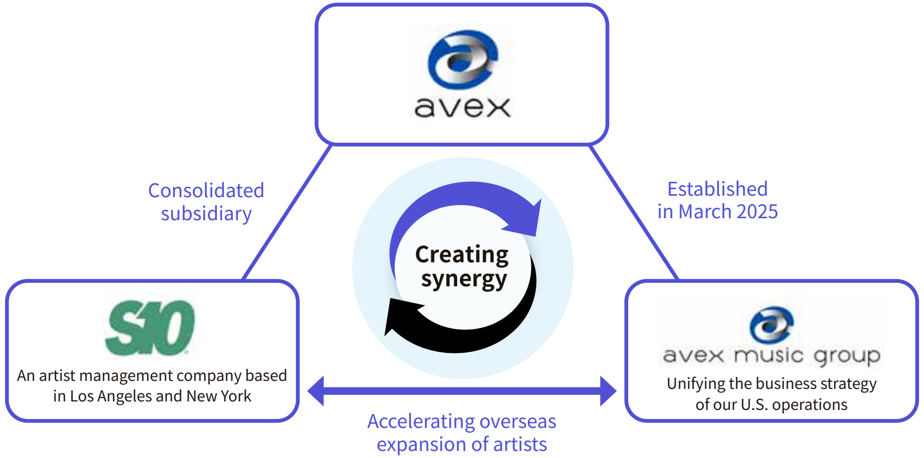
Strengthening Our Business Foundation in North America

Strengthening Our Business Foundation in North America

Myke Towers

Big Sean

To accelerate our global expansion, in May 2024 we made a strategic investment in the leading U.S. artist management company S10 Entertainment & Media LLC (S10).
S10 was co-founded by Roc Nation, founded by Jay-Z, and Brandon Silverstein, and is home to internationally renowned artists and talent such as Myke Towers and Big Sean, with a proven track record of developing top global artists.
In March 2025, as business synergies became evident, we made S10 a consolidated subsidiary, integrated our U.S. operations under Avex Music Group LLC (AMGL), and appointed S10 founder Brandon Silverstein as AMGL's CEO.
As a core base for driving our global strategy, AMGL will focus on global expansion, music publishing & creative, and management.
Under Brandon Silverstein's leadership, we will combine S10's extensive experience and network with our creative and Intellectual Property development capabilities to create global hits for artists belonging to our Group.



INTERVIEW

Taking talent from Japan to the world

Brandon Silverstein
Served as founder and CEO of S10; appointed CEO of AMGL starting in 2025.

The partnership between Avex and S10 marked a major step toward realizing the global vision embraced by both companies. Avex is a rare presence worldwide that, in addition to its extensive track record of developing artists in Japan and Asia, integrates management, labels, music publishing, and creative functions under one roof, making collaboration a natural choice.
We share a strong belief that Japan's talent, culture, and creativity should be on a bigger global stage.
Over the past 12 months, our artists, songwriters, and producers have contributed to numerous global and domestic hits and were nominated for the Grammy Awards in 10 categories.
By combining Avex's solid foundation with S10's track record of global hits, its network spanning the U.S. and worldwide, and its integrated creative ecosystem, we are confident we can create new opportunities for artists at every stage. ONE OR EIGHT's newly signed global major deal with Atlantic Music Group, and becoming the first Japanese boy group to chart on Mediabase Top 40, are achievements that symbolize this strong start.
As the globalization of the music industry advances further, we believe J-POP has entered a new stage.
Listeners around the world are more actively embracing music from diverse cultures than ever, and J-POP's uniqueness and meticulous expression radiate standout appeal.
Through strategic collaboration, strategic marketing, and appropriate global positioning, we believe J-POP will exert a more sustainable and powerful presence worldwide.

CASE 1

XG

An artist group of seven Japanese members.Debuted in 2022 under the global entertainment production company “XGALX.” An artist group consisting of JURIN, CHISA, HINATA, HARVEY, JURIA, MAYA, and COCONA.
Since their formation, they have been active globally; in 2024, they held a world tour across 35 cities worldwide, and in 2025, they are set to serve as the first Japanese headliner at one of the world’s largest festivals, the “Coachella Valley Music and Arts Festival,” continuing to achieve numerous milestones on the global stage.

What is XGALX?

XGALX is a global entertainment production company that pursues high creativity across music, video and visual fields under the theme “BOLD,” and carries out world-class artist development and management as well as creative production.We are committed not only to music but also to visual expression and visual creativity, leading the way in training and launching the next generation of global artists.

2017

Launch of the “XGALX” project

2022

3/18 Debuted with “Tippy Toes”

6/3 First appearances on numerous Korean music programs, starting with “M COUNTDOWN”

2023

3/6 Their 3rd single “LEFT RIGHT” charted for 13 consecutive weeks on the U.S.’s most prestigious radio chart, the “Mediabase Top 40 Radio Airplay Charts,” setting a record high for an Asian girl group

6/30 Released “GRL GVNG” as a pre-release track from the 1st mini album.Debuted at No. 1 on the U.S. Billboard chart “Hot Trending Songs Powered by Twitter”

9/27 Released the 1st mini album “NEW DNA.”
Reached No. 1 overall on Billboard JAPAN’s “Hot Albums”

2024

10/20 Became the first Japanese group to grace the cover of the U.S. magazine Billboard in its October 21, 2023 issue

5/18– Launched the world tour “XG 1st WORLD TOUR ‘The first HOWL’”

12/17 The 2nd mini album "AWE" made its first entry on the U.S. Billboard chart "Billboard 200.Reached No. 1 on Heatseekers Albums

2025

5/21 Released the 5th single “WOKE UP.” On Billboard’s “Japan Songs (country charts),” it reached No. 1 in five countries: the United States, the United Kingdom, Brazil, South Africa, and Singapore

3/19 At MTV VMAJ, XG won two awards: “Best Visual Effects” and “Performance of the Year”

4/13 and 4/20 Performed at one of the world’s largest outdoor music festivals, the “Coachella Valley Music and Arts Festival”

5/14 Held the final Tokyo Dome show of the world tour “XG 1st WORLD TOUR ‘The first HOWL’”

12/16 Appeared on "The Voice" (United States)

2026

1/23 Released the 1st full album “THE CORE - 核”

From 2/6, Started the second world tour “XG WORLD TOUR: THE CORE”

LIVE & PROMOTION

A reverse-import style promotion strategy that creates simultaneous global hits

We actively performed at overseas festivals and appeared in foreign media, and from the time of our debut we focused on acquiring global insights.We also encouraged audience video recording and sharing on social media, building a mechanism for fans to spread our performances worldwide.
In promotion, from the early stages of our debut we centered on globally viewable media (such as YouTube), expanding cross-border exposure.As a result of this strategy, we have attracted attention as an artist model that, despite originating in Japan, achieved simultaneous global hits, and in Japan we have been increasingly featured on major TV programs and mega-brand commercials.

Performances at overseas festivals

Month/Year	Country	Festival name
May 2023	United States	Head In The Clouds New York
August 2023	United States	Head In The Clouds Los Angeles KCON LA
September 2023	Singapore	FORMULA 1 SINGAPORE AIRLINES SINGAPORE GRAND PRIX 2023
October 2023	Australia	SXSW Sydney
November 2023	Abu Dhabi	Hyperound K-Fest in Abu Dhabi 2023
March 2024	China Malaysia	GuangZhou MDSK Music Festival SUPALAPA Festival 2024
December 2024	China	STRAWBERRY MUSIC FESTIVAL
April 2025	United States	Coachella Valley Music and Arts Festival
October 2025	China	GuangZhou MDSK Music Festival STRAWBERRY MUSIC FESTIVAL 2025 LUZHOU GALAXY LEFT BANK MUSIC FESTIVAL Celebili Music Festival Spooky by Live Nation Electronic Asia

World tour XG 1st WORLD TOUR “The first HOWL”

Over about one year, held 47 shows across 35 cities worldwide in Asia, North America, Europe, and more.We proved "X-POP," XG's own music/genre, through our unique worldview and performances, drawing about 400,000 attendees.

FAN CLUB

Centralizing XG information and building a global fandom

The fan club "ALPHAZ" is an app-based fan club designed for global expansion.
It can be downloaded worldwide, and members span over 90 countries and regions.The service supports five languages—Japanese, Korean, English, and Chinese (Simplified and Traditional)—and, through detail-oriented translation, delivers the artist's messages without losing nuance.
It also serves as an information hub where users can receive XG-related information (live performances, CDs, merchandise, etc.) in one place, forming the foundation for XG's fandom across borders.

ALPHAZ

INTERVIEW

Live Performances Manager

At our live performances, we focus on creating spaces where entire venues are able to experience XG’s worldview, staging productions tailored to each country’s culture and musicality based on insights gained at overseas festivals.By encouraging filming and sharing during shows, we also aim to increase awareness and broaden points of contact with fans worldwide.We will continue to deliver one-of-a-kind live performances experience through localization tailored to regional characteristics and our unique worldview.

Fan Club Representative

The fan club "ALPHAZ" provides cross-border content as the core of fandom formation in XG’s global strategy.With support for five languages through native translation and real-time interactions like "XG HOUSE," we prioritize not only two-way communication with XG but also connections among fans.Going forward, by linking and organizing fans around the world into "ALPHAZ," we aim to build an unshakable foundation that continuously supports the activities of XG and XGALX, and further expand its value.

CASE 2

ガチアクタ

Claw your way up from the abyss (the bottom)! Everything is to change the “shitty world” — !! “GACHIAKUTA” is a battle-action series featuring Rudo, an orphaned boy born in slums inhabited by the descendants of criminals. Written by Kei Urana with graffiti design by Hideyoshi Andou, it began serialization in Kodansha’ s Weekly Shonen Magazine in February 2022.
The enemies are “common sense,” “authority,” and “discrimination and prejudice” !
The buzzworthy, earthshaking manga is finally adapted into anime!
Starting July 2025, airing in two consecutive cours, and streaming now!
Production is handled by the animation studio Bones Film.

Crunchyroll Viewership ranking

No.1
(July cour)

* No. 1 in average views per episode

A promotional strategy “unbound by conventional wisdom” to generate global hits

In a landscape where it’ s mainstream to expand globally after an anime catches on domestically in Japan, this title prioritized “making it trend globally” first, deploying promotions that involved the world from the very beginning. We held advance screenings not only in Japan but across 16 regions worldwide, making detailed adjustments such as localizing footage and establishing regulations to prevent leaks of the main feature to bring it to life.
We built relationships with overseas platforms differently than before; whereas ties had previously been limited to licensing, the production committee called out, “Let’ s promote together while communicating closely with Japan,” resulting in an active cooperative framework. To continue conveying the work’ s worldview appropriately in each country, we proceeded from the fundamentals — chains of command and collaboration flows — while discussing with domestic and overseas PR teams and each platform.

Implemented large-scale graffiti advertising in five cities: Taipei, Hong Kong, Milan, Los Angeles, and Tokyo

A large-scale booth rollout at Anime Expo in collaboration with Crunchyroll

INTERVIEW

Avex Animation Labels Inc.
Producer
Hirotsugu Ohgo

Through GACHIAKUTA’s publicity strategy, I realized that if you push forward with a strong commitment to closely coordinate overseas and permeate the work, you’ll see results and responses to match. This may be obvious, but for me it was a major learning experience.
Of course, this isn’t something Avex can do alone; with the cooperation of the studio, the production committee, rights holders, and others, we band together as one and venture overseas. As a result, obtaining such a large response has become a valuable experience that I believe will benefit other projects going forward.

