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FOR IMMEDIATE RELEASE

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Notice of Reorganization of Avex Inc. and Group Companies and Changes to Business Execution System

Avex Inc. (the "Company") announces that a meeting of the Board of Directors held today decided to reorganize the Avex Group (the "Reorganization") and change the system for execution of business operation. After the Reorganization, Avex Entertainment Inc. ("AEI") and Avex Pictures Inc. ("API") will become intermediate holding companies. Details are as follows.

Since the Reorganization is the reorganization of the Company and its consolidated subsidiaries, certain disclosure items and some content of disclosure are omitted.

Details

I. Reorganization of the Company and Group companies

1. Purpose of the Reorganization

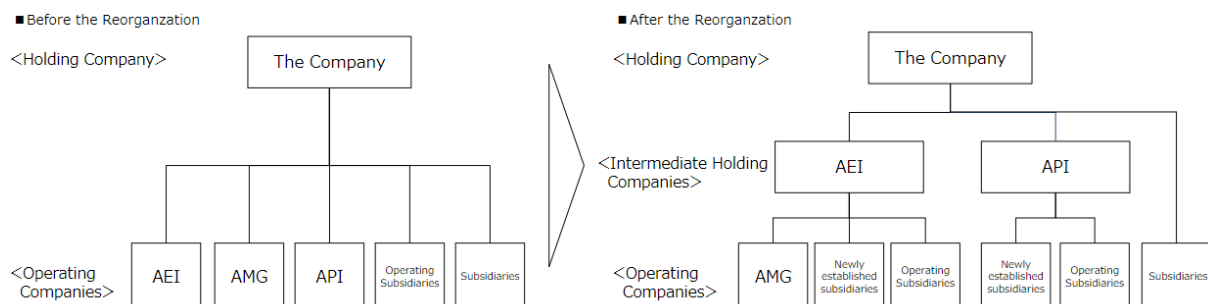
Under "avex vision 2027" a medium-term management plan announced in May 2022, the Company focuses on "meeting and developing talent," which is the basis of the Company's value creation. It also actively invests in intellectual property development, and pursues a range of measures to build a system that enables it to achieve medium to long-term growth.

To accelerate the implementation of measures in line with the management policy, the Company will establish an intermediate holding company responsible for the Music and Management business and one responsible for the Anime & Visual Content business and delegate authority to these companies, clarifying business responsibilities. In this way, the Company aims to enhance competitiveness and implement growth strategies.

2. Overview of the Reorganization

AEI, API and Avex Management Inc. ("AMG") will split their business divisions into separate companies. AEI will become an intermediate holding company responsible for the Music business and management, and API will become one responsible for the Anime & Visual Content business. The Group companies will be positioned in the new organizational structure.

Reference: Overview of the Reorganization



3. Company Profiles

a: Split of AEI from the Company (absorption-type split)

(1) Overview of the split

(i) Schedule of the split

Date of Board resolution for approval of the company split agreement	June 23, 2023
Date of conclusion of the company split agreement	June 23, 2023
Effective date for the split	August 1, 2023 (planned)

(Note) The absorption-type split is a simplified split set forth in Article 784, Paragraph 2 of the Companies Act for the Company and a simplified split set forth in Article 796, Paragraph 1 of the Companies Act for AEI. Either company will not thus seek the approval of the split by resolution of the General Shareholders Meeting.

(ii) Form of the split

It is an absorption-type split (simplified split) in which the Company is the demerging company and AEI is the succeeding company.

(iii) Allocations related to the split

As the Company owns all shares of AEI, there will be no allotment or issuance of shares, etc. associated with the split.

(iv) Treatment of share acquisition rights and bonds with stock acquisition rights arising from the company split

Not applicable

(v) Change in capital

There will be no change in the amount of capital of the Company and AEI.

(vi) Rights and obligations to be succeeded to by AEI

AEI will succeed to the assets, liabilities, contracts, and other rights and obligations related to Technology Advancement Office and DX Advancement Office of the Company's Corporate Strategy Division as of the effective date to the degree set out in the split agreement.

(vii) Prospect of fulfillment of debt obligations

The Company considers that there will be no issues with respect to the outlook on the fulfillment of obligations to be assumed by the succeeding company.

(2) Overview of the companies involved

		Split company (As of March 31, 2023)	Successor company (As of March 31, 2023)
(i)	Name	Avex Inc.	Avex Entertainment Inc.
(ii)	Address	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative	Katsumi Kuroiwa, Representative Director and CEO	Katsumi Kuroiwa, Representative Director and President
(iv)	Business description	A holding company controlling the entire Group	Planning, production and sale of music content, digital music distribution, music publishing, merchandising, planning, production and management of concerts and events, sale of tickets, planning, development and management of e-commerce sites, etc.
(v)	Share capital	¥4,599 million	¥200 million
(vi)	Date of establishment	April 11, 1988	October 1, 1997
(vii)	Number of shares issued	45,558,800 shares (including 410,302 shares of treasury stock)	4,000 shares
(viii)	Fiscal year-end	March 31	March 31
(ix)	Major shareholders and shareholding ratios	CyberAgent, Inc. 12.18% The Master Trust Bank of Japan, Ltd. (Trust Account) 10.97%	Wholly owned by the Company 100%

(3) The splitting company's financial position and operating results of the immediately preceding fiscal year

