

# Earnings Results for FY2023 H1 (Fiscal year ending March 31st, 2024)

(April 1, 2023 to September 30, 2023)

Avex Inc.

November 9, 2023



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# Consolidated Results

Financial Highlights

Topics

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“ULTRA JAPAN 2023”



**Net sales increased 19.0% YoY to 64.3 billion yen, driven by the growth of the Music Business.**

**Operating profit decreased 40.1% YoY to 2.1 billion yen due to a drop in gross profit.**

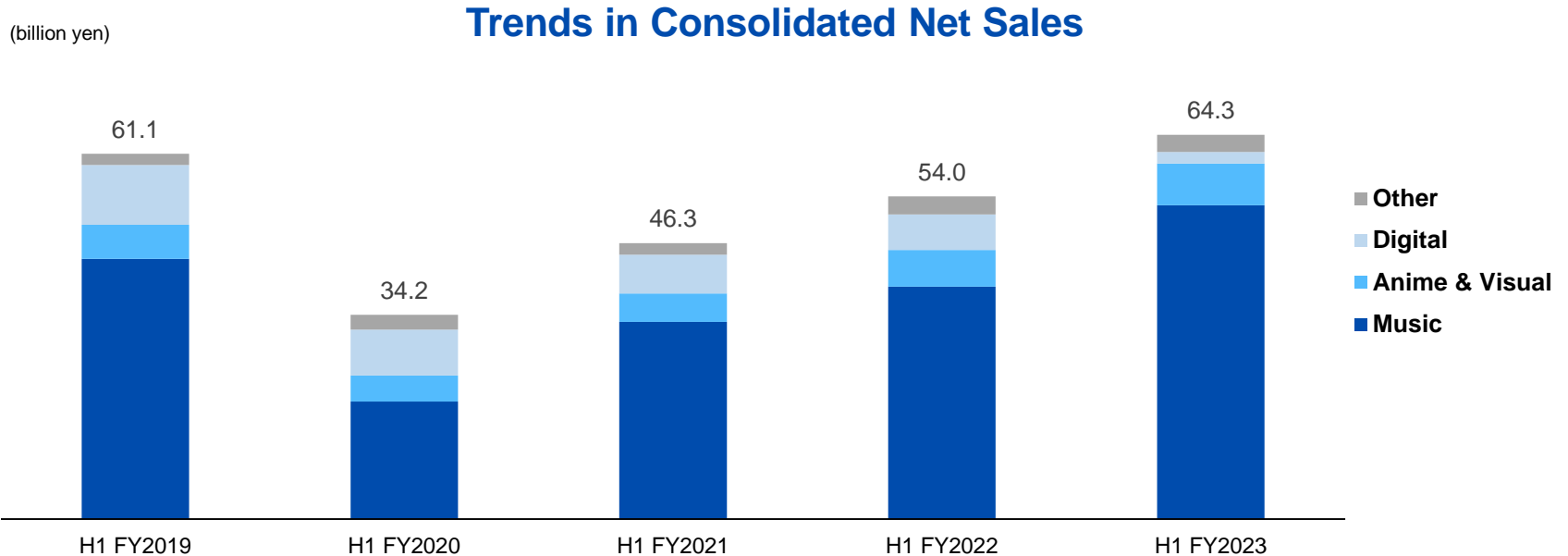
**Profit attributable to owners of parent decreased 23.4% YoY to 2.4 billion yen.**

(million yen)	H1 FY2022	H1 FY2023	YoY	Rate
<b>Net sales</b>	54,060	<b>64,355</b>	+10,294	+19.0%
<b>Operating profit</b>	3,619	<b>2,167</b>	-1,451	-40.1%
<b>Profit attributable to owners of parent</b>	3,207	<b>2,458</b>	-749	-23.4%

## Overview of Business Results

- ✓ Net sales increased, mainly from Live Concerts in the Music Business
- ✓ The company-wide gross profit margin declined due to changes in the sales mix of each business segment with different profit ratios.
- ✓ Operating profit decreased due to the continuation of investment in IP aimed at achieving the medium-term management plan.
- ✓ Profit decreased in line with operating profit.

Recovered to the pre-COVID 19 levels, mainly in the Music Business.



Note 1: The net sales breakdown in FY2020 and earlier are reference values that have been reclassified to conform to the current segment standards, without retroactively adjusting for the impact of changes in the accounting standard, etc.

Note 2: The net sales figures in the graph are for reference only, as internal sales have been proportionally allocated to each segment and deducted.

# Consolidated Statements of Income

**Operating profit declined to 2.1 billion yen due to a decline in the gross profit margin and an increase in SG&A expenses associated with net sales.**

(million yen)	H1 FY2022	H1 FY2023	YoY	Rate
<b>Net sales</b>	54,060	<b>64,355</b>	+10,294	+19.0%
Cost of sales	33,704	<b>44,286</b>	+10,582	
<b>Gross profit</b>	20,356	<b>20,068</b>	-287	-1.4%
Gross profit margin	37.7%	<b>31.2%</b>	-6.5pt	
Personnel expenses	6,539	<b>6,752</b>	+212	
Sales promotion and advertising expenses	3,429	<b>3,325</b>	-104	
General expenses	6,767	<b>7,823</b>	+1,055	
Total SG&A expenses	16,736	<b>17,901</b>	+1,164	
<b>Operating profit</b>	3,619	<b>2,167</b>	-1,451	-40.1%
Operating margin	6.7%	<b>3.4%</b>	-3.3pt	

# Results by Segment

Net sales of our Music Business increased because of an increase in the number of Live Concerts at large venues.

## Net Sales by Segment

(million yen)	FY2022 2Q	FY2023 2Q	YoY	Rate
<b>Music</b>	41,229	<b>54,432</b>	+13,202	+32.0%
<b>Anime &amp; Visual Content</b>	6,583	<b>7,203</b>	+619	+9.4%
<b>Digital</b>	6,300	<b>2,084</b>	-4,216	-66.9%
<b>Other Business</b>	3,285	<b>3,068</b>	-216	-6.6%
<b>Company-wide Adjustment</b>	-3,338	<b>-2,432</b>	+905	—
<b>Annual</b>	54,060	<b>64,355</b>	+10,294	+19.0%

## Operating Profit by Segment

(million yen)	FY2022 2Q	FY2023 2Q	YoY	Rate
<b>Music</b>	3,063	<b>1,640</b>	-1,423	-46.5%
<b>Anime &amp; Visual Content</b>	254	<b>-54</b>	-308	—
<b>Digital</b>	-245	<b>617</b>	+862	—
<b>Other Business</b>	542	<b>-33</b>	-575	—
<b>Company-wide Adjustment</b>	3	<b>-3</b>	-7	—
<b>Annual</b>	3,619	<b>2,167</b>	-1,451	-40.1%

Note: Business segments have been partially revised since FY2022 Q2, and the YoY figures have been restated in accordance with the new segment classification.