Avex Pictures Inc.
Promotion Producer
Naoko Matsuda

Traditionally, relationships with overseas platforms consisted of purchasing anime licenses, with promotional interactions limited to handing over video assets and the like; it’s rare for Japanese production committees and PR to actively communicate with overseas counterparts.
Assets are often reused from those used domestically, but with GACHIAKUTA we worked closely with each platform, setting each element—websites, social media posts, and more—to global specifications. We even timed announcements to match hours when overseas fans are active, prioritizing overseas to the point of effectively reverse-importing into Japan.

Global Expansion of Domestic Hit Intellectual Property

Music Business

ayumi hamasaki ASIA TOUR 2025 I am ayu -ep. II -

AYUMI HAMASAKI

On her first Asia tour in 16 years, she set new attendance records for overseas artists at the venues.

In 2024, she embarked on her first Asia tour in 16 years, with stops in Japan and China (four cities, five performances).
At the kickoff Shanghai shows, both dates sold out immediately, leading to the announcement of an additional performance. She set the record for the largest audience ever for an overseas artist at Shanghai Mercedes-Benz Arena, breaking records held by numerous renowned artists.
In 2025, marking the 28th year since her debut, she resumed her Asia tour starting with Japan shows in April, visiting major cities across Asia—including not only mainland China but also Taipei, Singapore, Hong Kong, and more. With tickets selling out across dates, she continues to demonstrate overwhelming popularity both at home and abroad.

2025 7 - ELEVEN Kaohsiung SAKURA FESTIVAL

KUMI KODA

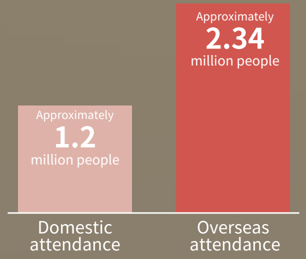
Headlining major overseas events and participating in large-scale festivals across Asia

She made her first appearance at one of China's largest outdoor music festivals, the 2025 Beijing Super Strawberry Music Festival, drawing significant attention as a Japanese artist.
Furthermore, in Kaohsiung, Taiwan, she performed as a headliner at the large-scale music event "2025 7 - ELEVEN Kaohsiung SAKURA FESTIVAL" held on March 29. She kicked off with her signature track "POP DIVA" and passionately performed hits like "Cutie Honey," sending the venue into a frenzy.
By actively taking part in major music festivals across Asia in addition to Japan, she captivates countless fans with her exceptional performances and presence, and her cross-border activities are drawing increasing attention.

Anime & Visual Content Business

Domestic and overseas attendance

Overseas, approximately double the attendance was achieved



LOOK BACK

A hit domestically and internationally born from the challenge of "adapting a short manga into film"

Based on an original work by Tatsuki Fujimoto, director Kiyotaka Oshiyama elevated the 143-page one-shot manga into a 58-minute mid-length film. From its opening day in June 2024, the film topped the box office revenue rankings, and by its 15th week it had drawn 1.17 million attendees and surpassed 2 billion yen in box office revenue. In March 2025, it won numerous domestic film awards, including the Japan Academy Film Prize for Best Animated Feature Film and the Creative Contribution Award. Starting in July 2024, it expanded globally, screening in more than 20 countries and regions worldwide, and overseas box office revenue surpassed approximately 2.4 billion yen. In particular, in the United States it was released in over 500 theaters and was nominated for the Annie Awards, one of the most prestigious honors in animation, in the Independent Feature-Length Animated Film category. We believe this work's challenge of adapting a web manga into a mid-length film demonstrates the significant potential unique to this new era of "adapting short manga into film."

SECTION 3

BUSINESS OVERVIEW

BUSINESS
OVERVIEW

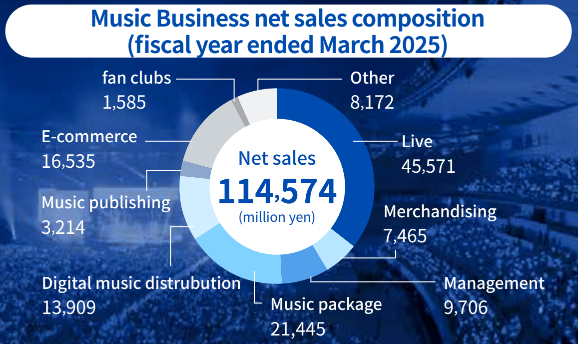
03

ULTRA JAPAN

MUSIC BUSINESS

As a music label, we plan and produce music content and sell and distribute it through packaged products and music streaming platforms; we also handle production of live performances and ticket sales, merchandise planning and production, and the scouting, development, and management of artists, talents, and creators.

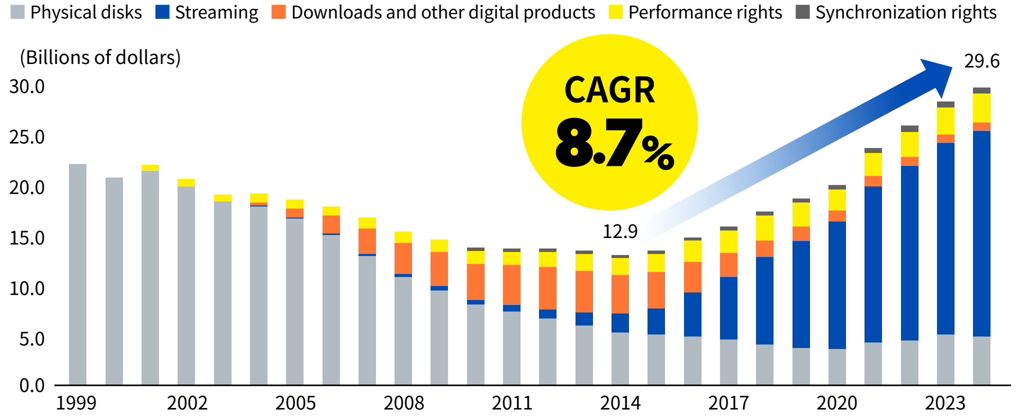
Intermediate holding company : Avex Entertainment Inc.
Main operating companies : Avex Music Creative Inc., Avex Live Creative Inc., and others



Business environment

The music market continues to grow both domestically and internationally, and remains a high-potential field expected to expand further. In recent years, the spread of streaming — including subscription services — has diversified revenue models, creating an environment where not only new releases but also catalog titles are listened to continually. Additionally, the Ministry of Economy, Trade and Industry' s efforts are strengthening the overseas expansion of the content industry, promoting subsidies and various support measures with the goal of raising the overseas net sales of Japan-originated content to the 20 trillion yen level by 2033. Riding this tailwind, we will continue to develop not only the domestic market but also overseas markets, working to further expand our business domains.

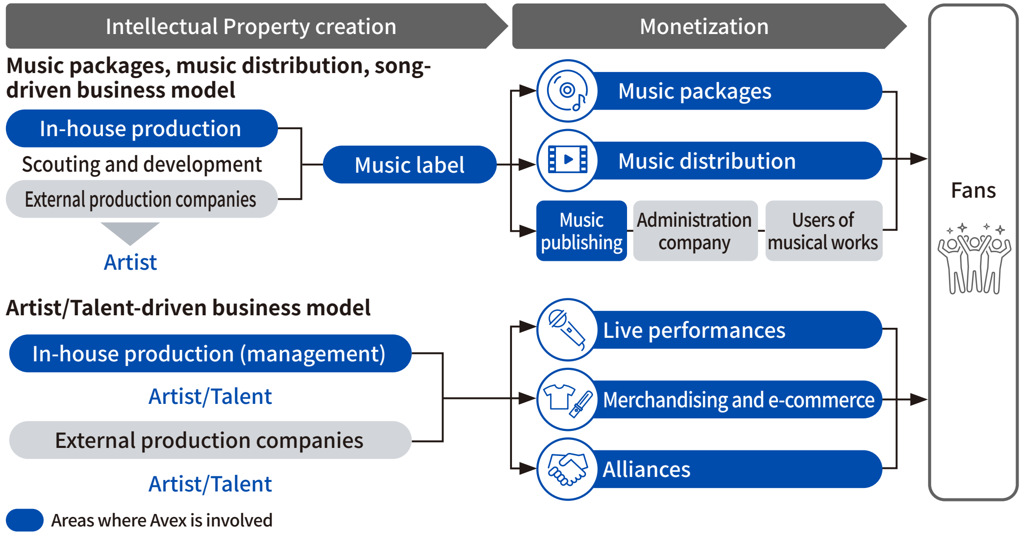
Global recorded music market (1999–2024)



* IFPI / Global Music Report 2025

Business flow

Our Music Business is equipped with diverse functions — including labels, management, live performances, and alliances — to deliver works and services to our fans. Leveraging our strengths as a comprehensive entertainment company in Japan that can handle everything end to end — from planning and production to release and providing live performances — we aim for further growth while maximizing synergies within the group.



Music Business initiatives in labels

In our label business, we work with diverse artists across genres and generations, and offer a broad range of music genres. We have established an end-to-end creative structure through our own studios, producers, lyricists and composers, and we produce songs and conduct promotions aligned with each artist' s worldview and concept. In addition, we are strengthening collaboration with overseas writers belonging to S10, which became a consolidated subsidiary in the fiscal year ended March 2025, and with prominent external producers. Going forward, we will further deepen collaboration with diverse external partners such as external production companies and media, aiming to create hit content and achieve sustainable growth.

Label Artists (extracted)


AiNA THE END


BE:FIRST


BLACKPINK


Boku ga Mitakatta aozora


CHO TOKIMEKI♡SENDENBU


Da-iCE


EXILE


GENIC


HIRAI DAI


muque


NCT WISH


SHOW-WA & MATSURI


SKE48


Snow Man


Tohoshinki


TOMONARI SORA


TREASURE

Music Business initiatives in management

In our management business, which promotes Intellectual Property development aimed at global expansion, we are building a scouting and training framework on par with the international standard centered on “avex Youth”, and, through steps such as making S10 a consolidated subsidiary, we are working to further strengthen our global ecosystem (P.16 “Value Creation Process”).
Furthermore, to maximize the value of existing artists, we leverage our strengths in sales networks and proposal capabilities to create tie-ups and alliances tailored to each artist' s characteristics, providing further growth opportunities. In addition, beyond music artists, we manage a wide range of talent including talents and actors, and as a comprehensive entertainment production company leveraging group synergies, we aim to create hit Intellectual Property and achieve sustainable growth.

Creating opportunities that leverage the characteristics of artists and actors

ADVERTISING CONTRACTS


XG “G-SHOCK”

Da-iCE
“MONDAMIN”

Juri Kosaka
“JR SKISKI” 2025-2026

PUBLIC PROJECTS


SDGs promotion activities by PIKOTARO and Kosaka Daimao

TV PROGRAMS


GENIC' s flagship program “GENIC hour”

HOT TOPICS

LEAD ROLE CONFIRMED IN NHK MORNING DRAMA

TWO CONSECUTIVE SEASONS WITH LEADS FROM THE COMPANY

In NHK's Morning Drama “Bakebake”, which started airing on September 29, 2025, Akari Takaishi stars as the heroine. In NHK's Morning Drama “Kaze, Kaoru”, scheduled to air in the first half of the year 2026, Juri Kosaka has been selected as one of the double leads, and the Company has achieved the feat of producing heroines for two consecutive seasons.

Music Business initiatives in live performances

The live performances market experienced a temporary downturn during the COVID-19 pandemic, but in recent years it has expanded beyond pre-pandemic levels, and significant growth is expected going forward. Against this backdrop, in the fiscal year ended March 2025, we staged 1,132 performances, including large-scale shows. Recently, inbound demand has been rising and new arena venues have opened; going forward, we intend to leverage these tailwinds, capture market expansion, and further broaden the rollout of overseas performances.