	The Company (Consolidated)	AEI (Non-consolidated)
Fiscal year-end	Year ended March 31, 2023	Year ended March 31, 2023
Net assets	¥58,838 million	¥7,001 million
Total assets	¥108,915 million	¥42,227 million
Net assets per share	¥1,286.29	¥1,750,331.96
Net sales	¥121,561 million	¥75,702 million
Operating profit	¥3,385 million	¥2,236 million
Ordinary profit	¥4,055 million	¥2,310 million
Profit (*)	¥2,742 million	¥1,426 million
Profit per share	¥60.80	¥356,501.43

(Note) At the company, profit attributable to owners of parent

(4) Outline of the business division to be demerged

(i) Details of businesses to be demerged

All businesses of Technology Advancement Office and DX Advancement Office of the Company's Corporate Strategy Division

(ii) Operating results of businesses to be split (fiscal year ended March 31, 2023)

Net sales ¥0 million

(iii) Items and book value of assets and liabilities to be split (As of March 31, 2023)

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥27 million	Current liabilities	¥0 million
Non-current assets	¥8,689 million	Non-current liabilities	¥0 million
Total	¥8,717 million	Total	¥0 million

Note: Items and amounts of assets and liabilities to be split are based on the Company's balance sheet as of March 31, 2023, and the actual amounts may differ from the above amounts.

b: Split of Avex Live Creative Inc. ("ALC") from AEI and Avex Digital Inc. ("ADG") (joint incorporation-type split)

(1) Overview of the split

(i) Schedule of the split

Date of Board resolution for approval of the company split agreement	June 23, 2023
Date of conclusion of the company split agreement	June 23, 2023
General Shareholders Meeting to approve the split agreement (AEI)	July 31, 2023 (planned)
General Shareholders Meeting to approve the split agreement (ADG)	July 31, 2023 (planned)
Effective date for the split	August 1, 2023 (planned)

(ii) Form of the split

A joint incorporation-type split where AEI and ADG are the splitting companies and ALC is the new company

(iii) Allocations related to the split

ALC will issue 2,000 shares for the split and allocate 1,000 shares to AEI and 1,000 shares to ADG.

ADG will allot all 1,000 shares of ALC allotted to it to AEI, which is to become the parent company of ALC as a surplus on the date of establishment of the new company.

(iv) Treatment of share acquisition rights and bonds with stock acquisition rights arising from the company split

Not applicable

(v) Change in capital

There will be no change in the amount of capital at AEI or ADG due to the split.

(vi) Rights and obligations succeeded by the new company

The succeeding company will succeed to the assets, liabilities, contracts, and other rights and obligations related to AEI's Live Business Division and ADG's CRM Unit as of the effective date to the degree set out in the split agreement.

(vii) Prospect of fulfillment of debt obligations

The Company considers that there will be no issues with respect to the outlook on the fulfillment of obligations to be assumed by the succeeding company.

(2) Overview of the companies involved

		Split company (As of March 31, 2023)	Split company (As of March 31, 2023)	Successor company August 1, 2023 (planned)
(i)	Name	Avex Entertainment Inc.	Avex Digital Inc.	Avex Live Creative Inc.
(ii)	Address	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative	Katsumi Kuroiwa, Representative Director and President	Hisaou Wakaizumi, President	Akihito Yamanaka, President
(iv)	Business description	Planning, production and sale of music content, digital music distribution, music publishing, merchandising, planning, production and management of concerts and events, sale of tickets, planning, development and management of e-commerce sites, etc.	Operation of fan clubs, the planning, production, sale and distribution of digital content, etc.	Planning and production of live concerts and events, the selling of tickets, merchandising, etc.
(v)	Share capital	¥200 million	¥100 million	¥100 million
(vi)	Date of establishment	October 1, 1997	October 1, 2004	August 1, 2023
(vii)	Number of shares issued	4,000 shares	9,751 shares	2,000 shares
(viii)	Fiscal year- end	March 31	March 31	March 31
(ix)	Major shareholders and shareholding ratios	Wholly owned by the Company 100%	The Company 100% (*)	Avex Entertainment Inc. 100%

*ADG will become a wholly owned subsidiary of AEI on August 1.

(3) The splitting company's financial position and operating results of the immediately preceding fiscal year (*)

	ADG (Non-consolidated)
Fiscal year-end	Year ended March 31, 2023
Net assets	¥12,477 million
Total assets	¥18,077 million
Net assets per share	¥1,279,652.15
Net sales	¥6,189 million

Operating profit	¥210 million
Ordinary profit	¥219 million
Profit	¥723 million
Profit per share	¥74,242.85

*Please refer to "a: Split of AEI from the Company (absorption-type split)" for AEI's financial position and operating results of the immediately preceding fiscal year.

(4) Outline of the business division to be demerged

(i) Details of businesses to be demerged

AEI: All businesses of the Live Business Division

ADG: All businesses of the CRM Unit

(ii) Operating results of businesses to be split (fiscal year ended March 31, 2023)

AEI: Net sales ¥35,986 million

ADG: Net sales ¥0 million

(iii) Items and book value of assets and liabilities to be split (As of March 31, 2023)

AEI

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥17,656 million	Current liabilities	¥17,377 million
Non-current assets	¥1,160 million	Non-current liabilities	¥0 million
Total	¥18,816 million	Total	¥17,377 million

Note: Items and amounts of assets and liabilities to be split are based on AEI's balance sheet as of March 31, 2023, and the actual amounts may differ from the above amounts.