## Net sales increased mainly from Live Concerts and Merchandising.

(million yen)	FY2022 2Q	FY2023 2Q	YoY	Rate
<b>Net sales in the Music Business</b>	41,229	<b>54,432</b>	+13,202	+32.0%
Live	11,858	<b>22,382</b>	+10,523	+88.7%
Merchandising	1,188	<b>3,343</b>	+2,154	+181.3%
Management	3,988	<b>3,461</b>	-526	-13.2%
Music packages	11,545	<b>12,305</b>	+760	+6.6%
Digital music distribution	6,670	<b>6,334</b>	-336	-5.0%
Music publishing	1,385	<b>1,451</b>	+65	+4.8%
E-Commerce	5,501	<b>7,409</b>	+1,908	+34.7%
Other	2,913	<b>3,227</b>	+313	+10.8%
<b>Operating profit</b>	3,063	<b>1,640</b>	-1,423	-46.5%
Operating margin	7.4%	<b>3.0%</b>	-4.4pt	—

Note 1: The business segments have been partially revised since FY2022 Q2, and the YoY figures have been restated in accordance with the new segment classification.

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

		FY2022 2Q	FY2023 2Q	YoY
Overview of Live Concerts	Total number of performances	533	<b>677</b>	+144
	Stadium	5	<b>14</b>	+9
	Arena	87	<b>47</b>	-40
	Hall & Live House class	441	<b>616</b>	+175
	Audience (ten thousand people)	111	<b>170</b>	+59
	Average ticket price (yen)	8,919	<b>11,117</b>	+2,198
Overview of Music Package	Unit price (yen)	2,785	<b>2,650</b>	-135
	Albums Units (thousands)	2,061	<b>2,375</b>	+314
	Unit price (yen)	1,336	<b>1,122</b>	-214
	Singles Units (thousands)	1,922	<b>3,388</b>	+1,466
	DVD/ Unit price (yen)	5,480	<b>5,177</b>	-303
	Blu-ray Units (thousands)	1,048	<b>1,123</b>	+75

Note 3: Due to the revision of the criteria for listing the number of live concerts since the consolidated financial results for FY2022, the figures do not match those disclosed in the previous year's financial results presentation materials.

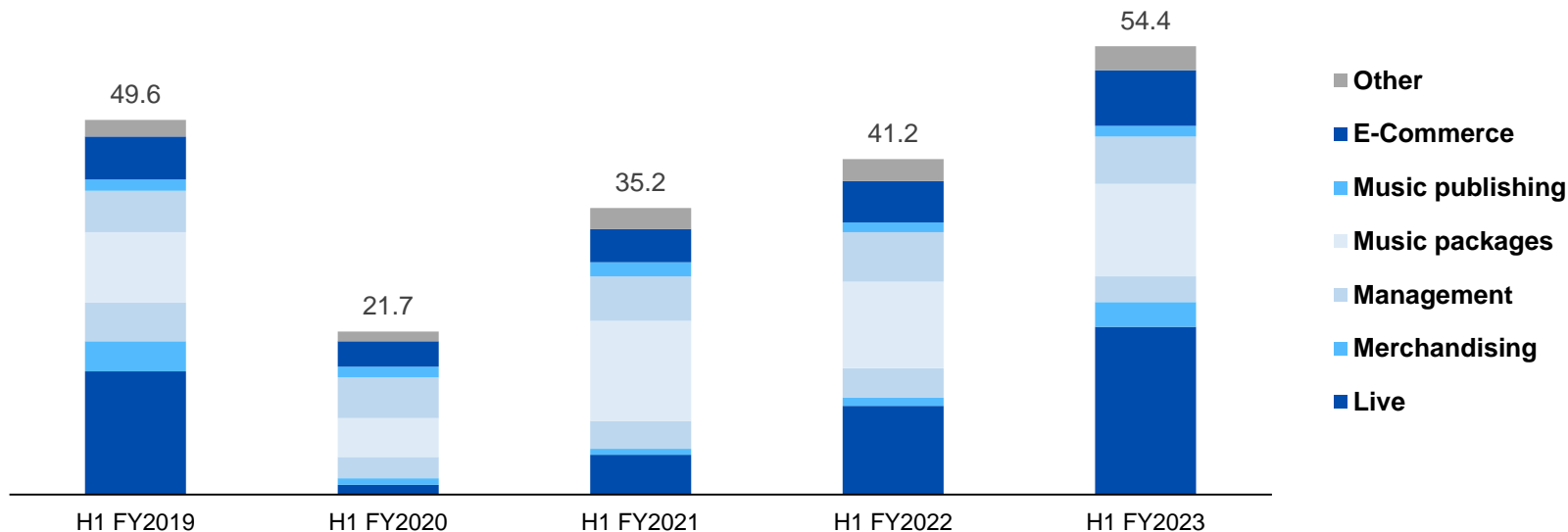
Note 4: Number of performances, audience, and average price for the overview of Live Concerts include our commissioned live concerts and exclude online live concerts, stage performances, events, etc.

Note 5: Average price and units for the overview of Music Package are for new releases only (including sales on consignment).

## The Pre-COVID 19 levels have been exceeded, mainly in Live Concerts

### Net Sales Trends in the Music Business

(billion yen)



Note: The net sales breakdown for each fiscal year is for reference only and does not reflect the impact of changes in the accounting standards, etc., or restatements or adjustments within the segment.

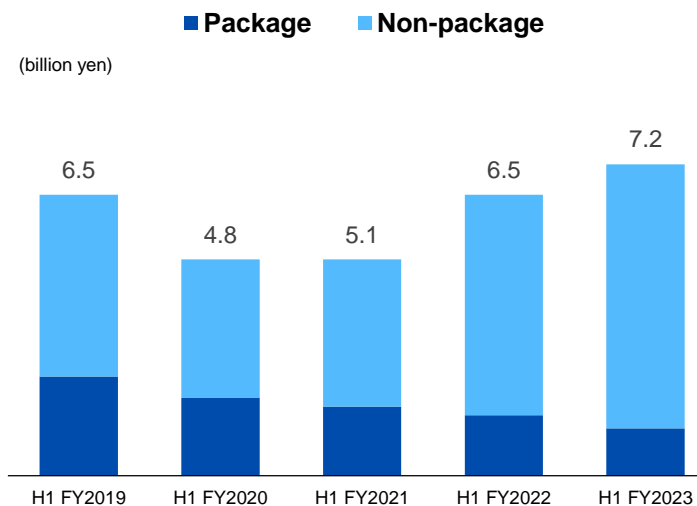


# Anime & Visual Content Business

**Net sales increased but operating profit decreased due to the lower gross profit margin, despite the higher non-package net sales, including box office revenue from film titles and events, etc.**

(million yen)	FY2022 2Q	FY2023 2Q	YoY	Rate
<b>Net sales in the Anime &amp; Visual Content Business</b>	6,583	<b>7,203</b>	+619	+9.4%
Package	1,478	<b>1,161</b>	-316	-21.4%
Non-package	5,104	<b>6,041</b>	+936	+18.3%
<b>Operating profit</b>	254	<b>-54</b>	-308	—
Operating margin	3.9%	<b>—</b>	—	—

## Net Sales Trends in the Anime & Visual Content Business



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

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

Note 3: Sales figures for FY2020 and earlier are for reference only and do not reflect changes in accounting standards, etc.