Staging of large-scale performances (fiscal year ended March 2025)

Stadium (25,001 people or more)

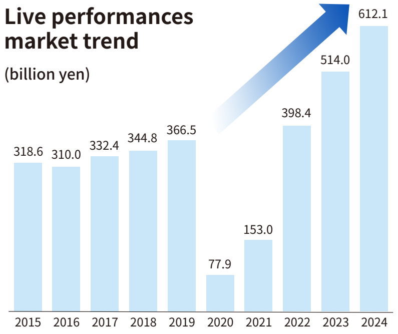
32 performances

Arena (5,001–25,000 people)

174 performances

Live performances market trend

(billion yen)



* Japan Concert Promoters Association

Staging live performance events with Intellectual Property value

Unlike live performances by a single artist, festival-type live performances offer strong appeal in simply “being there,” and the event itself has come to hold value as Intellectual Property. Our “a-nation” and “ULTRA JAPAN” have long been supported as large-scale festivals that bring the appeal of music to many people. We will leverage the operational know-how and brand strength cultivated through these to promote the planning and rollout of festivals with an eye to continuous development.


a-nation


ULTRA JAPAN


STAR ISLAND


THE HOPE

COLUMN

Collaboration with “AEG Presents”

In the fiscal year ended March 2025, through the “AEGX” partnership with “AEG Presents,” one of the world’s largest entertainment companies in live performances, we held large-scale shows by overseas artists including G-DRAGON, Tyler the Creator, and Katy Perry.
“AEGX” leverages Presents’ global venue network and live performances operations know-how, together with Avex’s domestic platform and promotion capabilities, to expand a live performances entertainment business that is competitive globally, aiming not only at the Japan rollout of overseas artists but also at the overseas expansion of Japan-origin artists.

Globalization of our in-house e-commerce channels

We operate “mu-mo SHOP,” an official online store selling artists’ official merchandise, music and video products, books, and limited items, working to strengthen our earnings base through direct-to-consumer sales.
Furthermore, to meet demand in the global market, in December 2023 we launched the sister site “Hi, mu-mo,” which accepts orders from countries around the world, realizing a borderless sales framework.

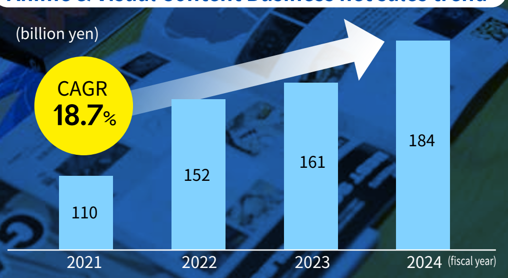
Hi,mu-mo

ANIME & VISUAL CONTENT BUSINESS

We operate businesses centered on anime and visual content, including planning, production, and sales of animated and live-action works, merchandising, live performances, events, games, films, streaming, and the management and production of voice actors and artists.

Intermediate holding company : Avex Pictures Inc.
Main operating companies : Avex Animation Labels Inc.; Avex Film Labels Inc.; and others

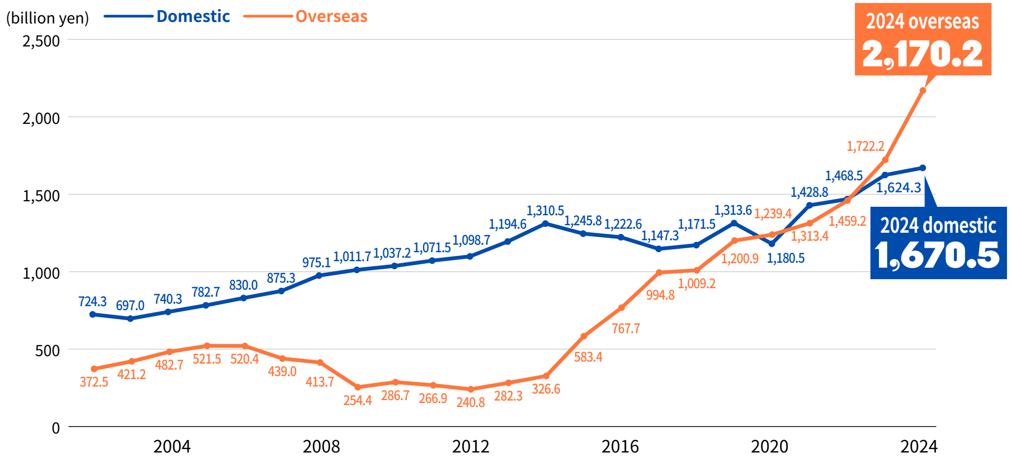
Anime & Visual Content Business net sales trend



Business environment

The anime market has seen remarkable growth, particularly globally, and in 2023 the size of the overseas market surpassed that of the domestic market. Furthermore, in 2024 the anime industry market reached an all-time high of 3,840.7 billion yen (2,170.2 billion yen overseas; 1,670.5 billion yen domestic), up 114.8% year on year. This growth continues to be strongly driven by the overseas market, and there remains substantial room for growth in this market. In light of these changes in the business environment, we will focus on developing works and services not only for the domestic market but also with the global market in view.

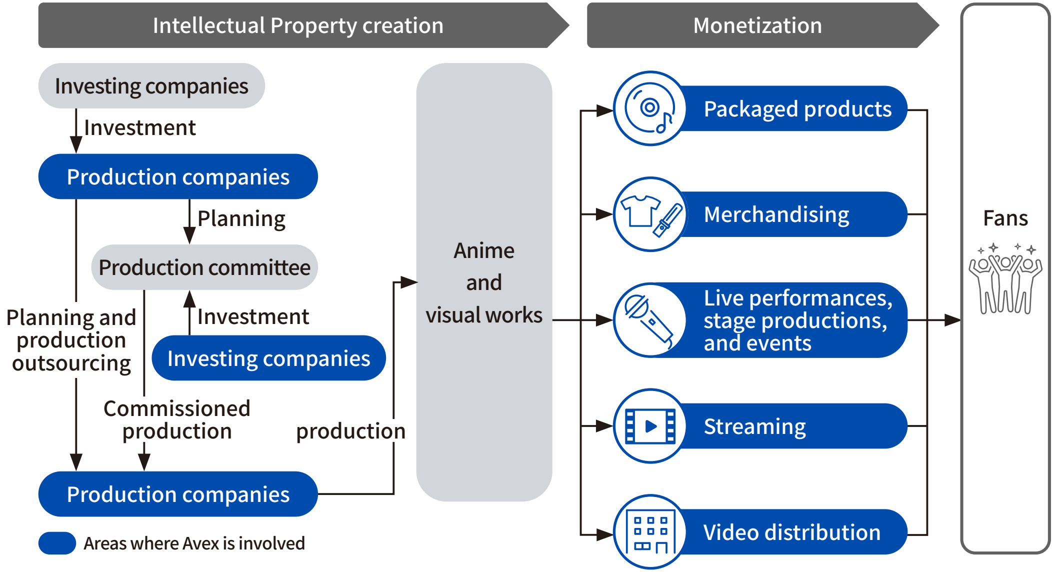
Domestic and overseas anime industry market (broadly defined anime market)



* The Association of Japanese Animations / Anime Industry Report 2025

Business flow

In the Anime & Visual Content Business, we are involved in every stage of the business flow, from planning and production to commercialization, distribution/streaming, and overseas expansion. Recently, by pursuing initiatives such as establishing an animation studio and strengthening our overseas promotion structure, we have steadily built a framework to deliver anime works in earnest to the global market.

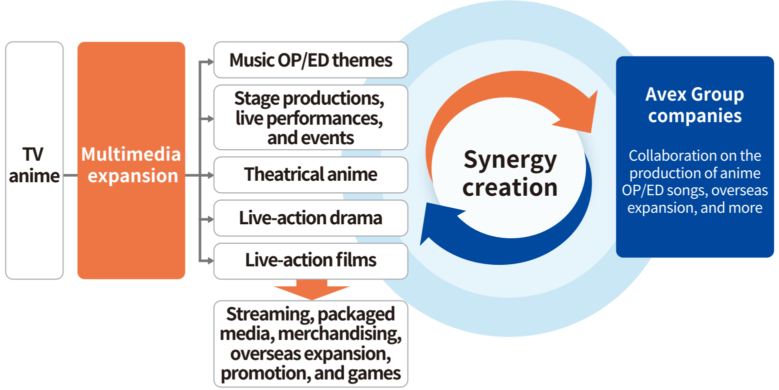


Initiatives in the Anime & Visual Content Business

As a growth strategy for the Anime & Visual Content Business, we will leverage our 360-degree business to maximize revenue by expanding Intellectual Property originating from TV anime across multiple media, including stage adaptations and live-action adaptations.
Not limited to Group companies related to anime and visual content, we will create synergy across the entire Group by collaborating with Group companies responsible for music and international expansion.

Characteristics of the Anime & Visual Content Business

1. Multimedia expansion originating from anime
2. Strengthening collaboration with publishers and production companies
3. Creating synergy through collaboration with our Group companies
4. Global expansion



PICK UP

Paradox Live | TITLES WITH MULTIMEDIA EXPANSION

Launched in 2019, Paradox Live is a collection of works under the banner of a “Hip-Hop Media Mix Project.” With voice dramas packaged on CD and authentic hip-hop tracks as the core of the project, it has been developed as a 360-degree media mix spanning stage, live performances, and TV anime.

Song “Paradox Live Opening Show”

Collaborative tracks featuring our artists “P△R△DISE (feat. ISSA) / BAE” “EMPEROR -WE ON FIRE!!- (feat. Kumi Koda) / AKANYATSURA”

TV anime “Paradox Live THE ANIMATION”

Super Live Experience Screening “Paradox Live Dope Show 2024 in CINEMA”

Stage productions “Paradox Live on Stage”

Live performance “Paradox Live Dope Space”

HOT TOPICS

Anime Times | Accelerating entry into the overseas anime market

The anime-dedicated channel Anime Times launched its service in 2021 as a paid channel within Prime Video. In December 2023, streaming began on Prime Video in India, marking its global expansion. As a result of these efforts, in 2025, “Anime Times Company in India” was selected as the runner-up at the Cool Japan Platform Award 2025, which honors videos and businesses that share the appeal of Japan overseas and foster empathy. Moreover, total annual viewing hours have grown significantly since the service launched, reaching approximately 57 times the initial figure by 2025. Going forward, we will continue to strengthen domestic first-run and exclusive titles while advancing initiatives toward further global expansion.

Total annual viewing time for the anime-dedicated channel Anime Times
Approximately **57** times
Since service launch in August 2021

FLAGSHIP LINE | Establishment of a new animation studio

FLAGSHIP LINE, Inc., a wholly owned subsidiary of Avex Pictures Inc. that plans and produces animation, etc. established a new animation studio, STUDIO GRAPH77, in September 2025.
The first release, ‘Tatsuki Fujimoto 17-26 “Shikaku”’ (exclusively streaming worldwide on Prime Video since Saturday, November 8), won the Audience Award in the Short Film Competition at the Bucheon International Animation Festival, held in South Korea from October 23 to 25.

OVERSEAS BUSINESS

Overseas Business (Other Businesses)

We engage in licensing business across Asia, planning and production of concerts and other events, artist management, music publishing and record label operations in the U.S., and venture investments. We are also undertaking various initiatives aimed at creating synergy with our focus businesses.

Main operating companies : Avex Asia Pte. Ltd., Avex Music Group LLC, etc.