ADG

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥0 million	Current liabilities	¥0 million
Non-current assets	¥0 million	Non-current liabilities	¥0 million
Total	¥0 million	Total	¥0 million

Note: Items and amounts of assets and liabilities to be split are based on ADG's balance sheet as of March 31, 2023, and the actual amounts may differ from the above amounts.

c: Split of AEI from ADG (absorption-type split)

(1) Overview of the split

(i) Schedule of the split

Date of Board resolution for approval of the company split agreement	June 23, 2023
Date of conclusion of the company split agreement	June 23, 2023
General Shareholders Meeting to approve the split agreement (AMG)	July 31, 2023 (planned)
General Shareholders Meeting to approve the split agreement (AEI)	July 31, 2023 (planned)
Effective date for the split	August 1, 2023 (planned)

(ii) Form of the split

An absorption-type split where ADG is the splitting company and AEI is the succeeding company

(iii) Allocations related to the split

No shares or monies, etc. will be allotted in connection with the split.

(iv) Treatment of share acquisition rights and bonds with stock acquisition rights arising from the company split

Not applicable

(v) Change in capital

There will be no change in the amount of capital of ADG and AEI.

(vi) Rights and obligations to be succeeded to by AEI

AEI will succeed to the assets, liabilities, contracts, and other rights and obligations related to ADG's digital creative group, R&D group and business management group as of the effective date to the degree set out in the split agreement.

(vii) Prospect of fulfillment of debt obligations

The Company considers that there will be no issues with respect to the outlook on the fulfillment of obligations to be assumed by the succeeding company.

(2) Overview of the companies involved

		Split company (As of March 31, 2023)	Successor company (As of March 31, 2023)
(i)	Name	Avex Digital Inc.	Avex Entertainment Inc.
(ii)	Address	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative	Hisaou Wakaizumi, President	Katsumi Kuroiwa, Representative Director and President
(iv)	Business description	Operation of fan clubs, the planning, production, sale and distribution of digital content, etc.	Planning, production and sale of music content, digital music distribution, music publishing, merchandising, planning, production and management of concerts and events, sale of tickets, planning, development and management of e-commerce sites, etc.
(v)	Share capital	¥100 million	¥200 million
(vi)	Date of establishment	October 1, 2004	October 1, 1997
(vii)	Number of shares issued	9,751 shares	4,000 shares
(viii)	Fiscal year-end	March 31	March 31
(ix)	Major shareholders and shareholding ratios	The Company 100% (*)	Wholly owned by the Company 100%

*ADG will become a wholly owned subsidiary of AEI on August 1.

(3) The splitting company's financial position and operating results of the immediately preceding fiscal year

Please refer to "a: Split of AEI from the Company (absorption-type split)" for AEI's financial position and operating results of the immediately preceding fiscal year. Please refer to "b: Split of Avex Live Creative Inc. ("ALC") from AEI and Avex Digital Inc. ("ADG") (joint incorporation-type split)" for ADG's financial position and operating results of the immediately preceding fiscal year.

(4) Outline of the business division to be demerged

(i) Details of businesses to be demerged

All businesses of ADG's digital creative group, R&D group and business management group

(ii) Operating results of businesses to be split (fiscal year ended March 31, 2023)

Net sales ¥110 million

(iii) Items and book value of assets and liabilities to be split (As of March 31, 2023)

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥13,433 million	Current liabilities	¥3,548 million
Non-current assets	¥1,897 million	Non-current liabilities	¥289 million
Total	¥15,331 million	Total	¥3,837 million

Note: Items and amounts of assets and liabilities to be split are based on ADG's balance sheet as of March 31, 2023, and the actual amounts may differ from the above amounts.

d: Split of Avex Music Creative Inc. ("AMC") and Avex Alliance & Partners Inc. ("AAP") from AEI (incorporation-type split)

(1) Overview of the split

(i) Schedule of the split

Date of Board resolution for approval of the company split agreement	June 23, 2023
Date of conclusion of the company split agreement	June 23, 2023
General Shareholders Meeting to approve the split agreement (AEI)	July 31, 2023 (planned)
Effective date for the split	August 1, 2023 (planned)

(ii) Form of the split

An incorporation-type split where AEI is the splitting company and AMC and AAP are the new companies.

(iii) Allocations related to the split

AMC and AAP, new companies, will each issue 2,000 shares in connection with the split and allot all 2,000 shares to AEI.

(iv) Treatment of share acquisition rights and bonds with stock acquisition rights arising from the company split

Not applicable

(v) Change in capital

There will be no change in the amount of capital of AEI.

(vi) Rights and obligations succeeded by the new company

As described in (4) Outline of the business divisions to be demerged, AMC and AAP will succeed to the assets, liabilities, contracts, and other rights and obligations related to the businesses of AEI, the splitting company, to be demerged as of the effective date to the degree set out in the split agreement.

(vii) Prospect of fulfillment of debt obligations

The Company considers that there will be no issues with respect to the outlook on the fulfillment of obligations to be assumed by the succeeding company.