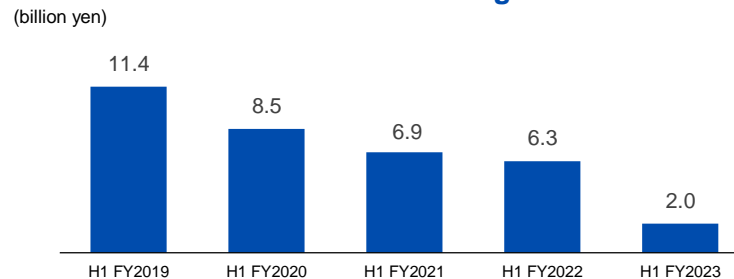
## Digital and Other Businesses

**Profit from the Digital Business increased because sales from the outsourcing of the digital video distribution service were recorded, offsetting a decrease in the business's net sales after the dissolution of a joint venture company for the service.**

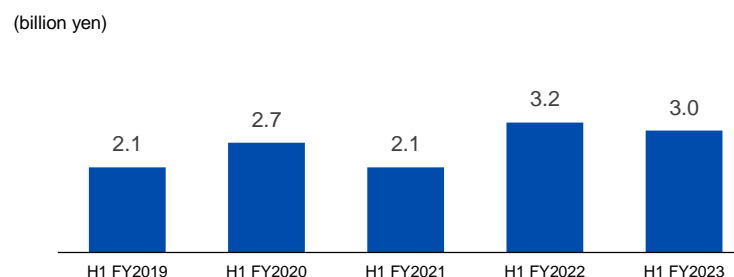
**Net sales and profit decreased in other businesses.**

(million yen)	FY2022 2Q	FY2023 2Q	YoY	Rate
<b>Net sales in the Digital Business</b>	6,300	<b>2,084</b>	-4,216	-66.9%
Digital video distribution*	5,184	—	-5,184	—
Fan clubs	813	<b>686</b>	-127	-15.6%
Other	298	<b>1,397</b>	+1,099	+368.1%
<b>Operating profit</b>	-245	<b>617</b>	+862	—
Operating margin	—	<b>29.6%</b>	—	—
<b>Net sales in Other Businesses</b>	3,285	<b>3,068</b>	-216	-6.6%
<b>Operating profit</b>	542	<b>-33</b>	-575	—
Operating margin	16.5%	—	—	—

### Net Sales Trends in the Digital Business



### Net Sales Trends in Other Businesses



\*: On January 31, 2023, all shares of Avex Broadcasting & Communications Inc., a specified subsidiary (sub-subsubsidiary) engaged in the Digital Streaming Business, were transferred and excluded from the scope of consolidation.

Note 1: Other sales from the Digital Business include those from the outsourced operations of Avex Broadcasting & Communications Inc. (which continued until the end of June)

Note 2: In net sales in each sub-segment, transactions within the subsegment have not been eliminated. Net sales for each business segment in FY2020 and earlier are reference values that have been reclassified to conform to the current segment standards, without retroactively adjusting for changes in the accounting standards, etc.

## Results Forecast for FY2023

Although Q2 FY2023 results exceeded the full-year forecast, there have been no changes from the forecast announced on May 25, 2023 due to the continued investment in medium-to-long-term growth in the second half of the year.

(million yen)	Forecast	Reference: Results	
	FY2023 Year ending March 31, 2024	FY2023 H1	FY2022 Year ended March 31, 2023
<b>Net sales</b>	—	64,355	121,561
<b>Operating profit</b>	2,000	2,167	3,385
<b>Profit attributable to owners of parent</b>	2,200	2,458	2,742
<b>Annual dividends per share (yen)</b>	50*	—	50

Note: The interim dividend per share is 25 yen. Interim dividends will be paid from December 4 to shareholders registered on the shareholder registry as of September 30.

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## Progress of avex vision 2027

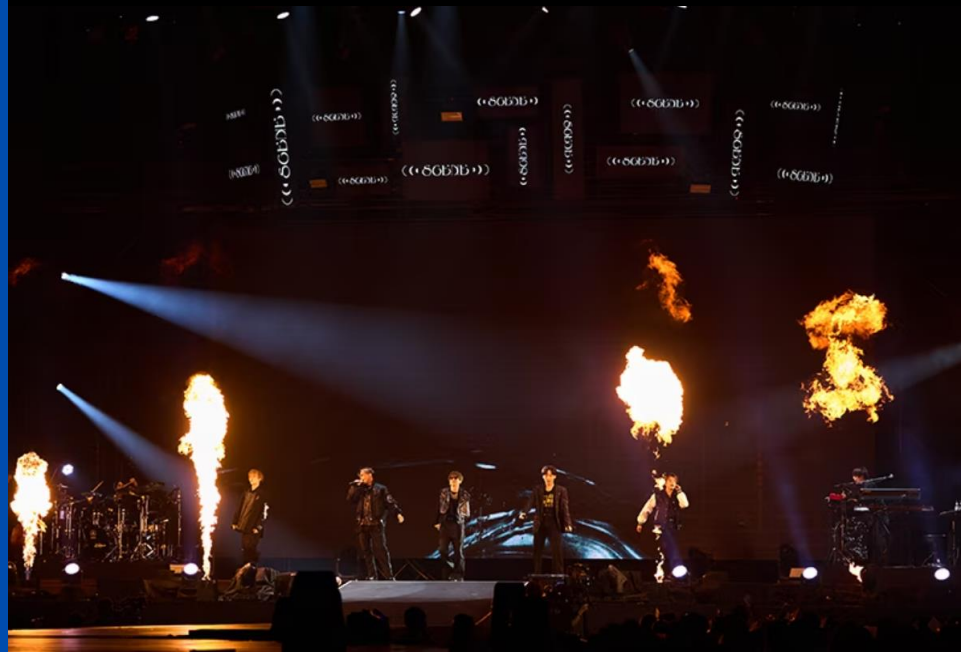
Progress of avex vision 2027

### Topics

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Da-iCE

“Da-iCE ARENA TOUR 2023 -SCENE-”