Results in the global market

(from the fiscal year ended March 2020 to the fiscal year ended March 2025)

Overseas attendance at live performances **4.7x**

Overseas net sales of merchandise and packaged products **8.6x**

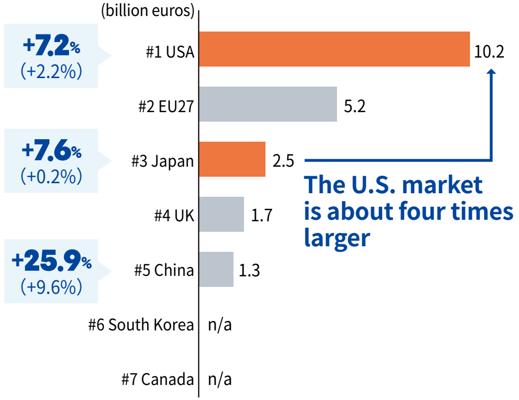
Overseas net sales from music streaming **2.2x**

Overseas net sales from music publishing **2.5x**

Business environment

In the recorded music market, the U.S. is roughly four times the size of Japan, and China has also been growing rapidly in recent years. Going forward, further growth is expected through business expansion that looks beyond the domestic market to the global market. Building on the business models we have established domestically and tailoring models to the characteristics of each region, we will strengthen our entry into the global market, including Asia and North America, and aim to create new growth opportunities.

Recorded music market by region (2023)



* IFPI / Music in the EU 2024
* Percentage figures indicate growth rates for 2022-2023 (figures in parentheses are for 2023-2024)

Basic policies and initiatives

Discovery, development, and acquisition of global Intellectual Property

Utilization of Intellectual Property

- Developing Intellectual Property with overseas markets in mind
- Expanding overseas partner networks
- Acquiring creative talent and global Intellectual Property
- Strengthening global hubs and talent

HOT TOPICS

Expanding the global Intellectual Property portfolio | Acquiring top Intellectual Property and maximizing rights value

Through music publishing agreements with global hitmakers, we are promoting the expansion of our share of global Intellectual Property holdings and the maximization of rights value.In 2025, we acquired rights to songs by top artists such as Drake and Tate McRae, further strengthening our earnings base.

Elkan	Drake “Nokia”	#1 Apple Music Top 100 USA #2 Spotify Top 50 USA #8 Billboard Hot 100
Dawit Kamal Wilson	Kehlani “Folded”	2 Grammy Nominations #7 Billboard Hot 100
Grant Boutin	Tate McRae “Sports Car”	#1 U.S. Pop Radio Airplay Chart #16 Billboard Hot 100
	Tate McRae “Revolving door”	#1 Billboard Hot Dance/Pop Songs
	Tate McRae “TIT FOR TAT”	#1 Spotify Top 50 USA
Elyas	Drake “What Did I Miss?”	#2 Billboard Hot 100

Strengthening our global foundation | Leveraging know-how in developing global artists

We made S10, which has a track record of developing global top artists such as Myke Towers and Big Sean, a wholly owned subsidiary, and are leveraging its management expertise to further discover and develop global Intellectual Property (P.17 “Discovery and Development of Global Intellectual Property”).

avex vision 2027

avex vision 2027 Medium-term Management Plan

In May 2022, the Company defined a new corporate philosophy with the aim of clarifying the purpose of its corporate activities and the significance of its existence in society. The new philosophy is to “Making impossible entertainment, possible. We believe in your abilities, uniqueness and creativity in building a future that is exciting and world changing.” Avex also announced the Medium-term Management Plan, “avex vision 2027,” based on this corporate philosophy.
The key strategy of avex vision 2027 is “Seek to discover and develop ‘beloved’ Intellectual Property in many different regions and fields.” Avex made active investments with a focus on “meeting and developing talent,” which it believes is the foundation of value creation, and aimed to establish a structure for long-term growth. Additionally, Avex began implementing strategic initiatives in overseas markets, leveraging its growing Intellectual Property portfolio.

Key Strategy

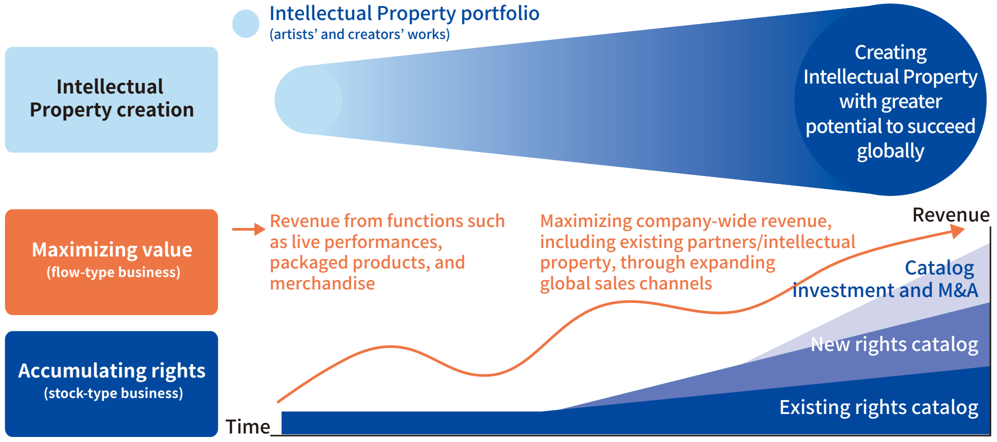
Seek to discover and develop “beloved” Intellectual Property in many different regions and fields.

Key Initiatives

1. **Develop proprietary Intellectual Property that is rich in continuity with a global perspective**
2. **Develop and discover diverse Intellectual Property and create hits in line with the market environment**
3. **Develop festivals and events valuable as Intellectual Property**
4. **Develop and acquire Intellectual Property for animation and video works that will be loved for a long time**

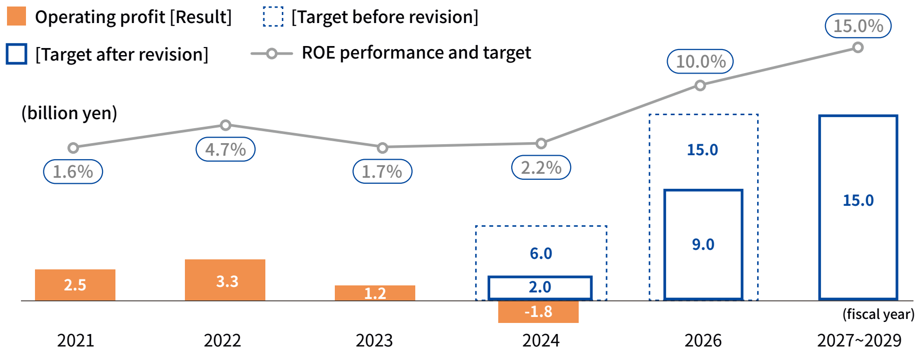
Future growth outlook

While continuing to focus on developing Intellectual Property and building value chains with a view to global expansion, we will also strategically promote business expansion with existing partners and Intellectual Property in our core businesses and accumulate foundational rights.



Numerical targets

Changes in operating profit and ROE and targets



SECTION 4

ESG

ENVIRONMENT
SOCIAL
GOVERNANCE

avex class

SUSTAINABILITY MANAGEMENT

Sustainability policy

Contribution to future talent and undiscovered joy

We believe in a prosperous future created by diverse talent and joy, and, as an entertainment company, aim to create new value models that will contribute to a sustainable society.

Sustainability Promotion Unit

Established in July 2022, the Sustainability Promotion Unit consists of Avex employees, artists and talent as well as experts and students outside Avex. It is a specialized unit designed to promote sustainability in ways that are unique to the entertainment company.
The Avex artists or talent who are members of the unit include Kosaka Daimao, a UNEP Sustainability Action Advisor, and Risako Tanabe, a fitness trainer who is dedicated to the protection of the environment and animal welfare. Characteristically, the unit publicly invites university students who are interested in entertainment and a sustainable society as its members so that it is able to incorporate many different perspectives.
Avex will continue to be committed to the realization of a sustainable society in cooperation with its employees, artists, talent and students.

Kosaka Daimao

Risako Tanabe

Student members

Materiality identification process

The process below was used to identify materiality referencing documents such as SDGs Compass: the guide for business action on the SDGs created by UN Global Compact and others, the Practical Handbook for ESG Disclosure co-published by the Japan Exchange Group and the Tokyo Stock Exchange, and the Ministry of Economy, Trade and Industry’s Guidance for Collaborative Value Creation.

STEP 1
Selecting candidate focus materiality

STEP 2
Creating a materiality matrix

STEP 3
Identifying materialities

STEP 4
Developing action plans

Materiality

Three major themes	Seven individual items
Creating and delivering “intangible wealth”	● Providing joy and vitality to people through talent and content ● Promotion of diversity & inclusion
Creating and delivering “the next generation”	● Discovering and developing next-generation human resources ● Diverse partnerships for a sustainable world ● Innovation that achieves harmony between the economy, society and the environment
Creating an organization that serves as the foundation for creating “intangible wealth” and “the next generation”	● Governance that ensures business ethics ● Job fulfillment and respect for human rights

MATERIALITY

Initiatives for each materiality topic

1 Creating and delivering "Intangible wealth"

Avex believes that providing joyful experiences, fun and other forms of intangible wealth through entertainment, the company' s main business, is where the company can contribute the most to sustainability. Avex provides a variety of entertainment experiences including music, animations and videos, events, live performances, theatrical performances and concerts.

Individual Item 01 Providing joy and vitality to people through talent and content

Key initiatives

- Implemented recovery support activities for the "2024 Noto Peninsula Earthquake"
- Participation in the "D LEAGUE"

D.LEAGUE 第一生命

Individual Item 02 Promotion of diversity & inclusion

Key initiatives

- Held "LIVE EMPOWER CHILDREN," a charity live performance supporting childhood cancer treatment
- Sales of the DVD "Revival Dance," effective for promoting health in older age and addressing dementia

LECTV

子どもたちの「生きる力」を作る

2 Creating and delivering "the next generation"

To continue delivering inspiration to people through entertainment, discovering and developing next-generation talent with diverse abilities is essential. We will further contribute to sustainability through collaboration at the local and global levels and the creation of new content leveraging technology.

Individual Item 03 Discovering and developing next-generation human resources

Key initiatives

- The career education program "avex class" that conveys the importance of "the power to believe in one's talents and dreams"
- Providing learning opportunities in the Avex Entertainment Business Master program

Individual Item 04 Diverse partnerships for a sustainable world

Key initiatives

- Renewed top partner agreement with FC Machida Zelvia

Individual Item 05 Innovation that achieves harmony between the economy, society and the environment

Key initiatives

- Promotion of next-generation smart live performances

3 Creating an organization that serves as the foundation for creating "intangible wealth" and "the next generation"

To deliver "intangible wealth" and to discover and nurture a diverse "next generation" that will create the future, it is essential to be a company trusted by society. We conduct our business in line with standards and are building an organization that can promote sustainability while learning together with everyone involved.

Individual Item 06 Governance that ensures business ethics

Key initiatives

- Implementing initiatives to build stronger corporate governance

Individual Item 07 Job fulfillment and respect for human rights

Key initiatives

- Offered free invitations for employees at "STAR ISLAND 2025"
- At FC Machida Zelvia "Avex Matchday," provided hands-on experience opportunities as escort kids and flag bearers for employees' families

PICK UP

Activity Highlights

avex class

~Creating opportunities for children who will lead the next generation to discover their future dreams and what they love, so they can envision a bright future~

Artists, talents, creators, and athletes visit educational institutions nationwide free of charge as one-day instructors to deliver the traveling career education program “avex class,” which conveys to children the importance of “the power to believe in their talents and dreams.”
Chiaki Ito, Kumi Koda, Kosaka Daimao, SAM (TRF), Ami Suzuki, Risako Tanabe, Yu Tamura, and DJ KOO (TRF) serve as instructors, directly sharing what inspired them to pursue their current professions, the rewards and enjoyment of their work, and their experiences to date, thereby creating opportunities for children who will lead the next generation to discover their future dreams and what they love, and to envision a bright future.