(2) Overview of the companies involved

		Split company (As of March 31, 2023)	Successor company August 1, 2023 (planned)	Successor company August 1, 2023 (planned)
(i)	Name	Avex Entertainment Inc.	Avex Music Creative Inc.	Avex Alliance & Partners Inc.
(ii)	Address	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative	Katsumi Kuroiwa, Representative Director and President	Takeya Ino, President	Masahiko Tan, President
(iv)	Business description	Planning, production and sale of music content, digital music distribution, music publishing, merchandising, planning, production and management of concerts and events, sale of tickets, planning, development and management of e-commerce sites, etc.	Planning, production and sale of music content, digital music distribution, music publishing, etc.	Advertising agency services, planning and production of advertising, etc.
(v)	Share capital	¥200 million	¥100 million	¥100 million
(vi)	Date of establishment	October 1, 1997	August 1, 2023	August 1, 2023
(vii)	Number of shares issued	4,000 shares	2,000 shares	2,000 shares
(viii)	Fiscal year-end	March 31	March 31	March 31

(ix)	Major shareholders and shareholding ratios	Wholly owned by the Company 100%	Avex Entertainment Inc. 100%	Avex Entertainment Inc. 100%
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(3) The splitting company's financial position and operating results of the immediately preceding fiscal year

Please refer to "a: Split of AEI from the Company (absorption-type split)" to see AEI's financial position and operating results of the immediately preceding fiscal year.

(4) Outline of the business division to be demerged

(i) Details of businesses to be demerged

1)AMC

- All businesses of AEI's Label Business Division

2)AAP

- All businesses of AEI's Business Alliance Business Division

(ii) Operating results of businesses to be split (fiscal year ended March 31, 2023)

AMC: Net sales ¥39,365 million

AAP: Net sales ¥3,044 million

(iii) Items and book value of assets and liabilities to be split (As of March 31, 2023)

AMC

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥16,995 million	Current liabilities	¥13,361 million
Non-current assets	¥2,906 million	Non-current liabilities	¥359 million
Total	¥19,901 million	Total	¥13,721 million

Note: Items and amounts of assets and liabilities to be split are based on AEI's balance sheet as of March 31, 2023, and the actual amounts may differ from the above amounts.

AAP

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥2,575 million	Current liabilities	¥874 million
Non-current assets	¥192 million	Non-current liabilities	¥2 million
Total	¥2,767 million	Total	¥877 million

Note: Items and amounts of assets and liabilities to be split are based on AEI's balance sheet as of March 31, 2023, and the actual amounts may differ from the above amounts.

e: Split of Avex Clan Inc. ("ACL") and Avex Management Agency Inc. ("AMA") from AMG (incorporation-type split)

(1) Overview of the split

(i) Schedule of the split

Date of Board resolution for approval of the company split agreement	June 23, 2023
Date of conclusion of the company split agreement	June 23, 2023
General Shareholders Meeting to approve the split agreement (AMG)	July 31, 2023 (planned)
Effective date for the split	August 1, 2023 (planned)

(ii) Form of the split

An incorporation-type split where AMG is the splitting company and ACL and AMA are new companies

(iii) Allocations related to the split

ACL and AMA, new companies, will each issue 2,000 shares in connection with the split and allot all 2,000 shares to AMG.

AMG will allot, on the date of establishment of the new company, all shares of ACL and AMA allotted to it, to AEI, which is to become the parent company of AMG, as a surplus.

(iv) Treatment of share acquisition rights and bonds with stock acquisition rights arising from the company split

Not applicable

(v) Change in capital

There will be no change in the amount of capital of AMG.

(vi) Rights and obligations succeeded by the new company

As described in (4) Outline of the business divisions to be demerged, ACL and AMA will succeed to the assets, liabilities, contracts, and other rights and obligations related to the businesses of AMG, the splitting company, to be demerged as of the effective date to the degree set out in the split agreement.

(vii) Prospect of fulfillment of debt obligations

The Company considers that there will be no issues with respect to the outlook on the fulfillment of obligations to be assumed by the succeeding company.

(2) Overview of the companies involved

		Split company (As of March 31, 2023)	Successor company August 1, 2023 (planned)	Successor company August 1, 2023 (planned)
(i)	Name	Avex Management Inc.	Avex Clan Inc.	Avex Management Agency Inc.
(ii)	Address	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative	Shingo Toguchi, President	Hidemasa Inamura, President	Terutomo Shiratori, President
(iv)	Business description	Management of artists and talent, management of schools, etc.	Management of artists and talent, etc.	Management of artists and talent, etc.
(v)	Share capital	¥80 million	¥100 million	¥100 million
(vi)	Date of establishment	January 5, 2009	August 1, 2023	August 1, 2023
(vii)	Number of shares issued	1,600 shares	2,000 shares	2,000 shares
(viii)	Fiscal year-end	March 31	March 31	March 31
(ix)	Major shareholders and shareholding ratios	The Company 100% (*)	Avex Entertainment Inc. 100%	Avex Entertainment Inc. 100%

*ADG will become a wholly owned subsidiary of AEI on August 1.

(3) The splitting company's financial position and operating results of the immediately preceding fiscal year

Fiscal year-end	Year ended March 31, 2023
Net assets	¥501 million
Total assets	¥4,793 million
Net assets per share	¥313,373.77
Net sales	¥7,897 million
Operating profit (loss)	¥(390) million
Ordinary profit (loss)	¥(410) million
Profit (loss)	¥(274) million
Profit (loss) per share	¥(171,658.32)

(4) Outline of the business division to be demerged

(i) Details of businesses to be demerged

1)ACL

- All businesses related to AMG's Music Management Division 1

2)AMA

- All businesses related to AMG's Talent Management & Sales Division

(ii) Operating results of businesses to be split (fiscal year ended March 31, 2023)

ACL: Net sales ¥1,143 million

AMA: Net sales ¥1,685 million

(iii) Items and book value of assets and liabilities to be split (As of March 31, 2023)

ACL

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥361 million	Current liabilities	¥334 million
Non-current assets	¥103 million	Non-current liabilities	¥3 million
Total	¥465 million	Total	¥338 million

Note: Items and amounts of assets and liabilities to be split are based on AMG's balance sheet as of March 31, 2023, and the actual amounts may differ from the above amounts.