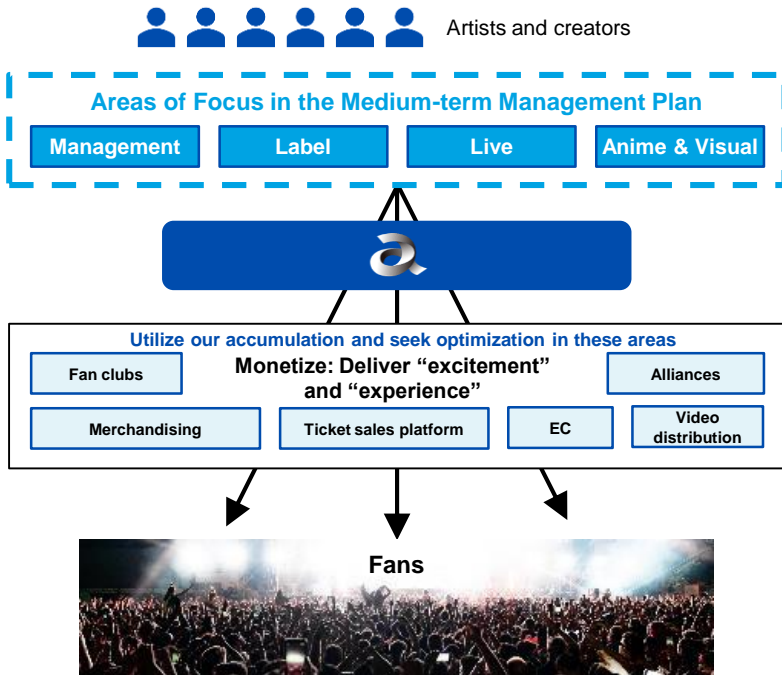


# Overall Strategy

We aim to build a structure to achieve long-term growth by making aggressive investments with an emphasis on “meeting and developing talent,” which is the starting point for value creation at Avex.

In addition, based on the blossoming IP portfolio, we will launch strategic initiatives to create value in overseas markets.

## Process of Avex's value creation and relevant businesses



### 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

✕

**Expanding Avex's value creation to overseas markets**

# Reorganization

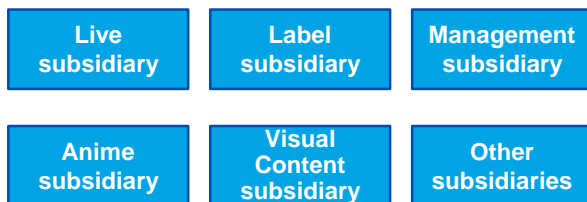
Effective August 1, the group underwent an internal reorganization, with Avex Entertainment Inc. and Avex Pictures Inc. as intermediate holding companies. Each business is split into separate entities with authority delegated and responsibilities clarified to enable quick decision-making. The goals of this restructuring are to realize our growth strategy and the expansion of our business over the medium to long term.

Delegation of authority and responsibility through functional spin-offs to accelerate the IP creation process

Before the reorganization

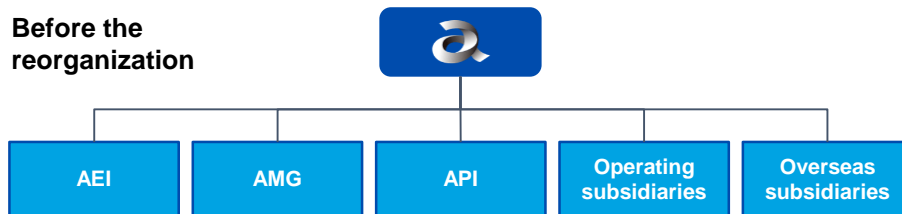


After the reorganization

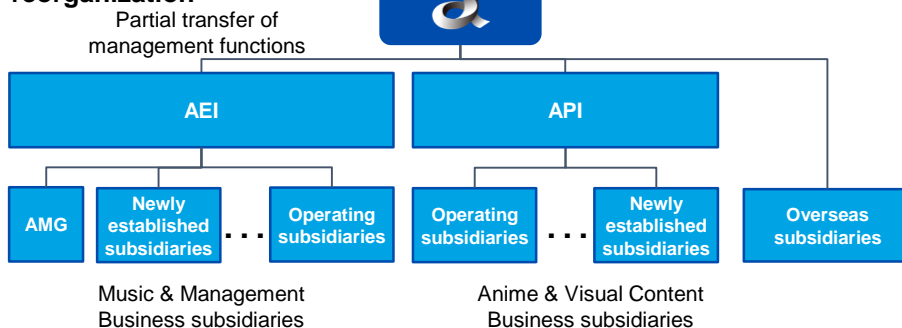


Establishment of intermediate holding companies to separate the Music & Management Business and the Anime & Visual Content Business

Before the reorganization



After the reorganization



# IP Development in Management - XGALX Project Progress Report

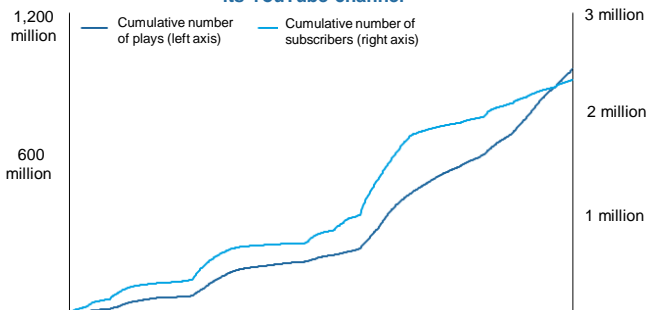
The release of their first mini-album, “NEW DNA,” has contributed to the ongoing growth of their YouTube channel and other platforms. A solo showcase with a live audience is confirmed for November. We are looking to increase their IP value in the coming fiscal year and beyond.

## First Mini-Album Released, YouTube Continues to Grow



XG's first mini-album “NEW DNA,” released on September 27, topped the Billboard and other charts, with each track also ranking high on various global charts.

### Change in the number of views and subscribers to its YouTube channel



Total number of views is approaching 1 billion. Total number of subscribers has exceeded 2 million.

## First Solo Showcase with a Live Audience to Be Held



After the announcement of the first solo showcase, tickets sold out quickly through the official fan club, ALPHAZ. In response to the strong demand, additional performances were scheduled and also sold out promptly.

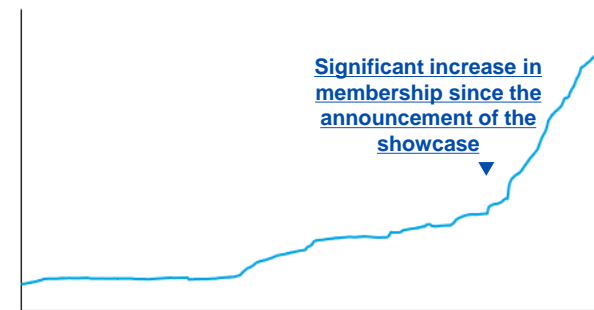
## Continued Growth of ALPHAZ as a Fan Base Hub



ALPHAZ, the official fan club of XG, provides exclusive content through their official fan club blog and videos in multiple languages.

This platform allows communication not only between fans but also with the XG members.

### ALPHAZ Membership Trends



# IP Development in Management

In the entertainment sector, our talents are active in a variety of fields. We will continue to strengthen the system for discovering and nurturing IPs in Japan.