Ami Suzuki Manager in charge

Every appearance in “avex class” receives a great deal of feedback, and someone at the prefectural government who learned about this activity reached out to us, leading to our participation in a recovery support event.
“avex class” aligns with Ami Suzuki’ s desire to contribute to society, and I believe it is an activity that, through entertainment, helps people look ahead.

Winner of the 19th KIDS DESIGN AWARD

Since February 2023, “avex class” has visited a total of 21 schools, from elementary to high schools, with a cumulative 4,361 participating students (as of August 2025). Recognized for our track record and our approach — unique to an entertainment company — to solving challenges, we received the KIDS DESIGN AWARD in August 2025, an awards program that honors all products, services, spaces, activities, and research that consider children and childrearing.

avex class manager

Centering on the shared wish, “We want children to think about their future with excitement through the power of entertainment,” school officials, our affiliated artists, and each business of the Group work together as one to create the classes. We are pleased that our strong commitment has spread and been recognized. We will continue improving the class content while delivering the program to more children.

Initiatives by four entertainment companies

In September 2025, together with three companies — AMUSE Inc., Sony Music Entertainment (Japan) Inc., and PONY CANYON Inc. — that supported the aspirations of avex class to create opportunities for children who will lead the next generation to envision a bright future, as well as the positive responses from children who actually attended the classes, we held a special edition of avex class, “ENT NEXT class ~ Bring What You Love into the Future ~.”
DJ KOO (TRF) and employees from each company with diverse backgrounds took the stage and delivered lessons on “the rewards of work” and “the appeal of the entertainment industry.”
The four-company initiative named “ENT NEXT ACTION” upholds the shared philosophy of “four companies creating a new tomorrow together,” believes in the power generated by collaboration, and continues to hold monthly regular meetings and plan various actions.
We position the discovery and development of “next-generation” talent as a materiality (priority issue) in our sustainability activities. By discovering and cultivating diverse talents who will create the future, and by creating the “next generation” through our own innovative content, we will contribute to a sustainable society.

We position the 'Discovery and Cultivation of Next-Generation Talent' as a core materiality of our sustainability efforts. By seeking out and nurturing diverse talent that creates the future, and by inspiring the 'next generation' through our innovative content, we aim to contribute to the realization of a sustainable society.

ENVIRONMENT / HUMAN RIGHTS

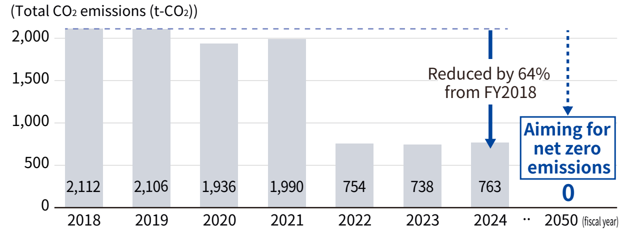
Disclosure Based on the Task Force on Climate-related Financial Disclosures (TCFD)

In June 2023, we endorsed the final report (TCFD recommendations) of the Task Force on Climate-related Financial Disclosures (TCFD), and we actively address climate change and disclose related information to help realize a sustainable society and environment and to achieve our sustainable growth.
For our status of initiatives based on the four core disclosure elements recommended by TCFD, please see our corporate website (“Climate Change Initiatives”).

Initiatives to Reduce CO_2 Emissions

We recognize climate change as an urgent social issue and are working to conserve energy. Indirect CO_2 emissions (Scope 2) from electricity consumption in FY2024 totaled 763 t-CO_2, a 64% reduction from FY2018. In line with the Japanese government’s aim to decrease CO_2 emissions for a sustainable society, in June 2023, we set a goal of achieving net-zero CO_2 emissions by 2050. Due to changes in working styles and expansion/renovation of the head office, we observed slight fluctuations in CO_2 emissions from FY2022 to FY2024; however, we will continue to pursue energy-saving and power-conservation measures to reduce energy use. We will also actively adopt renewable energy that does not use fossil fuels and utilize green energy certified by the Japan Quality Assurance Organization (JQA), aiming to realize a decarbonized society.

Trend of our total CO_2 emissions (t-CO_2)



* Subjects: HQ building and studios we own
* On March 1, 2022, we relocated our HQ from Avex Building to Sumitomo Fudosan Azabu-Juban Building.

Formulation of the Avex Group Human Rights Policy

We place importance on all “people” in order to provide sustainable entertainment.
Those who receive the inspiration and empathy we deliver are “people,” such as customers (fans), and entertainment is created by “people,” such as artists, creators, and employees.
Moreover, in our corporate activities, we place particular emphasis on nurturing the next generation of “people.”
As a company keenly aware of the role of “people,” we have implemented initiatives centered on our Compliance Policy. To further strengthen efforts to respect human rights across the Group and foster greater human rights awareness, we formulated the Avex Group Human Rights Policy in December 2025.
Based on this policy, we will carry out activities that respect the human rights of each individual.

Human Rights Due Diligence

We will establish a human rights due diligence framework based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) and in accordance with these principles.
Specifically, under the Avex Group Human Rights Policy, we will identify and assess human rights risks and take actions toward prevention and mitigation.
Furthermore, we will establish a human rights due diligence process that includes monitoring and disclosing results, and continuously advance initiatives related to human rights.

Four priority human rights subjects

- Artists, talent, and creators belonging to our Group
- Officers/employees and artists of partner companies
- Officers and employees of Avex Group companies
- Customers (fans)

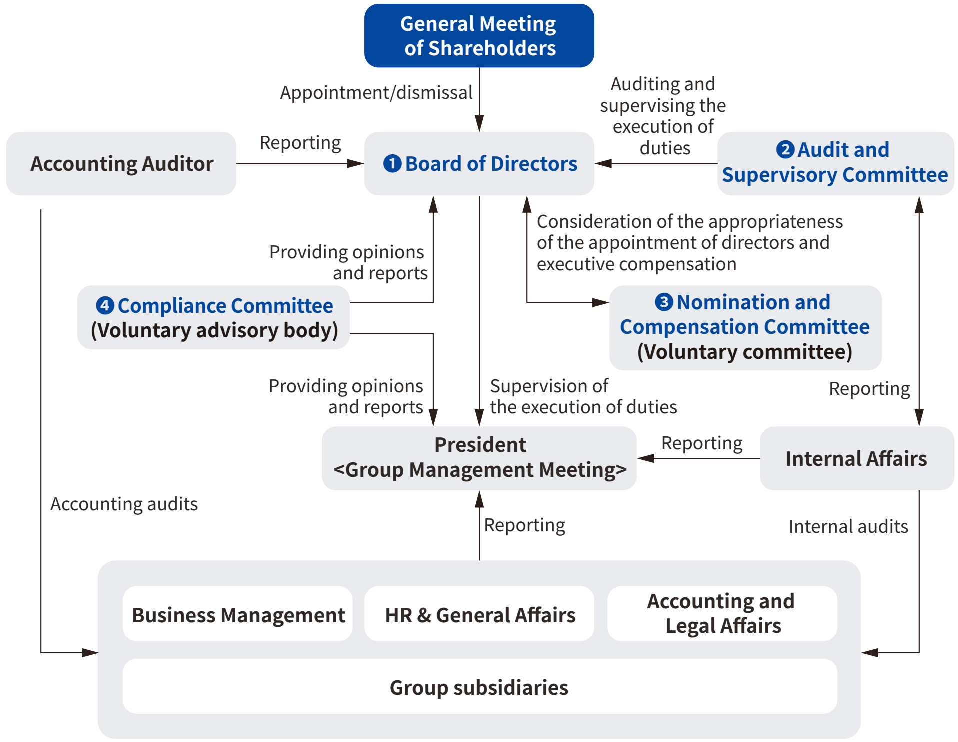
CORPORATE GOVERNANCE

Basic Approach to Corporate Governance

We believe that enhancing corporate governance — a system that enables transparent, fair, swift, and decisive decision-making — is essential to achieving sustainable growth and improving corporate value over the medium to long term.
To build trust with all stakeholders, including shareholders, and fulfill our social responsibilities, we will continue working to establish an effective governance framework and operate it appropriately.

❶ Board of Directors Number of meetings held in FY2024: 12	The Board of Directors consists of five Directors (who are not Audit and Supervisory Committee Members) and three Directors who are Audit and Supervisory Committee Members. It meets once a month, in principle, to decide on the main issues facing the Company and its Group companies. Regarding the specific matters considered in FY2024, in addition to deliberating on matters prescribed by laws and the Articles of Incorporation as set forth in items submitted to the Board of Directors, we deliberated matters concerning overall management and important execution of operations, and received reports on monthly performance and the progress of each business.
❷ Audit and Supervisory Committee Number of meetings held in FY2024: 15	The Audit and Supervisory Committee comprises three members including two Outside Directors, and its duties include audits and supervision of the business execution of Directors. It mainly discusses audit policies and plans, the status of development and operation of internal control systems, evaluation of the accounting auditor and appropriateness of audit fees, and the creation of an Audit and Supervisory Committee audit report. In addition, the Audit and Supervisory Committee reports and explains monthly audit activities of the full-time Audit and Supervisory Committee Member to Outside Audit and Supervisory Committee Members to share information with them.
❸ Nomination and Compensation Committee (Voluntary committee) Number of meetings held in FY2024: 2	The Nomination and Compensation Committee is chaired by an Independent Outside Director, with Independent Outside Directors making up a majority of its members. It examines the appropriateness of the executive appointment process and executive compensation. The basic policy for appointing executives and senior management is to ensure that they understand and practice the Company's Code of Conduct, have the necessary skills, experience, and track record to manage the Company, and are capable of contributing to the development of business.
❹ Compliance Committee	Chaired by an Independent Outside Director and composed of members including outside committee members such as attorneys, the committee not only deliberates significant compliance issues of the Company but also reviews cases reported via the whistleblowing system (Helpline) and works to implement improvements. As a basic policy, the chair of this committee shall be an Independent Outside Director.

Corporate Governance Structure



EXECUTIVES

Representative Director and Chairman

Masato Matsuura

Established the Company in 1988. He served as the Representative Director and CEO of the Company before taking up his current position in 2020.

Representative Director, CEO

Katsumi Kuroiwa

Joined the Group in 2001. He held served positions responsible for business related to live performances before taking up his current position in2020.

Representative Director, CFO

Shinji Hayashi

Joined the Company in1990. He held positions responsible for the sales department and marketing department before taking up his current position in 2018.

Director(part-time)

Toru Kenjo

Joined KADOKAWA CORPORATION in 1991 He was involved in the foundation of Gentosha Inc. and served in other positions before taking up his position as a part-time Director of the Company in 2010.

Outside Director

Yurina Takiguchi

She serves as a news caster of economic programs and outside director for multiple companies and she took up her position as an Outside Director of the Company in 2024.

Director (Audit and Super- visory Committee Member)

Nobuyuki Kobayashi

Joined the Group in 1998. He experienced positions responsible for sales, sales promotion, and administration, among other areas, before taking up his current position in 2020.

Outside Director (Audit and Super- visory Committee Member)

Yoshihide Sugimoto

He took up his current position in 2020. He serves as an outside auditor and outside director of multiple companies while building an extensive track record as a lawyer.

Outside Director (Audit and Super- visory Committee Member)

Megumi Yasuda

Certified public accountant. Leveraging her practical auditing experience, she teaches at a university as a visiting associate professor and serves as an outside auditor at multiple companies She took up her current position at the Company in2024.