AMA

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥602 million	Current liabilities	¥480 million
Non-current assets	¥66 million	Non-current liabilities	¥0 million
Total	¥669 million	Total	¥480 million

Note: Items and amounts of assets and liabilities to be split are based on AMG's balance sheet as of March 31, 2023, and the actual amounts may differ from the above amounts.

f: Establishment of Avex Styles Inc. ("AST")

- Profile of the new company (to be established on August 1, 2023)

(i)	Name	Avex Styles Inc.
(ii)	Address	1-4-1, Mita, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative	President, Yu Koiguchi
(iv)	Business description	Management of artists and talent, etc.
(v)	Share capital	¥100 million
(vi)	Date of establishment	August 1, 2023
(vii)	Number of shares issued	2,000 shares
(viii)	Fiscal year-end	March 31
(ix)	Major shareholders and shareholding ratios	Avex Entertainment Inc. 100%

g: Split of AEI from AMG (absorption-type split)

(1) Overview of the split

(i) Schedule of the split

Date of Board resolution for approval of the company split agreement	June 23, 2023
Date of conclusion of the company split agreement	June 23, 2023
General Shareholders Meeting to approve the split agreement (AMG)	July 31, 2023 (planned)
General Shareholders Meeting to approve the split agreement (AEI)	July 31, 2023 (planned)
Effective date for the split	August 1, 2023 (planned)

(ii) Form of the split

Absorption-type company split with AMG as the splitting company and AEI as the successor company.

(iii) Allocations related to the split

No shares or monies, etc. will be allotted in connection with the split.

(iv) Treatment of share acquisition rights and bonds with stock acquisition rights arising from the company split

Not applicable

(v) Change in capital

There will be no change in the amount of capital of AMG and AEI.

(vi) Rights and obligations to be succeeded to by AEI

AEI will succeed to the assets, liabilities, contracts, and other rights and obligations related to AMG's IP Innovation & Development Division and Talent Management Administration Group as of the effective date to the degree set out in the split agreement.

(vii) Prospect of fulfillment of debt obligations

The Company considers that there will be no issues with respect to the outlook on the fulfillment of obligations to be assumed by the succeeding company.

(2) Overview of the companies involved

		Split company (As of March 31, 2023)	Successor company (As of March 31, 2023)
(i)	Name	Avex Management Inc.	Avex Entertainment Inc.
(ii)	Address	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative	Shingo Toguchi, President	Katsumi Kuroiwa, Representative Director and President

(iv)	Business description	Management of artists and talent, management of schools, etc.	Planning, production and sale of music content, digital music distribution, music publishing, merchandising, planning, production and management of concerts and events, sale of tickets, planning, development and management of e-commerce sites, etc.
(v)	Share capital	¥80 million	¥200 million
(vi)	Date of establishment	January 5, 2009	October 1, 1997
(vii)	Number of shares issued	1,600 shares	4,000 shares
(viii)	Fiscal year-end	March 31	March 31
(ix)	Major shareholders and shareholding ratios	The Company 100% (*)	Wholly owned by the Company 100%

*ADG will become a wholly owned subsidiary of AEI on August 1.

(3) The splitting company's financial position and operating results of the immediately preceding fiscal year

Please refer to "a: Split of AEI from the Company (absorption-type split)" for AEI's financial position and operating results of the immediately preceding fiscal year. Please refer to "e: Split of Avex Clan Inc. ("ACL") and Avex Management Agency Inc. ("AMA") from AMG (incorporation-type split)" for AMG's financial position and operating results of the immediately preceding fiscal year.

(4) Outline of the business division to be demerged

(i) Details of businesses to be demerged

All businesses of AMG's IP Innovation & Development Division and management control group

(ii) Operating results of businesses to be split (fiscal year ended March 31, 2023)

Net sales ¥1,666 million

(iii) Items and book value of assets and liabilities to be split (As of March 31, 2023)

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥440 million	Current liabilities	¥564 million
Non-current assets	¥551 million	Non-current liabilities	¥71 million
Total	¥992 million	Total	¥635 million

Note: Items and amounts of assets and liabilities to be split are based on AMG's balance sheet as of March 31, 2023, and the actual amounts may differ from the above amounts.

h. Establishment of Avex Animation Labels Inc. ("AAL")

- Profile of the new company (to be established on August 1, 2023)

(i)	Name	Avex Animation Labels Inc.
(ii)	Address	1-4-1, Mita, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative	Ryo Ohyama, President
(iv)	Business description	Planning, production and sale of animation content, management of artists, etc.
(v)	Share capital	¥100 million
(vi)	Date of establishment	August 1, 2023
(vii)	Number of shares issued	2,000 shares
(viii)	Fiscal year-end	March 31

(ix)	Major shareholders and shareholding ratios	API 100%
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i: Establishment of Avex Film Labels Inc. ("AFL")

- Profile of the new company (to be established on August 1, 2023)

(i)	Name	Avex Film Labels Inc.
(ii)	Address	1-4-1, Mita, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative	Nobuhiro Maeno, President
(iv)	Business description	Planning, production and sale of video content, film distribution, etc.
(v)	Share capital	¥100 million
(vi)	Date of establishment	August 1, 2023
(vii)	Number of shares issued	2,000 shares
(viii)	Fiscal year-end	March 31
(ix)	Major shareholders and shareholding ratios	API 100%

4. State of the Company after the Reorganization

There is no change in the name, address, title or name of the representative person, business description, capital amount, and fiscal year end of the Company after the reorganization.