As many of our main artists are reaching milestone anniversaries, we are planning various initiatives to maximize their value.

## Continued Expansion across Music and Entertainment

Meru Nukumi



Selected as the Face of the Year for 2023, Meru Nukumi is a multi-talented model, actress and variety show/advertising personality.

Major works in 2023

- Drama series in April: "Nichiyo no Yoru Gurai wa..."
- Drama series in October: "Sexy Tanaka-san"
- Regular appearances on various variety programs
- Exclusive model for the magazine CanCam

Related News

- Ranked first in Oricon News 2023 First Half Breakthrough Actors Ranking (Female)

Rina Kawaei



After returning from maternity leave, Rina Kawaei has continued to secure roles in movies, dramas, and prominent stage productions.

Major works in 2023

- CM "LAWSON"
- Stage "Spirited Away"
- Nippon TV's 70th-anniversary special program "THE MYSTERY DAY"
- Drama series in January: "Tonari no Nurse Aid"
- Movie "A Strange House" (scheduled for release in 2024)

Marie Itoyo



In addition to her first starring role in a prime-time terrestrial drama, Marie Itoyo has also modeled and appeared in TV ads, including the popular summer ad for Kincho.

Major works in 2023

- Film "Rohan au Louvre"
- Drama series in July: "Nanyobi ni Umareta no"
- CM "Kincho No Uzumaki"
- CM "Detective Pikachu Returns"
- CM "Kirin Jojo Shochu Soda"
- Active as a model in popular magazines, such as *Oggi* and *More*.

## Maximizing the Value of Many Major Artists Celebrating Anniversaries



TRF

TRF 30th Anniversary Live "past and future." at Nippon Budokan

February 18, 2024

The planned number of seats are already sold, and additional seats are also selling well.



Ayumi Hamasaki

ayumi hamasaki 25th Anniversary Live Tour

(Saturday, July 8, 2023 to Sunday, March 24, 2024)



Da-iCE

Da-iCE 10th Anniversary LIVE

January 15, 2024

The arena tour from June to September 2023 achieved the largest attendance in Da-iCE's history. Tickets for Anniversary LIVE also sold out.



# IP Development in Label

Many next-generation artists were revealed in the first half of the year, with ongoing development and nurturing efforts to follow in the second half and beyond.

The steady growth of existing artists has also contributed significantly to the label business.

## Debuts of Next Generation Artists

× Yasushi Akimoto  
Bokuga Mitakatta  
Aozora

Debuted with "Aozorani Tsuite Kangaeru" on August 30

Start of the first program bearing their name of October 17



× WACK  
BITE A SHOCK

Debuted on July 9 with "Patient!," the theme song for the drama "The Neighbor of Healing has a Secret."



× LDH  
WOLF HOWL HARMONEY

Debuted with "Sweet Rain" on August 23

Digitally released the new song "Sugar Honey" on November 15



× SM Entertainment  
NCT NEW TEAM

Pre-debuted on October 8 with "Hands Up" after appearing on NCT NATION in September

Official debut scheduled for next year



## Growing Artists to Support This Fiscal Year's Business

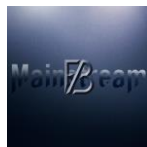


**BE:FIRST**

A seven-member dance and vocal group belonging to BMSG led by SKY-HI, born out of the boys' group audition program THE FIRST

Dominated the top spot on various charts in Japan since their pre-debut

### Initiatives for FY2023



September 13 "Mainstream"

Ranked first on the Billboard Japan Hot 100  
The *furiko* dance performed in the group's largest MV has become a hot topic.

November 1: BE:FIRST ARENA TOUR 2023-2024 "Mainstream," the group's first nationwide arena tour with 22 performances in nine cities

November 5: Best Asia Act Award at the 2023 MTV EMA in Paris, one of the largest music awards in Europe

November 6: Digital release of the cheering song "Glorious" for the 102nd National High School Soccer Championship

March-April: The group's first Tokyo Dome and Kyocera Dome concerts scheduled

**AiNA THE END**

Lead actor and theme song performer for director Shunji Iwai's film "Kyrie"

Active as a solo artist in various fields, including the ending theme song for the TV animation "The Apothecary Diaries"



Kyrie (AiNA THE END)

**NCT 127**

Released their fifth Korean full album, "Fact Check" in October

Dome tour in Tokyo, Nagoya, and Osaka scheduled to kick off at the beginning of the year



**Chilli Beans.**

Ending song for the TV animation "ONE PIECE" from August

Theme song for the TV drama "Toki wo Kakeruna Koibitotachi" from October

Album release scheduled for December Live concert at the Nippon Budokan in February 2024



**LANA**

EP "19" released in July

Tokyo-Osaka tour in November



**THE RAMPAGE**

August SG "Summer Riot ~Nettaiya~," the opening theme song for the drama "Kanojo-tachi no Hanzai", ranked 1st on the Oricon weekly chart and ranked 2nd on the Billboard JAPAN HOT 100.

The single "Katasumi" will be released on November 8, and the first best album will be released on the debut date of January 25 next year.



**TREASURE**

Achieved their first million-seller with their second full album "REBOOT" in July

Japan tour starting in January next year, covering seven cities nationwide



# IP Development in Live Concert - Progress in Bringing in International Artists and Developing Events

With the end of the pandemic, we have continued to undertake large-scale live performances featuring international artists. With a substantial year-on-year increase in the size of the audience, the development of festival/event IPs is on track to achieve the goals set in the medium-term management plan.

Large-scale projects commissioned by overseas production companies

Development of festivals and events valuable as intellectual property



Ed Sheeran's upcoming Japan tour, marking his return to Japan after four years and nine months, is poised to be a culmination of his record-breaking tours to date.



We have been commissioned to organize Taylor Swift's world tour performance at the Tokyo Dome. This will be the first time that an international female artist will be performing at the Tokyo Dome for four consecutive days.



In its second year, THE HOPE was back with 30,000 people attending, three times its attendance from the previous year. An audition was also held to explore new talents.



Ultra Japan was held on a scale far exceeding the previous year's event, drawing a crowd of 60,000 over two days.

With the resumption of global activities by overseas artists, we will secure major projects as a domestic player.

Focus on developing festivals and events with IP value. We will continue our efforts to organize new large-scale festivals.

# IP Development in Anime & Visual Content - Anime

Our original work, “Paradox Live,” has continued to grow through live action adaptations. Its IP value continues to expand with the launch of a TV animated adaptation in October this year.

Many of our other animated works have gained acceptance both domestically and internationally, enhancing our IP portfolio.

## Growth of “Paradox Live” and Its Adaptation into an Animated Series



© Paradox Live2023

The live action event was held at Makuhari Messe Event Hall, a larger venue than last year.

Both day and night performances were sold out.



© Paradox Live THE ANIMATION

The number of followers on social media has been steadily increasing due to many different promotions.