Attendance (FY2024)

	Masato Matsuura	Katsumi Kuroiwa	Shinji Hayashi	Toru Kenjo	Yurina Takiguchi	Nobuyuki Kobayashi	Yoshihide Sugimoto	Megumi Yasuda
Board of Directors	12/12	12/12	12/12	11/12	10/10	12/12	12/12	10/10
Audit and Supervisory Committee	—	—	—	—	—	15/15	15/15	13/13
Nomination and Compensation Committee	—	—	2/2	—	—	—	2/2	2/2

* The number of Board of Directors meetings attended by Yurina Takiguchi and Megumi Yasuda is counted from their appointment as Outside Directors in June 2024.

Approach to the skills matrix

With respect to the specialized knowledge and experience that Directors should possess, in addition to fundamental corporate management skills such as "Corporate management," "Finance & accounting," and "Laws & compliance," we regard "Intellectual Property creation," which is our mission, as a required skill set.

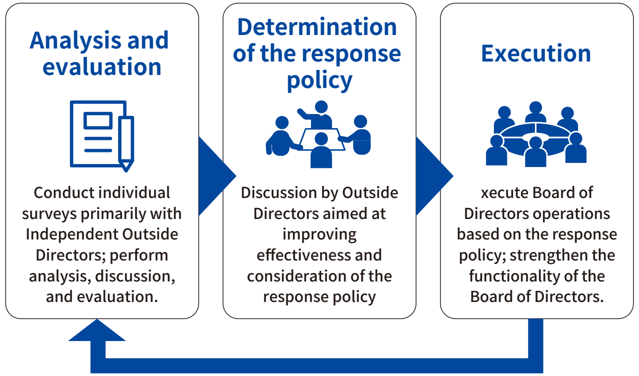
	Masato Matsuura	Katsumi Kuroiwa	Shinji Hayashi	Toru Kenjo	Yurina Takiguchi	Nobuyuki Kobayashi	Yoshihide Sugimoto	Megumi Yasuda
Corporate Management	●	●	●	●				
IP Creation	●	●	●	●				
Global	●	●			●		●	
Marketing & Public Relations	●	●	●	●	●	●		
Digital & IT	●				●			
Finance & Accounting			●			●		●
Legal & Compliance			●	●		●	●	●

GOVERNANCE

Evaluation of the Effectiveness of the Board of Directors / Executive Compensation

Evaluation of the effectiveness of the Board of Directors

In March 2025, we conducted individual surveys primarily with Independent Outside Directors, and, based on reports from external institutions, carried out analysis, discussion, and evaluation at the regular Board of Directors meeting in May 2025. Responses to the survey yielded generally positive assessments of the number of Board of Directors meetings, meeting duration, agenda content, and proceedings, and we recognize that the overall effectiveness of the Board of Directors is being ensured.
Furthermore, in the previous effectiveness evaluation, issues such as ensuring diversity among members were identified; since then, we have worked to improve these issues, and we recognize that the results are steadily materializing. On the other hand, issues were also observed regarding monitoring and methods of discussion at the Board of Directors, and strengthening of succession planning.
Based on this effectiveness evaluation, we will promptly address the issues after sufficient consideration and countermeasures, and continue efforts to strengthen the functionality of the Board of Directors.



Executive compensation

We position the executive compensation system as a driver of sustainable growth that enhances corporate value.
To ensure the system functions properly from this perspective, decisions regarding the specific design and operation of our executive compensation system are made by the Board of Directors based on the recommendations of the Nomination and Compensation Committee, which incorporates an external, objective perspective and is composed of three members: an Independent Outside Director as chair, one other Independent Outside Director, and one Internal Director. For details, please see our corporate website (“Corporate Governance”).

Basic policy on compensation

- To ensure that shareholders and other stakeholders can readily understand and place trust in the system, we emphasize securing high objectivity and transparency in system design and operation, clearly indicate the basis for payment amounts, and fully meet accountability.
- Emphasize performance-linked compensation and, by making shareholders’ interests and corporate value the primary basis for evaluation, strongly embody the pay-for-performance philosophy.
- Constantly encourage the expression of the founder’s spirit and strongly instill a focus on the Company’s sustainable growth.
- Strongly attract, from inside and outside the Company, talent who can become leaders of transformation and execution by fully understanding our corporate philosophy and the business characteristics of the entertainment industry, presenting a clear vision to the organization to inspire members to take on challenges, and invigorating the organization as a whole.
- Be aligned with the role of strongly leading transformation and enterprise-wide optimization toward achieving medium- to long-term business expansion and enhancement of corporate value.
- Take tax efficiency into consideration to the extent possible, such as curbing external outflows through deductibility.

Monetary compensation	Basic compensation	Paid as monthly compensation in accordance with the compensation table, determined by position, resolved by the Board of Directors at its meeting held on June 21, 2024.
	Performance-linked compensation	Paid as an annual bonus to Executive Directors, etc., based on profit attributable to owners of parent for the same period. The upper limit is set at 1.2 billion yen; if it exceeds 1.2 billion yen, each individual’s bonus will be the amount calculated by multiplying 1.2 billion yen by that individual’s payout rate divided by the sum of all payout rates.
	Performance share unit (PSU)	Linked to our Medium-term Management Plan “avex vision 2027” and calculated based on consolidated operating profit and consolidated ROE. If consolidated operating profit for the fiscal year ending March 2027 is less than 6 billion yen, or consolidated ROE is less than 7%, the achievement rate will be set at 0% and the payout ratio will be 0%.
Non-monetary compensation	Restricted stock compensation (RS)	Determined comprehensively by taking into account the individual’s level of contribution, responsibilities, and other relevant factors. This compensation aims to encourage alignment of interests with shareholders by promoting share ownership during tenure and to raise management’s awareness of enhancing corporate value over the medium to long term.

Total amount of compensation, etc., for Directors for FY2024

Officer category	Total amount of compensation, etc.	Total amount by type of compensation, etc. (million yen)			Number of applicable officers (persons)
		Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Directors (excluding Audit and Supervisory Committee Members) (of which, Outside Directors)	510(7)	393(7)	-	116	5(1)
Directors who are Audit and Supervisory Committee Members (of which, Outside Directors)	41(20)	41(20)	-	-	5(4)
Total	551	434	-	116	10

* As of the end of the current fiscal year there are 8 Directors; however, the number of applicable officers above includes two Directors who retired upon the expiration of their terms at the close of the annual general meeting of shareholders held on June 21, 2024.
* For the fiscal year ended March 2025, in light of the fact that we recorded an operating loss, the Board of Directors resolved on May 8, 2025 not to pay annual bonuses.

OUTSIDE DIRECTOR'S MESSAGE

Outside Director oversight framework

The Company has appointed three Outside Directors deemed to be independent in accordance with our independence criteria.
Furthermore, to strengthen our management and corporate governance framework, in selecting these Outside Directors we consider, in addition to their character and insight, their background and experience. Among the current Outside Directors, in addition to those elements, we have appointed individuals who possess significant professional expertise, such as attorney or certified public accountant qualifications, and we believe this contributes to further enhancement of our management and corporate governance framework.
In addition, Outside Directors, in principle, attend the Board of Directors meetings held once a month to monitor management and, as needed for business judgments, provide advice and engage in exchanges of opinions. They also attend the Audit and Supervisory Committee meetings, in principle held once a month, where they verify the status of the execution of duties by Directors of the Company and its Group subsidiaries; check the status of internal audits conducted by Internal Affairs, the content of audit reports by the accounting auditor, and the status of the internal control system; and, as necessary, coordinate with the relevant departments to promote the appropriateness of operations. For details, please see our corporate website ("Corporate Governance").

Board of Directors composition

Ratio of Independent Outside Directors

3 out of 8 — 37.5%

Number of female Directors

2 out of 8 — 25.0%

Main activities in FY2024

Board of Directors	• Management status and risk checks of Group companies • Ensuring the appropriateness of full-year financial results and confirming financial soundness • Monitoring the progress of key performance indicators (KPIs) and the appropriateness of the growth strategy • Ongoing evaluation of the governance framework and recommendations • Participation in the implementation and review of the evaluation of the effectiveness of the Board of Directors
Audit and Supervisory Committee	• Business interviews with management of Group subsidiaries • Identifying and advising on risks related to business operations • Interviews with executives of administrative divisions • Confirmation of the operational status of the internal control system • Understanding corporate culture and governance awareness through one-on-one meetings with officers and employees
Voluntary advisory bodies	• Participation in the Nomination and Compensation Committee • Participation in the Compliance Committee

Contributing to the future of entertainment and sustainable growth

To date, I have covered the field of innovation as an economic newscaster, and I am convinced that ensuring Diversity and Equity is indispensable for companies' sustainable growth and transformation.
At Avex, diverse talent is already thriving, but to accelerate growth, I believe we need to further deepen our DE&I (Diversity, Equity & Inclusion) initiatives. In particular, it is important to promote women's advancement and to create a work environment where all employees can fully demonstrate their abilities.
Moreover, entertainment transcends borders and generations and has limitless potential to move the hearts of diverse people. I believe Avex has a social mission to create uniquely Japanese Intellectual Property loved around the world and to contribute to enhancing the value of creativity across Japan, not only as a single company.
As a Director of a company that plays a role in Japan's culture, I place importance on incorporating diverse stakeholder perspectives and fostering multifaceted discussions, and I aim to pursue sustainability and enhancement of corporate value as twin pillars through strengthening governance functions and sound corporate activities.
I intend to contribute to the future of Avex and, by extension, to the development of Japan's entertainment industry.

Outside Director
Yurina Takiguchi

She serves as a newscaster of economic programs and outside director for multiple companies and she took up her position as an Outside Director of the Company in 2024.

OUTSIDE DIRECTOR'S MESSAGE

Strengthening oversight as an Audit and Supervisory Committee Member and establishing a framework for sustainable growth

As we simultaneously expand our domestic business and pursue overseas expansion, our business environment is becoming increasingly complex. Under such circumstances, ensuring the soundness and transparency of management and establishing a foundation that supports sustainable growth is an extremely important responsibility for a listed company.
As an Audit and Supervisory Committee Member, I prioritize overseeing the legality and appropriateness of business execution at the Board of Directors and confirming the operational status of internal controls. Leveraging my expertise as a lawyer, I conduct audits and oversight from an objective perspective over risks specific to the entertainment business, such as contracts, Intellectual Property, and compliance. In domestic business, rights clearance and relationship management with partner companies are important, while in overseas business, diverse risks may arise due to differences in market characteristics. Taking these business characteristics into account, I continuously verify whether our risk management mechanisms are functioning appropriately.
Additionally, improving the effectiveness of the Board of Directors is also an important role of Audit and Supervisory Committee Members. I examine the completeness of reports from management, the transparency of discussions, and the appropriateness of decision-making processes, and make observations and provide advice as necessary. I also work to enhance collaboration with the internal audit department and the quality of information sharing, supporting the establishment of a robust oversight framework for governance as a whole.
Going forward, I will continue to provide calm and highly effective oversight from an independent position and contribute to the Company's sound development and the enhancement of corporate value.

Outside Director (Audit and Super- visory Committee Member)

Yoshihide Sugimoto

He took up his current position in 2020.
He serves as an outside auditor and outside director of multiple companies while building an extensive track record as a lawyer.

Governance that supports sustainable growth and contribution to transformation

Currently, based on recent performance trends, the Company is in the midst of working on structural reforms and improvements to our governance framework. There are many employees who speak passionately about wanting to make the company better, and many who think deeply and work on daily improvements to realize that passion. As an Outside Director, the expectations placed on me are wide-ranging, but I believe it is my duty to fulfill this role with resolve that absolutely does not fall short of that passion.
Reform and improvement are not achieved by simply introducing efficient systems or AI; although it may take time and effort, I believe they can be realized by transforming each employee's mindset and becoming a lean, fit company. I believe Avex can do that.
At times I may make very strict remarks, but I look forward to further growth as an entertainment company that Japan can be proud of.