5. State of AEI, AMG, ADG and API after the Reorganization

Following the Reorganization, the businesses of AEI, AMG and API will change. ADG will be renamed Avex Fan Marketing Inc. ("AFM"). At AFM, Jun Tsukuda will become Representative Director on August 1, 2023. (The underlined text below denotes changes.)

Please refer to 3. Company Profiles, (2) Overview of the companies involved to see the profiles of new companies. Please refer to II. Changes to the business execution systems of the Company and Group companies to see changes to the business execution systems of the Company and Group companies after the Reorganization.

Name	Avex Entertainment Inc.(AEI)	Avex Management Inc.(AMG)	<u>Avex Fan Marketing Inc. (AFM)</u>	Avex Pictures Inc.(API)
Address	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan	1-4-1, Mita, Minato-ku, Tokyo, Japan
Title and name of representative	Katsumi Kuroiwa, Representative Director and President	Shingo Toguchi, President	<u>Jun Tsukuda</u> , President	Hideo Katsumata, President
Business description	<u>Business management and business support to subsidiaries in the Music business and Management business, management of schools, etc.</u>	<u>Management of artists and talent, etc.</u>	Operation of fan clubs, the planning, production, sale and distribution of digital content, etc.	<u>Business management and business support to subsidiaries in the Anime & Visual Content business, etc.</u>
Share capital	¥100 million	¥80 million	¥100 million	¥100 million
End of fiscal period	March 31	March 31	March 31	March 31

6. Impact of capital increase on business results

The impact of the Reorganization on the Company's consolidated results in the fiscal year ending March 31, 2024 will be minor and insignificant.

References: Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (announced on May 25, 2023) and consolidated financial results for the fiscal year ended March 31, 2023.

	Operating profit (million yen)	Profit attributable to owners of parent (million yen)	Profit per share (yen)
Consolidated financial forecasts for the current fiscal year (Year ending March 31, 2024)	2,000	2,200	48.77
Consolidated financial results for the previous fiscal year (Year ended March 31, 2023)	3,385	2,742	60.80

II. Changes to the business execution systems of the Company and Group companies

1. Avex Inc.

- Organizational changes (effective on August 1, 2023)

The Company will dissolve the Corporate Strategy Division, and its functions will be performed by the intermediate holding companies.

- Changes in responsibilities of Directors (effective on August 1, 2023)

New position	Name	Current position
Representative Director and CEO in charge of Group Management Office, Sustainability Promotion Office	Katsumi Kuroiwa	Representative Director and CEO Chief of Corporate Strategy Division in charge of Group Management Office

Changes in Corporate Executives and Operating Officers (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
Operating Officer (President, Avex Pictures Inc.)	Hideo Katsumata	Corporate Executive (President, Avex Pictures Inc.)
Operating Officer (President, Avex Technologies Inc.)	Hisaou Izumi	Corporate Executive (President, Avex Digital Inc. and President, Avex Technologies Inc.)
Operating Officer	Seiichi Hatamoto	Corporate Executive
Operating Officer	Yasuhiro amamoto	Corporate Executive
Operating Officer	Hajime Shibata	Corporate Executive
<u>[Retirement]</u> (President, Avex Creator Agency Inc.)	Shinsuke Kato	Operating Officer (President, Avex Creator Agency Inc.)
<u>[Retirement]</u> (President, Avex Management Inc.)	Shingo Toguchi	Operating Officer (President, Avex Management Inc.)
<u>[Retirement]</u> (President, Avex Music Creative Inc.)	Takeya Ino	Operating Officer
<u>[Retirement]</u> (President, Avex Alliance & Partners, Inc.)	Masahiko Tan	Operating Officer
<u>[Retirement]</u> (President, Avex Live Creative, Inc.)	Akihito Yamanaka	Operating Officer
<u>[Retirement]</u> (President, Avex Asia Pte. Ltd.)	Shunta Takahashi	Operating Officer (President, Avex Asia Pte. Ltd.)

Note: The underlined changes will become effective on July 31, 2023.

Reference: Management and executives after the changes (effective on August 1, 2023)

Chairman	Masato Matsuura
Representative Director and CEO	Katsumi Kuroiwa
Representative Director and CFO	Shinji Hayashi
Director (part-time)	Toru Kenjo
Director and Audit and Supervisory Committee Member (Full-time)	Nobuyuki Kobayashi
Director and Audit and Supervisory Committee Member (Outside)	Keiichi Okubo
Director and Audit and Supervisory Committee Member (Outside)	Akihiro Tamaki
Director and Audit and Supervisory Committee Member (Outside)	Yoshihide Sugimoto
Operating Officer	Hideo Katsumata
Operating Officer	Hisaou Wakaizumi
Operating Officer	Seiichi Hatamoto
Operating Officer	Yasuhiro Yamamoto
Operating Officer	Hajime Shibata
Operating Officer	Hideki Endo

2. Avex Entertainment Inc. (AEI)

- Organizational changes (effective on August 1, 2023)

Business Development Division, Business Strategy Division, and Business Management Division will be established chiefly for business management and business support to subsidiaries in the Music business and Management business.