In October 2023, the TV animation “Paradox Live THE ANIMATION” began broadcasting and streaming, ranking first in the domestic trends on X during its initial airing.

## Other Popular Animation Productions in Japan and Abroad



© Shuichi Shigeno, Kodansha / MF GHOST Production Committee

### “MF GHOST”

Successor to “Initial D” popular in Japan and abroad

TV animation broadcast/distribution from October 2023



© Masakazu Ishiguro, Kodansha / Heavenly Delusion Production Committee

### “Heavenly Delusion”

TV animation broadcast/distribution from April 2023

Ranked first on overseas animation sites through exclusive distribution on Disney+



© Norio Sakurai (Akita Publishing) / Boku Yaba Production Committee

### “Boku no Kokoro no Yabai Yatsu”

TV animation broadcast/distribution from April 2023

Second season to be broadcast from January 2024 due to domestic and international popularity



# IP Development in Anime & Visual Content - Live Action

**Strategic business partnership with Studio Dragon can strengthen our ability to acquire international visual IPs. We have continued to receive commissions for live viewing of overseas artists and artist documentary films.**

## Strong IP Lineup through Business Partnership with Studio Dragon in South Korea



© 2021 Studio Dragon Corporation / MUSICAL VINCENZO 2023

We have entered into a strategic business partnership with Studio Dragon, Asia's largest drama studio known mainly for "Crash Landing on You."

As the first collaboration, we successfully staged the world's first musical adaptation of the hit drama "Vincenzo."

This musical adaptation marks the beginning of our collaboration, and we plan to broaden our cooperation into various business areas in the future.

## Many Commissions for Live Viewings and Artist Documentaries



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# Overseas Strategy - Measures and Targets

In the Middle East, we have expanded our achievements by successfully securing a large-scale anime event for two consecutive years. Through the establishment of a local subsidiary in Saudi Arabia, we aim to build a substantial business presence in the Middle East region. In North America, we are successfully building a local business foundation and network, significantly enhancing our capacity as a creative production hub.

## Establishment of a Local Subsidiary in Saudi Arabia and Strengthening of Business Presence in the Middle East

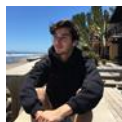


Not only do we license our Japanese animation IPs, but we also provide comprehensive event production services, which include planning, design and supervision.

To expand our business portfolio and explore new ventures, we have established a local subsidiary.

The new company will engage in IP licensing and event management tailored to the market's characteristics, along with investments in the music business.

## Numerous Global Hits by Creators with Exclusive Publishing Contracts with Avex USA



### Jasper Harris

Tate McRae / "greedy"  
Jack Harlow / "First Class"  
Post Malone ft. Doja Cat / "I Like You"



### HARV

Justin Bieber / "Peaches"  
Skrillex ft. Justin Bieber / "Don't GO"  
Juice Wrld ft. Justin Bieber / "Wandered to LA"



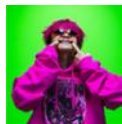
### GENT!

Doja Cat / "Agora Hills"  
Drake ft. 21 Savage / "Calling For You"  
Drake x 21 Savage / "Privileged Rappers"



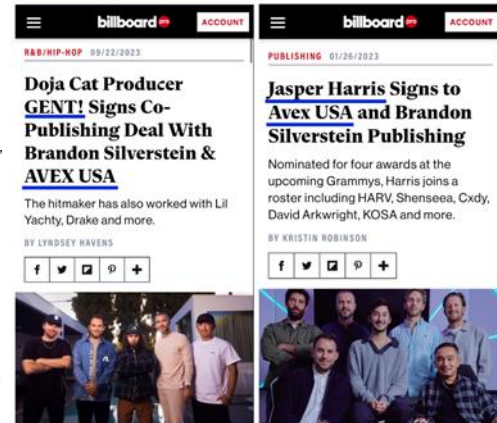
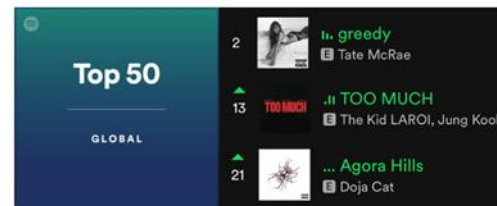
### J. Que

Joji / "Die For You"  
David Guetta x Zara Larson / "Oh My Love"  
Usher / "Yeah!"



### Xansei

XG / "SHOOTING STAR"  
NLe Choppa / "Picture Me Grapin"  
2FeetBino feat. Latto / "Naked"



# Summary

All fields showed progress in discovering, nurturing, developing, and acquiring IP. **Sowing the seeds of success in the medium-term management plan.**

## Management

- ✓ XG's first solo showcase with a live audience confirmed. **Further expansion of IP value** associated with the development of ALPHAZ, the official fan club.
- ✓ **Steady IP development** across music and entertainment.

## Label

- ✓ **Significant contribution** to the business performance by monetizing IPs, leveraging the growth of artists and creating music.
- ✓ Debuts of next generation artists, **aiming for the continued development and expansion of IP value for future growth.**

## Live

- ✓ **Contribution of large domestic live events featuring international artists on consignment following the end of the pandemic.**
- ✓ **Successful expansion of IP value of our regular large-scale festivals and events** with the significant year-on-year growth of the audience.

## Anime & Visual

- ✓ **Launch of many animated works**, including our original IP, "Paradox Live." Actively working towards further expanding IP value.
- ✓ **Continued acquisition of live-action IPs** through a business partnership and commissions for live viewing of overseas artists and artist documentary films.

## Overseas

- ✓ **Establishment of a subsidiary** to further strengthen the expanding business in the Middle East, driven mainly by Anime Village. Aim to enhance monetization capabilities abroad.
- ✓ Continued enhancement of creative capabilities within our American subsidiary, resulting in **the creation of new works and the receipt of awards.**

**Various measures are progressing towards the goals set in the medium-term management plan.**  
**Continue to invest for medium- to long-term growth**

**Appendix.**

# Highlights from Q2 of FY2023

Major news releases	April 26	Notice	Kuroiwa, Representative Director, CEO, Named as One of Billboard's 2023 International Power Players
	May 17	Press release	Avex Pictures Inc. Concludes Strategic Partnership Agreement with STUDIO Dragon, One of the Largest Drama Studios in Asia Production of the World's First Musical Version of Megahit Drama Vincenzo to Be the First Collaboration
	May 25	IR	Announcement Regarding Posting of Extraordinary Profit and Revision to Business Results
	June 23	IR	Notice of the Establishment of a New Company (Second-Tier Subsidiary) by a Subsidiary of the Company in Saudi Arabia
	June 23	IR	Notice of Reorganization of Avex Inc. and Group Companies and Changes to Business Execution System
	June 23	IR	Notice Regarding Issuance of New Shares as Restricted Stock Compensation
	September 25	IR	Notice of Shareholder Benefits, Ticket Priority Reservation System
	November 1	IR	Notice of Renewal of Avex Shareholders-Only Website