Outside Director (Audit and Super- visory Committee Member)

Megumi Yasuda

Certified public accountant.
Leveraging her practical auditing experience, she teaches at a university as a visiting associate professor and serves as an outside auditor at multiple companies
She took up her current position at the Company in 2024.

COST OF CAPITAL

Measures Toward Realizing Management Conscious of Capital Costs and Stock Price

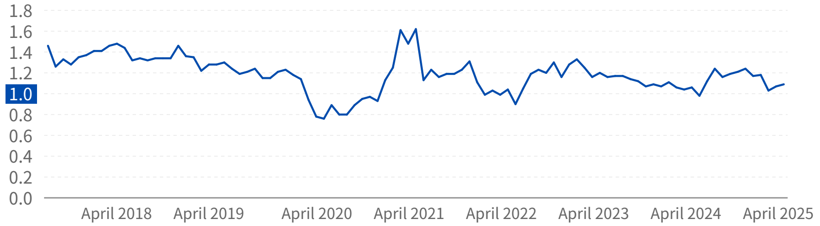
In order for the Company to realize the strategy of continuously creating diverse Intellectual Property globally and continue to grow sustainably, we recognize that the most important management priority is to use the capital entrusted to us by shareholders and investors efficiently and to keep generating returns that exceed the cost of capital, which is their expected rate of return. We will visualize capital profitability with objective indicators and reliably execute specific action plans to improve it, thereby meeting the expectations of our stakeholders.

Current assessment

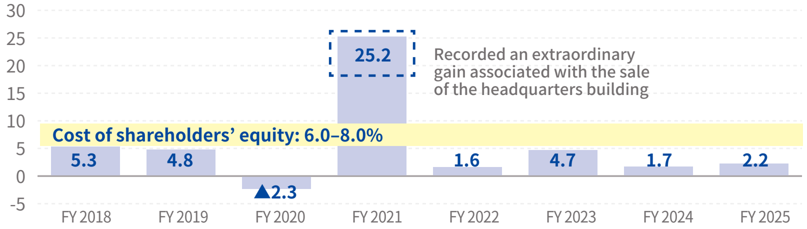
As a result of calculating our cost of shareholders' equity, we recognize that it is currently at a level of 6.0%–8.0%.
In recent years, our ROE has consistently been below this cost of capital, and we take this situation seriously. Aiming to maximize shareholder value, we will implement specific management measures to achieve profitability that exceeds the cost of capital and to fundamentally improve capital efficiency.

Cost of shareholders' equity (estimated value) = Risk-free rate Approx. 0.9% + Beta 0.7–0.9 × Market risk premium 7.0–8.0% = **6.0%–8.0%**

PBR (times)



ROE and cost of shareholders' equity (%)



Our policy and status of initiatives

Policy

1. Continue initiatives to create new Intellectual Property based on the avex vision 2027 Medium-term Management Plan and work to improve profitability
2. Medium-term Management Plan targets: Operating profit of 9.0 billion yen for the fiscal year ending March 2027, ROE 10.0%

	Business strategy	Capital and financial strategy
Initiatives	● While prioritizing the creation of global Intellectual Property, promote strategic acquisition of rights by leveraging M&A and core businesses that maximize Intellectual Property value ● Execute company-wide structural reforms to improve profitability: (1) selection and concentration of the business portfolio and Intellectual Property, (2) cost optimization, (3) strengthened governance	● Execute measures to enhance returns on capital, including shareholder returns ● Enhance disclosure, including non-financial information, through the integrated report, etc. ● Promote dialogue with stakeholders
Measures implemented	● Continued investing in Intellectual Property development with a global outlook ● Established "avex Youth studio TOKYO" ● Made S10 a subsidiary ● Transferred shares and businesses of four subsidiaries	● Introduced an executive compensation system that sets operating profit and ROE in the Medium-term Management Plan as target metrics and delivers company shares according to the level of achievement ● Continued a minimum dividend of 50 yen (total of approximately 6.6 billion yen for the fiscal years ended March 2023 to March 2025) ● Acquired treasury shares totaling 4.3 billion yen (acquisitions completed May–December 2024)

COST OF CAPITAL

Measures Toward Realizing Management Conscious of Capital Costs and Stock Price

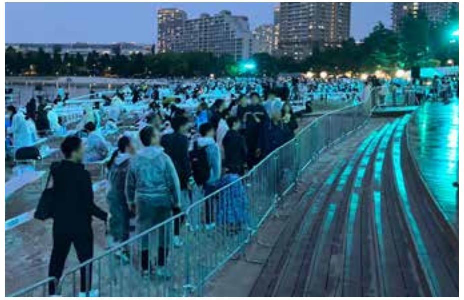
Dialogue with stakeholders

We believe that constructive dialogue with our shareholders and investors is indispensable for the sustainable enhancement of corporate value. Through earnings briefings and IR meetings with institutional investors in Japan and overseas, we carefully explain our management strategy, business overview, and sustainability initiatives, and have built a framework to feed the opinions and expectations we receive back into management.

COLUMN

Dialogue to experience the "heat" of our business

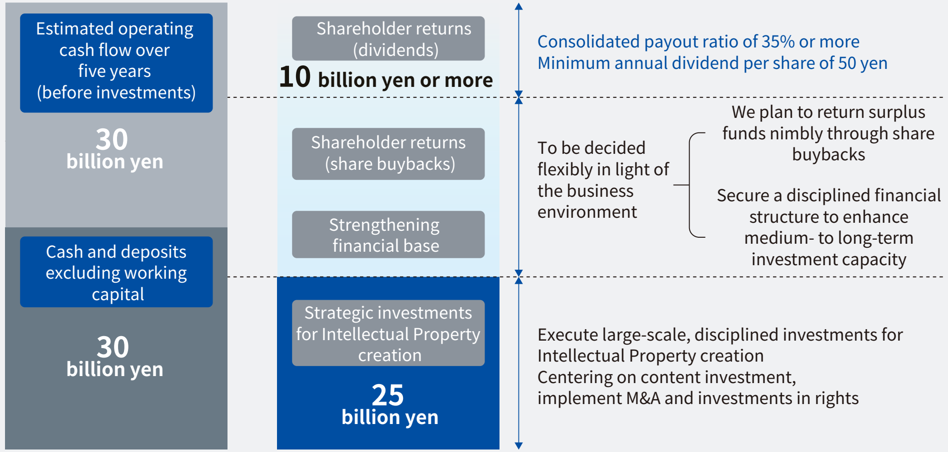
To let institutional investors feel the "energy" of our business that cannot be conveyed by financial or textual information alone, we invite them to company-hosted events and live performances.
These are unique opportunities for dialogue to directly experience artists' performances and fans' enthusiasm, so that they can gain a deeper understanding of the intangible value and potential of our Intellectual Property.



Approach to capital allocation

In the avex vision 2027 Medium-term Management Plan formulated in 2022, we announced our policy regarding capital allocation. For sustainable enhancement of corporate value, we will undertake disciplined strategic investments geared toward Intellectual Property creation and our overseas strategy, and, based on the dividend policy — which we regard as one of the most important management measures — of a consolidated payout ratio of 35% or more and a minimum annual dividend per share of 50 yen, we intend to allocate funds to shareholder returns. With respect to surplus funds, taking the business environment into account, we will flexibly determine additional shareholder returns such as share buybacks and measures to strengthen our financial base.

Plan at the time of the Medium-term Management Plan announcement



COMPLIANCE

Internal control systems

The Company maintains and develops a system of internal controls for ensuring the reliability of its financial reporting and increasing the effectiveness and efficiency of its business operations. Furthermore, in accordance with the Fundamental Policy for Internal Controls, the Company checks the status of the development and establishment of internal controls every fiscal year. It has also established a Compliance Policy that forms the foundation of the Company' s corporate ethics, and undertakes initiatives such as raising awareness to ensure thorough compliance with laws and regulations among officers and employees, as part of its efforts to maintain and improve the internal control system. Furthermore, we have established a whistleblowing system (Helpline), appointing external attorneys to serve as reporting contacts, and will continue our efforts to prevent employees' violations of laws, misconduct, and ethical breaches.
In addition, with respect to the Company' s risk management framework, the Company has established risk management regulations, designated the department responsible for risk management to identify risks that may arise at the Company and its Group subsidiaries and to implement countermeasures, and appointed a Director in charge of risk management, who manages risks in a hierarchical and comprehensive manner, thereby putting in place a system that ensures effective risk management. Internal Affairs conducts audits of these risk management conditions, and we have established a framework whereby the results are reported to the Representative Director and the Audit and Supervisory Committee; when issues are observed, we work with the risk management department and relevant departments to respond, thereby maintaining and improving the risk management framework.

Compliance Policy

We use our Compliance Policy, formulated for conducting corporate activities in the entertainment industry, as the guiding principle for all actions and decisions.

Don't cheat.

1. Engage in fair, transparent and open competition.
2. Do not go against the legitimate interests of the company to promote your own or a third party' s interests.
3. Do not resort to dishonest means when doing business.

Don't bully others.

1. Respect human rights and do not engage in acts of discrimination.
2. Interact with business partners in a proper, honest, fair and open manner.

Don't play around with other people's money.

Do not socialize with business partners in ways that depart from sound commercial practices or common sense.

Don't lie.

1. Disclose information accurately
2. Engage in proper promotion and advertising.

Don't be arrogant.

Comply with laws and regulations and respect social norms.

Don't be wasteful.

Recognize the importance of environmental issues and make effective use of company assets.

Don't steal from others.

Protect the Intellectual Property rights of the Company and respect those of others.

Don't rely on force.

1. Do not associate with anti-social forces or groups that pose a threat to the order and safety of civil society.
2. Build highly transparent relationships with politics and government.

Don't be selfish.

1. Be conscious of the support received from colleagues and the need to reciprocate.
2. Refrain from insider trading.

Don't betray your colleagues.

1. Do not speak or behave in ways that damage the trust, credibility or honor of others.
2. Manage corporate secrets and personal information responsibly and avoid unauthorized disclosure and leaks.

Take pride in the team.

1. Create a working environment where employees find it comfortable to work.
2. Actively contribute to society as a "good corporate citizen" .

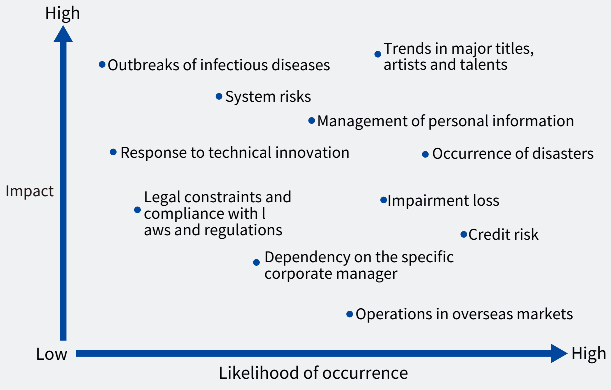
And finally, love and admire talent.
(Never be jealous.)

RISK MANAGEMENT

Risk management system

In accordance with risk management regulations, the Company has built a risk management system by having its risk management department identify risks that may arise for the Company or Group companies. The Company takes steps to address the risks and has appointed a Director in charge of risk management, who manages risks exhaustively and comprehensively.
In addition, regarding these risk management conditions, Internal Affairs conducts audits, and we have established a framework whereby the results are reported to the Representative Director and the Audit and Supervisory Committee; when issues are identified, we work in coordination with the risk management department and relevant departments to respond, thereby maintaining and improving the risk management framework.