- Changes in Directors and Operating Officers (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
Director and Vice President (Operating Officer, Avex Inc. and President, Avex Technologies Inc.)	Hisao Wakaizumi	[Newly appointed] (Corporate Executive, Avex Inc., President, Avex Digital Inc., and President, Avex Technologies Inc.)
Director (President, Avex Management Inc.)	Shingo Toguchi	[Newly appointed] (Operating Officer, Avex Inc. and President, Avex Management Inc.)
Operating Officer	Yugo Tsuzuki	[Newly appointed] (Director, Avex Management Inc.)
Operating Officer	Makoto Morita	[Newly appointed] (Operating Officer, Avex Management Inc.)
Operating Officer	Takamasa Hasumi	[Newly appointed] (Assistant Chief of Corporate Strategy Division of the Company)
<u>[Retirement]</u> (Chairman, Avex Music Creative Inc.)	Shintaro Higuchi	Director

Note: The underlined change will become effective on July 31, 2023.

Reference: Executives at AEI after the changes (effective on August 1, 2023)

President	Katsumi Kuroiwa	Operating Officer	Yugo Tsuzuki
Director and Vice President	Hisao Wakaizumi	Operating Officer	Makoto Morita
Director	Takeya Ino	Operating Officer	Takamasa Hasumi
Director	Katsunori Yoshimura		
Director	Masahiko Tan		
Director	Akihito Yamanaka		
Director	Shingo Toguchi		

3. Avex Live Creative Inc. (ALC)

- Changes in Representative Directors and Operating Officers (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
President (Director, Avex Entertainment Inc.)	Akihito Yamanaka	[Newly appointed] (Operating Officer, Avex Inc. and Director, Avex Entertainment Inc.)
Operating Officer	Ryoichi Eise	[Newly appointed] (Operating Officer, Avex Entertainment Inc.)
Operating Officer	Satoshi Arisaka	[Newly appointed] (General Manager, MD Creative Group, Live Business Division, Avex Entertainment Inc.)
Operating Officer	Mitsuhiro Urushibata	[Newly appointed] (General Manager, Ticket Group, Live Business Division, Avex Entertainment Inc.)

Reference: Executives at ALC after the changes (effective on August 1, 2023)

President	Akihito Yamanaka	Operating Officer	Satoshi Arisaka
Operating Officer	Ryoichi Eise	Operating Officer	Mitsuhiro Urushibata

4. Avex Music Creative Inc. (AMC)

- Changes in Representative Directors, Directors, and Operating Officer (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
President (Director, Avex Entertainment Inc.)	Takeya Ino	[Newly appointed] (Operating Officer, Avex Inc. and Director, Avex Entertainment Inc.)
Chairman	Shintaro Higuchi	[Newly appointed] (Director, Avex Entertainment Inc.)
Operating Officer	Yasuhiko Onda	[Newly appointed] (Operating Officer, Avex Entertainment Inc.)
Operating Officer	Nobutoshi Ono	[Newly appointed] (Operating Officer, Avex Entertainment Inc.)
Operating Officer (President, Avex Styles Inc.)	Yu Koiguchi	[Newly appointed] (Operating Officer, Avex Entertainment Inc.)
Operating Officer	Junichiro Kawata	[Newly appointed] (Label Head of Creative Group 1, Label Business Division, Avex Entertainment Inc.)

Reference: Executives at AMC after the changes (effective on August 1, 2023)

President	Takeya Ino	Operating Officer	Nobutoshi Ono
Chairman	Shintaro Higuchi	Operating Officer	Yu Koiguchi
Operating Officer	Yasuhiko Onda	Operating Officer	Junichiro Kawata

5. Avex Music Publishing Inc. (AMP)

- Changes in Directors (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
Director (Director, Avex Entertainment Inc. and President, Avex Music Creative Inc.)	Takeya Ino	[Newly appointed] (Operating Officer, Avex Inc. and Director, Avex Entertainment Inc.)

Reference: Executives at AMP after the changes (effective on August 1, 2023)

President	Shinji Igarashi	Director	Takeya Ino
Director	Shintaro Higuchi		

6. Avex Alliance & Partners Inc. (AAP)

- Changes in Representative Directors and Operating Officers (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
President (Director, Avex Entertainment Inc.)	Masahiko Tan	[Newly appointed] (Operating Officer, Avex Inc. and Director, Avex Entertainment Inc.)
Operating Officer	Atsuki Ichikawa	[Newly appointed] (Operating Officer, Avex Entertainment Inc.)
Operating Officer	Jun Yogi	[Newly appointed] (General Manager, Alliance Sales Group 3, Business Alliance Business Division, Avex Entertainment Inc.)
Operating Officer	Takeshi Fujita	[Newly appointed] (General Manager, Alliance Sales Group 2, Business Alliance Business Division, Avex Entertainment Inc.)

Reference: Executives at AAP after the changes (effective on August 1, 2023)

President	Masahiko Tan	Operating Officer	Jun Yogi
Operating Officer	Atsuki Ichikawa	Operating Officer	Takeshi Fujita

7. Avex Digital Inc. (ADG)

Change of business name (effective on August 1, 2023)

The business name will change to Avex Fan Marketing Inc. ("AFM") (effective on August 2023), reflecting a change of the business purpose.