## Live/Event

Month(s)	Artist/Genre	Title
February-June	Tohoshinki	“TOHOSHINKI LIVE TOUR 2023 - CLASSYC -”
April-June	BLACKPINK	“BLACKPINK WORLD TOUR [BORN PINK] JAPAN”
May-June	SKY-HI	“SKY-HI ARENA TOUR 2023 -BOSSDOM-”
June-September	Da-iCE	“Da-iCE ARENA TOUR 2023 -SCENE-”
July-March 2024	Ayumi Hamasaki	“ayumi hamasaki 25th Anniversary Live Tour”
September	NCT	“NCT STADIUM LIVE 'NCT NATION : To The World-in JAPAN”
September	Festival	“ULTRA JAPAN 2023”
September	Festival	“THE HOPE 2023”
September - October	TREASURE	“2023 TREASURE FAN MEETING~HELLO AGAIN~”
September - December	Misako Uno	“UNO MISAKO 5th ANNIVERSARY LIVE TOUR -PEARL LOVE-”



SKY-HI



NCT



Misako Uno

# Content highlights from 2Q of FY2023

## Music

### Package

Format	Release Date	Artist	Title
Singles	July	SKE48	“Suki ni Nacchatta”
	August	THE RAMPAGE from EXILE TRIBE	“Summer Riot — Nettareya — /Everest”
	September	Snow Man	“Dangerholic”
Albums	May	Snow Man	“i DO ME”
	July	TREASURE	“REBOOT”
	July	NCT DREAM	“ISTJ”
	September	XG	“NEW DNA”
DVD/Blu-ray	June	BE:FIRST	“BE:FIRST 1st One Man Tour “BE:1” 2022-2023”
	July	Snow Man	“Snow Man LIVE TOUR 2022 Labo.”
	September	J SOUL BROTHERS III from EXILE TRIBE	“THREE GENERATION J SOUL BROTHERS LIVE TOUR 2023 ‘STARS’ Land of Promise”



SKE48



NCT DREAM

J Soul Brothers III  
from EXILE TRIBE

# Content highlights from 2Q of FY2023

	Genre	Month(s)	Title
Live/Event	Live	May	“Paradox Live Dope Show 2023”
	Stage	August	Musical “Vincenzo”
	Film	August	Film “BE:the ONE”

	Format	Release Date	Title
Package		June	“ONE PIECE FILM RED: special version linked to the movie”
	DVD/Blu-ray	June	TV animation “Play it Cool, Guys” Blu-ray & DVD Vol. 2
		June-August	“Boku no Kokoro no Yabai Yatsu Blu-ray Vol. 1-3”
		July	“Bari Bari Densetsu Blu-ray”



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Film “BE:the ONE”



© Kokone Nata/SQUARE ENIX, Play It Cool,  
Guys Production Committee  
TV animation “Play it Cool, Guys”



© Shuichi Shigeno /  
Kodansha  
“Bari Bari Densetsu”

# Content highlights from Q3 of FY2023 and after

**Music**

	Month(s)	Artist/Genre	Title
Live/Event	October-December	LUNA SEA	“LUNA SEA DUAL ARENA TOUR 2023”
	October-December	NCT NEW TEAM (tentative)	“NCT Universe: LASTART PRE-DEBUT TOUR”
	November	TREASURE	“2023 TREASURE FAN MEETING~HELLO AGAIN~ TOKYO DOME SPECIAL”
	November	Stage	Musical Show “SEVEN-Journey to the West: Seven Battles”
	November	XG	“XG 'NEW DNA' SHOWCASE in JAPAN”
	January 2024	NCT127	“NCT 127 3RD TOUR ‘NEO CITY ’JAPAN - THE UNITY””
	January 2024	Da-iCE	“Da-iCE 10th Anniversary LIVE”
	January 2024	Ed Sheeran	“+== ÷ x Tour 2024”
	February 2024	TAYLOR SWIFT	“TAYLOR SWIFT   THE ERAS TOUR”



TAYLOR  
SWIFT



Copyright © 2023 Musical Show “SEVEN-  
Journey to the West: Seven Battles”



Da-iCE

## Package

Format	Release Date	Artist	Title
Singles	October	BALLISTIK BOYZ from EXILE TRIBE	“All I Ever Wanted feat.GULF KANAWUT”
	January 2024	Kis-My-Ft2	“HEARTBREAKER / C'monova”
Albums	October	NCT 127	“Fact Check”
	November	GENERATIONS from EXILE TRIBE	“beyond the GENERATIONS”
	November	WayV	“On My Youth”
DVD/Blu-ray	November	BiSH	“Bye-Bye Show for Never at TOKYO DOME”
	December	TREASURE	“TREASURE JAPAN TOUR 2022-23 ~HELLO~ SPECIAL in KYOCERA DOME OSAKA”
	December	Snow Man	“Snow Man 1st DOME tour 2023 i DO ME”



BALLISTIK BOYZ from EXILE TRIBE



GENERATIONS from EXILE TRIBE



TREASURE

## Content highlights from Q3 of FY2023 and after

Anime &amp; Visual Content Business

	Genre	Month(s)	Title
Live/Event	Stage	October	Stage performance “Fruits Basket: 2nd season”
	Stage	November-December	“Osomatsu-san on STAGE — SIX MEN’S SHOW TIME — 2nd SEASON”
	Events	December	“PriPara x Kiratto Pri ☆ Chan x Waccha Primagi! Winter Live 2023”

	Format	Release Date	Title
Package	DVD/Blu-ray	December	Musical “Vincenzo” Blu-ray
		December-March 2024	“Paradox Live THE ANIMATION” Blu-ray 1-4
		January-February 2024	“MF Ghost Blu-ray box Vol. 1 and Vol. 2”



© Fujio Akatsuka/Osomatsu-san on STAGE Production Committee 2023  
“Osomatsu-san on STAGE — SIX MEN’S SHOW TIME — 2nd SEASON”



© 2021 Studio Dragon Corporation/MUSICAL VINCENZO 2023  
Musical “Vincenzo”

# Consolidated Statements of Income

(million yen)	H1 FY2022	H1 FY2023	YoY	Rate
<b>Net sales</b>	<b>54,060</b>	<b>64,355</b>	<b>+10,294</b>	<b>+19.0%</b>
Cost of sales	33,704	44,286	+10,582	
<b>Gross profit</b>	<b>20,356</b>	<b>20,068</b>	<b>-287</b>	<b>-1.4%</b>
Gross profit margin	37.7%	31.2%	-6.5pt	
Personnel expenses	6,539	6,752	+212	
Sales promotion and advertising expenses	3,429	3,325	-104	
General expenses	6,767	7,823	+1,055	
Total SG&A expenses	16,736	17,901	+1,164	
<b>Operating profit</b>	<b>3,619</b>	<b>2,167</b>	<b>-1,451</b>	<b>-40.1%</b>
Operating margin	6.7%	3.4%	-3.3pt	
Non-operating income	259	89	-170	
Non-operating expenses	107	70	-37	
<b>Ordinary profit</b>	<b>3,771</b>	<b>2,186</b>	<b>-1,585</b>	<b>-42.0%</b>
Extraordinary income	1,243	1,721	+478	
Extraordinary losses	392	210	-181	
<b>Profit before income taxes</b>	<b>4,622</b>	<b>3,697</b>	<b>-925</b>	<b>-20.0%</b>
Income taxes	1,243	1,172	-71	
Profit attributable to non-controlling interest	171	67	-104	
<b>Profit attributable to owners of parent</b>	<b>3,207</b>	<b>2,458</b>	<b>-749</b>	<b>-23.4%</b>