Risk map



Major risks and response measures

Risks	Overview	Measures
Trends in major titles, artists and talents	Possibility that the presence or absence of successful artists and content, their popularity, growth of new artists and talent, etc. will affect business performance	Ensuring ongoing activities to have artists make a debut and build an ecosystem, with avex Youth, an organization that discovers and develops new talents, at the core
Occurrence of disasters and the spread of infectious diseases	Suspension of large-scale live performances and events and content creation activities, which may result from a natural disaster or a pandemic	Ensuring thorough anti-infection measures in accordance with guidelines from national or local government, and building a crisis-management system for responding promptly to a disaster
Management of personal information	Possibility that operation and business performance are affected by payment of damages or erosion of trust if personal information should be leaked	Establishing rules for protecting personal information and providing employees with information security training
Impairment loss	Possibility that an impairment loss is generated in cases including a significant decline in the market value of holdings, affecting the business performance and financial standing	Revising rules on decision-making authority in execution of investment, and conducting regular business reviews
Operations in overseas markets	Possibility that overseas operation and business performance will be affected by political and economic factors, legal and regulatory factors, disadvantageous tax factors, social confusion, or similar factors in other countries	Reinforcing the system for collecting and sharing local information through each overseas business location
Credit risk	Possibility that performance and financial standing are affected if accounts receivable become uncollectible due to the bankruptcy, etc. of key business partners or their affiliated subsidiaries	Ensuring thorough management of credit risk based on our credit management rules, and implementation of claim-preservation measures to avoid bad-debt risk
Response to technical innovation	Possibility that the business performance is affected by an event such as a rapid change in the business environment caused by a technological innovation, emergence of a competitor, or suchlike	Responding to new technologies and platforms by using collaborations with external partners, and reviewing the business portfolio on an ongoing basis
System risks	Possibility that business activities and performance are affected by the loss of important data caused by a cyberattack or the similar event, suspension of services until system recovery, or suchlike	Taking measures including security measures and building a backup environment to be able to respond to loss of important data, system downtime, etc.
Legal constraints and compliance with laws and regulations	Possibility that operation and business performance are affected by constraints on business activities or an increase in expenses for complying with laws and regulations, which may result from a future revision or change to relevant laws and regulation, etc.	Developing internal rules and reinforcing the compliance system for adhering to various legal regulations
特定経営者への依存	Possibility that operation and business performance are affected by the departure of Chairman Masato Matsuura from the Avex Group for some reason	Shifting to a management structure centered on the President, formulating a succession plan via the Nomination and Compensation Committee, and driving the development of next-generation top managers

SECTION 5

DATA

Avex Inc. Communication Area

FINANCIAL SUMMARY

(million yen)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024** (fiscal year)
Profit or loss											
Net sales	169,256	154,122	161,592	163,375	160,126	135,469	81,527	98,437	121,561	133,387	**131,691**
Selling, general and administrative expenses	42,077	38,978	39,820	41,469	39,216	35,060	31,897	32,645	35,602	38,024	**37,658**
Operating profit	8,675	7,277	5,728	6,939	7,089	4,033	(6,278)	2,582	3,385	1,265	**(1,819)**
Ordinary profit	8,611	6,055	4,479	6,582	6,529	3,017	(6,538)	2,351	4,055	1,137	**(1,703)**
Profit attributable to owners of parent	5,975	4,292	118	2,601	2,354	(1,102)	12,831	919	2,742	987	**1,138**
Financial standing											
Current liabilities	59,460	55,478	57,029	68,070	64,272	64,449	45,138	35,451	48,104	51,587	**52,834**
Fixed liabilities	4,709	3,337	9,520	12,359	9,480	6,515	1,626	1,655	1,972	2,200	**2,013**
Net assets	53,394	52,392	51,849	52,460	52,055	49,449	58,339	60,694	58,838	56,099	**51,112**
Total assets	117,564	111,208	118,399	132,887	125,808	120,414	105,105	97,801	108,915	109,887	**105,960**
Cash flows											
Cash flows from operating activities	11,337	8,169	8,219	13,429	11,003	(4,032)	(6,480)	(4,464)	9,192	3,691	**(4,675)**
Cash flows from investing activities	(1,330)	(6,778)	(11,845)	(12,919)	(6,381)	(3,444)	70,041	(3,387)	(3,131)	(2,399)	**928**
Cash flows from financing activities	(3,040)	(5,969)	6,792	3,476	(10,014)	2,659	(28,928)	(314)	(2,493)	(2,360)	**(4,111)**
Free cash flow	10,007	1,391	(3,626)	510	4,622	(7,476)	63,561	(7,851)	6,061	1,292	**(3,747)**
Cash and cash equivalents at end of period	25,699	21,107	24,298	28,184	22,832	17,956	52,654	44,671	48,143	46,933	**35,690**
Per share information (yen)											
Profit per share	141.90	99.88	2.75	60.41	54.53	(25.39)	298.11	20.77	60.80	21.83	**26.11**
Net assets per share	1,131.29	1,144.82	1,114.63	1,128.89	1,120.78	1,058.01	1,335.38	1,285.20	1,286.29	1,219.58	**1,182.34**
Dividends per share	50.00	50.00	50.00	50.00	50.00	50.00	121.00	50.00	50.00	50.00	**50.00**
Payout ratio (%)	35.2	50.1	—	82.8	91.7	—	40.6	240.7	82.2	229.0	**191.5**
Financial indicators (%)											
Ratio of operating profit to sales	5.1	4.7	3.5	4.2	4.4	3.0	-7.7	2.6	2.8	0.9	**(1.4)**
Ratio of profit to shareholders' equity (ROE)	12.2	8.7	0.2	5.4	4.8	(2.3)	25.3	1.6	4.7	1.7	**2.2**
Ratio of ordinary profit to total assets (ROA)	7.4	5.3	3.9	5.2	5.0	2.5	(5.8)	2.3	3.9	1.0	**(1.6)**
Shareholders' equity ratio	41.9	44.2	40.6	36.6	38.6	38.2	52.6	59.2	53.3	50.2	**47.3**

COMPANY OVERVIEW

Company Information

Company name	Avex Inc.
Head office location	Sumitomo Fudosan Azabu-Juban Building (General Reception: 10th Floor), 1-4-1 Mita, Minato-ku, Tokyo, 108-0073 Japan
Established	April 11, 1988
Share capital	4,755 million yen (as of March 31, 2025)
Representative	Masato Matsuura, Representative Director and Chairman Katsumi Kuroiwa, Representative Director and CEO Shinji Hayashi Representative Director and CFO
Number of group employees	1,457 (as of March 31, 2025)

Shareholders

As of March 31, 2025

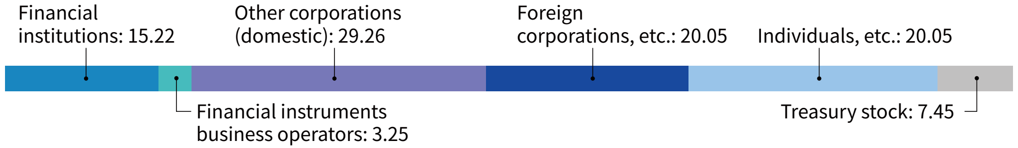
Total number of authorized shares	184,631,000 shares
Total number of shares issued	45,792,500 shares (including 3,410,680 shares of treasury stock)
Number of shareholders	29,791 shareholders (down 3,354 from the end of the previous fiscal year)

Status of major shareholders

Name	Number of shares held (shares)	Shareholding ratio (%)
CyberAgent, Inc.	5,500,000	12.98
The Master Trust Bank of Japan, Ltd. (Trust account)	4,618,300	10.90
T'S Capital Ltd.	3,400,000	8.02
Max 2000 Inc.	2,300,000	5.43
Custody Bank of Japan, Ltd. (Trust account)	1,912,000	4.51
STATE STREET BANK AND TRUST COMPANY 505001	1,348,321	3.18
THE BANK OF NEW YORK 133652	1,267,200	2.99
Daiichikosho Co., Ltd.	1,020,000	2.41
Masato Matsuura	855,624	2.02
Shinji Hayashi	731,850	1.73

(Notes) 1. In addition to the above, there are 3,410,680 shares of treasury stock held by the Company.
2. Treasury stock was not included when calculating the shareholding ratio.
3. Representative Director and Chairman Masato Matsuura serves as Representative Director of Max 2000 Inc.

Share distribution (%)

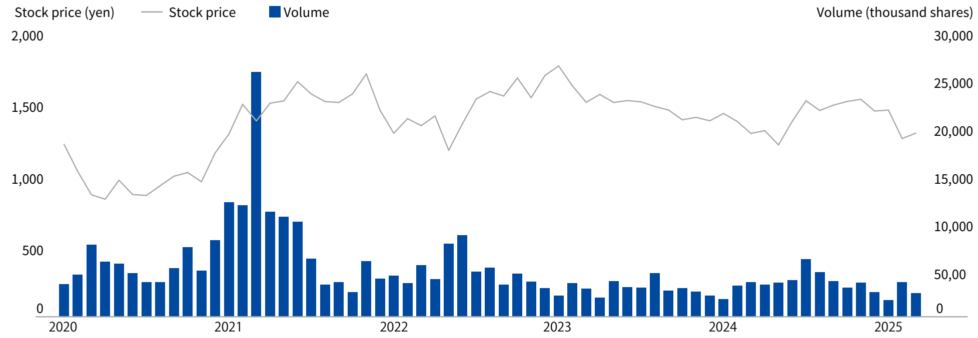


Basic Stock Information

As of March 31, 2025

Listed stock exchange	Tokyo Stock Exchange Prime Market
Securities code	7860
Share unit	100 shares
Number of authorized shares	184,631,000 shares
Number of shares issued	45,792,500 shares
Fiscal year	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	June of each year
Record date for year-end dividend	March 31
Record date for interim dividend	September 30
Method of public notice	Electronic public notice https://avex.com/jp/ja/public/koukoku/ * However, if it is not possible to give notice electronically due to an accident or other unavoidable circumstances, it will be published in the Nihon Keizai Shimbun.
Stock transfer agent	Sumitomo Mitsui Trust Bank, Limited
Institution that manages special accounts	Sumitomo Mitsui Trust Bank, Limited
Contact information of the above	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 2-8-4 Izumi, Suginami-ku, Tokyo, 168-0063 Phone: 0120-782-031 (toll free)
Liaison offices of the above	Branches of Sumitomo Mitsui Trust Bank, Limited across Japan

Stock price trend



Websites

Corporate site

https://avex.com/jp/en/

avex portal

https://avexnet.jp/

avex pictures

https://avex-pictures.co.jp/

GROUP COMPANIES

List of Group Companies

Holding company	Intermediate holding companies	Operating companies	
Avex Inc.	Avex Entertainment Inc.	Avex Live Creative Inc. Avex Music Creative Inc. Avex Creative Factory Inc. Avex Alliance & Partners Inc. Avex Music Publishing Inc. Avex Classics International Inc. fuzz, Inc. Avex Management Inc. Avex Clan Inc. Avex Styles Inc. Avex Management Agency Inc. Avex Healthcare Empower LLC Avex AY Factory LLC Avex Asunaro Company Inc. Avex Creator Agency Inc. LIVESTAR Inc.	Domestic
	Avex Pictures Inc.	Avex Animation Labels Inc. FLAGSHIP LINE, Inc. Avex Film Labels Inc. aNCHOR, Inc. The Anime Times Company Inc.	Domestic
		Avex Southeast Asia Pte.Ltd. Avex China Inc. Avex Hong Kong Ltd. Avex Taiwan Inc. Avex Music Group LLC S10 Entertainment & Media LLC	Overseas

Affiliated companies

Memory-Tech Holdings Inc.   AWA Co. Ltd.   HI&max Inc.   SANRIO SOUTH EAST ASIA PTE. LTD.   Fashion Freak Show International Ltd.

* SANRIO SOUTH EAST ASIA PTE. LTD. is scheduled to be excluded from equity-method affiliates at the end of December 2025.