- Change of Representative Directors (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
President	Jun Tsukuda	[Newly appointed] (Operating Officer, Avex Digital Inc.)
<u>[Retirement]</u> (Operating Officer, Avex Inc., Vice President, Avex Entertainment Inc., and President, Avex Technologies Inc.)	Hisao Wakaizumi	President (Corporate Executive, Avex Inc. and President, Avex Technologies Inc.)

Note: The underlined change will become effective on July 31, 2023.

Reference: Executives at AFM after the changes (effective on August 1, 2023)

President Jun Tsukuda

8. Avex Technologies Inc. (ATS)

- Changes in Directors (effective on July 31, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
<u>[Retirement]</u> (Operating Officer, Avex Inc. and President, Avex Pictures Inc.)	Hideo Katsumata	Director (Corporate Executive, Avex Inc. and President, Avex Pictures Inc.)

Reference: Executives at ATS after the changes (effective on August 1, 2023)

President Hisao Wakaizumi Director Yoshiaki Kashitani

9. Avex Management Inc. (AMG)

- Changes in Directors (effective on July 31, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
<u>[Retirement]</u> (Representative Director and CEO, Avex Inc. and President, Avex Entertainment Inc.)	Katsumi Kuroiwa	Director (Representative Director and CEO, Avex Inc. and President, Avex Entertainment Inc.)
<u>[Retirement]</u> (Operating Officer, Avex Entertainment Inc.)	Yugo Tsuzuki	Director

Note: The underlined change will become effective on August 1, 2023.

- Changes in Operating Officers (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
Operating Officer	Megumi Ohta	[Newly appointed] (Manager and Chief Promotor, Promotion Unit 1, Communication Group 1, Label Business Division, Avex Entertainment Inc.)

Reference: Executives at AMG after the changes (effective on August 1, 2023)

President Toguchi Shingo Operating Officer Megumi Ohta
Operating Officer Takashi Ogawa

10. Avex Clan Inc. (ACL)

- Change of Representative Directors (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
President	Hidemasa Inamura	[Newly appointed] (Deputy Chief of Music Management Division 1, Avex Management Inc.)

Reference: Executives at ACL after the changes (effective on August 1, 2023)

President Hidemasa Inamura

11. Avex Styles Inc. (AST)

- Change of Representative Directors (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
President	Yu Koiguchi	[Newly appointed] (Operating Officer, Avex Entertainment Inc.)

Reference: Executives as AST after the changes (effective on August 1, 2023)

President Yu Koiguchi

12. Avex Management Agency Inc. (AMA)

- Changes in Representative Directors and Operating Officers (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
President	Terutomo Shiratori	[Newly appointed] (Operating Officer, Avex Management Inc.)
Operating Officer	Masaki Morishita	[Newly appointed] (Deputy Chief of Talent Management and Sales Division, Avex Management Inc.)

Reference: Executives at AMA after the changes (effective on August 1, 2023)

President Shiratori Terutomo Operating Officer Masaki Morishita

13. Avex Pictures Inc. (API)

- Organizational changes (effective on August 1, 2023)

Marketing Communication Division, Content Business Division, and Business Management Division will be established chiefly for business management and business support to subsidiaries in the Anime and Video business.

- Changes in Operating Officers (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
Operating Officer	Keiko Nagaya	[Newly appointed] (General Manager, Promotion Group, Visual Content Business Division, Avex Pictures Inc.)

Reference: Executives at API after the changes (effective on August 1, 2023)

President Hideo Katsumata Operating Officer Minami Otake
Director Nobuhiro Maeno Operating Officer Chikara Nishizawa
Operating Officer Ryo Ohyama Operating Officer Keiko Nagaya

14. Avex Animation Labels Inc. (AAL)

- Changes in Representative Directors, Directors, and Operating Officer (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
President (Operating Officer, Avex Pictures Inc.)	Ryo Ohyama	[Newly appointed] (Operating Officer, Avex Pictures Inc.)
Director	Tomokazu Iizumi	[Newly appointed] (Deputy Chief of Planning and Production Division, Avex Pictures Inc.)
Operating Officer	Atsuhiko Miyakoshi	[Newly appointed] (General Manager, Live Produce Group, API Planning and Production Division, Avex Pictures Inc.)

Reference: Executives at AAL after the changes (effective on August 1, 2023)

President Ryo Ohyama Operating Officer Atsuhiko Miyakoshi
Director Tomokazu Iizumi

15. Avex Film Labels Inc. (AFL)

- Changes in Representative Directors and Operating Officers (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
President (Director, Avex Pictures Inc.)	Nobuhiro Maeno	[Newly appointed] (Director, Avex Pictures Inc.)
Operating Officer	Tsuyoshi Nishiyama	[Newly appointed] (Deputy Chief of Video Business Division, Avex Pictures Inc.)

Reference: Executives at AFL after the changes (effective on August 1, 2023)

President Nobuhiro Maeno Operating Officer Tsuyoshi Nishiyama

16. Avex USA Inc. (AUI)

- Changes in Directors and Operating Officers (effective on August 1, 2023)

New position (Major concurrent posts at Group companies)	Name	Current position (Major concurrent posts at Group companies)
Director (Operating Officer, Avex Inc.)	Hajime Shibata	Chairman (Corporate Executive, Avex Inc.)
Operating Officer and CFO	Ryusuke Kamada	[Newly appointed] Senior Vice President of Finance

Reference: Executives at AUI after the changes (effective on August 1, 2023)

President and CEO Naoki Osada Director Hajime Shibata
Director Katsumi Kuroiwa Operating Officer and CFO Ryusuke Kamada

End