# Consolidated Balance Sheet and Cash Flow Statement

(million yen)	End of Mar. 2023	End of Sep. 2023
<b>(Assets)</b>		
<b>Current assets</b>	86,217	84,385
Cash and deposits	48,143	49,516
Trade accounts receivable, etc.	22,206	19,044
Inventories	4,196	5,536
Other	11,670	10,287
<b>Non-current assets</b>	22,697	21,893
Property, plant and equipment & intangible assets	8,057	9,286
Investment securities	9,228	6,459
Other	5,411	6,148
<b>Total Assets</b>	<b>108,915</b>	<b>106,279</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>	48,104	45,415
Notes & accounts payable-trade, etc.	3,434	2,274
Accounts payable - other	25,679	23,926
Income taxes payable	1,482	514
Refund liabilities	2,168	1,897
Other	15,338	16,802
<b>Non-current liabilities</b>	1,972	2,207
<b>Total liabilities</b>	<b>50,076</b>	<b>47,623</b>
<b>(Net assets)</b>		
<b>Total net assets</b>	<b>58,838</b>	<b>58,655</b>
<b>Total liabilities &amp; net assets</b>	<b>108,915</b>	<b>106,279</b>

(million yen)	H1 FY2022	H1 FY2023
<b>Cash flow statement</b>		
Net cash provided by operating activities	6,469	2,963
Net cash provided by investing activities	-1,255	-443
Net cash provided by financing activities	-1,299	-1,171
Consolidated cash flow	3,915	1,347
Effect of exchange rate change on cash and cash equivalents	-132	-113
Net Increase in cash and cash equivalents	3,782	1,234
Cash and cash equivalents at beginning of period	44,671	48,143
Cash and cash equivalents at end of period	48,454	49,377
<b>Free cash flows</b>	<b>5,214</b>	<b>2,519</b>



# Music Business Results

(million yen)	H1 FY2022	H1 FY2023	YoY	Rate
<b>Net sales</b>	<b>41,229</b>	<b>54,432</b>	<b>+13,202</b>	<b>+32.0%</b>
Live	11,858	22,382	+10,523	
Merchandising	1,188	3,343	+2,154	
Management	3,988	3,461	-526	
Music packages	11,545	12,305	+760	
Digital music distribution	6,670	6,334	-336	
Music publishing	1,385	1,451	+65	
E-Commerce	5,501	7,409	+1,908	
Other	2,913	3,227	+313	
Cost of sales	25,568	38,080	+12,511	
<b>Gross profit</b>	<b>15,660</b>	<b>16,351</b>	<b>+691</b>	<b>+4.4%</b>
Gross profit margin	38.0%	30.0%	-7.9pt	
Personnel expenses	3,857	4,151	+294	
Sales promotion and advertising expenses	2,559	2,926	+366	
General expenses	3,142	4,319	+1,177	
GMF (Group management fee)	3,037	3,313	+275	
Total SG&A expenses	12,596	14,711	+2,114	
<b>Operating profit</b>	<b>3,063</b>	<b>1,640</b>	<b>-1,423</b>	<b>-46.5%</b>
Operating margin	7.4%	3.0%	-4.4pt	

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

# Anime & Visual Content Business Results

(million yen)	H1 FY2022	H1 FY2023	YoY	Rate
<b>Net sales</b>	<b>6,583</b>	<b>7,203</b>	<b>+619</b>	<b>+9.4%</b>
Package	1,478	1,161	-316	
Non-package	5,104	6,041	+936	
Cost of sales	4,737	5,538	+801	
<b>Gross profit</b>	<b>1,846</b>	<b>1,664</b>	<b>-181</b>	<b>-9.8%</b>
Gross profit margin	28.0%	23.1%	-4.9pt	
Personnel expenses	551	592	+40	
Sales promotion and advertising expenses	318	381	+63	
General expenses	284	311	+27	
GMF (Group management fee)	437	432	-4	
Total SG&A expenses	1,591	1,719	+127	
<b>Operating profit</b>	<b>254</b>	<b>-54</b>	<b>-308</b>	<b>—</b>
Operating margin	3.9%	—	—	

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

# Digital Business Results

(million yen)	H1 FY2022	H1 FY2023	YoY	Rate
<b>Net sales</b>	<b>6,300</b>	<b>2,084</b>	<b>-4,216</b>	<b>-66.9%</b>
Video distribution	5,184	—	-5,184	
Fan clubs	813	686	-127	
Other	298	1,397	+1,099	
Cost of sales	4,820	738	-4,081	
<b>Gross profit</b>	<b>1,480</b>	<b>1,345</b>	<b>-135</b>	<b>-9.1%</b>
Gross profit margin	23.5%	64.6%	+41.1pt	
Personnel expenses	450	373	-77	
Sales promotion and advertising expenses	569	19	-550	
General expenses	316	133	-183	
GMF (Group management fee)	388	201	-186	
Total SG&A expenses	1,725	728	-997	
<b>Operating profit</b>	<b>-245</b>	<b>617</b>	<b>+862</b>	<b>—</b>
Operating margin	—	29.6%	—	

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

# Other Businesses Results

(million yen)	H1 FY2022	H1 FY2023	YoY	Rate
<b>Net sales</b>	<b>3,285</b>	<b>3,068</b>	<b>-216</b>	<b>-6.6%</b>
Cost of sales	1,703	2,036	+333	
<b>Gross profit</b>	<b>1,581</b>	<b>1,031</b>	<b>-550</b>	<b>-34.8%</b>
Gross profit margin	48.1%	33.6%	-14.5pt	
Personnel expenses	431	435	+4	
Sales promotion and advertising expenses	26	61	+34	
General expenses	302	314	+12	
GMF (Group management fee)	279	253	-25	
Total SG&A expenses	1,039	1,064	+25	
<b>Operating profit</b>	<b>542</b>	<b>-33</b>	<b>-575</b>	<b>—</b>
Operating margin	16.5%	—	—	

## Disclaimer

The guidance for operating results and other information contained in this release were prepared by management based on currently available data and information. Therefore, the document includes potential risks and uncertain elements.

In particular, in Avex Inc.'s business domain, there are factors other than general economic conditions that may affect its performance. Please note that actual results may greatly differ from guidance.

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### Inquiries

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