

Earnings Results for FY 2023 Q3 (Fiscal year ending March 31st, 2024)

(April 1, 2023 to December 31, 2023)

Avex Inc.

February 8, 2024



1

Consolidated Results

Financial Highlights

Topics

Ayumi Hamasaki
“ayumi hamasaki COUNTDOWN LIVE 2023-2024 A
—A COMPLETE 25—”



Net sales increased 10.4% YoY to 94.3 billion yen, driven by the growth of the Music Business.

Operating profit decreased 52.8% YoY to 1.5 billion yen due to a drop in gross profit.

Profit attributable to owners of parent decreased 49.1% YoY to 1.4 billion yen.

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|---|-----------|-----------|--------|--------|
| Net sales | 85,525 | 94,382 | +8,857 | +10.4% |
| Operating profit | 3,344 | 1,577 | -1,766 | -52.8% |
| Profit attributable to owners of parent | 2,826 | 1,437 | -1,389 | -49.1% |

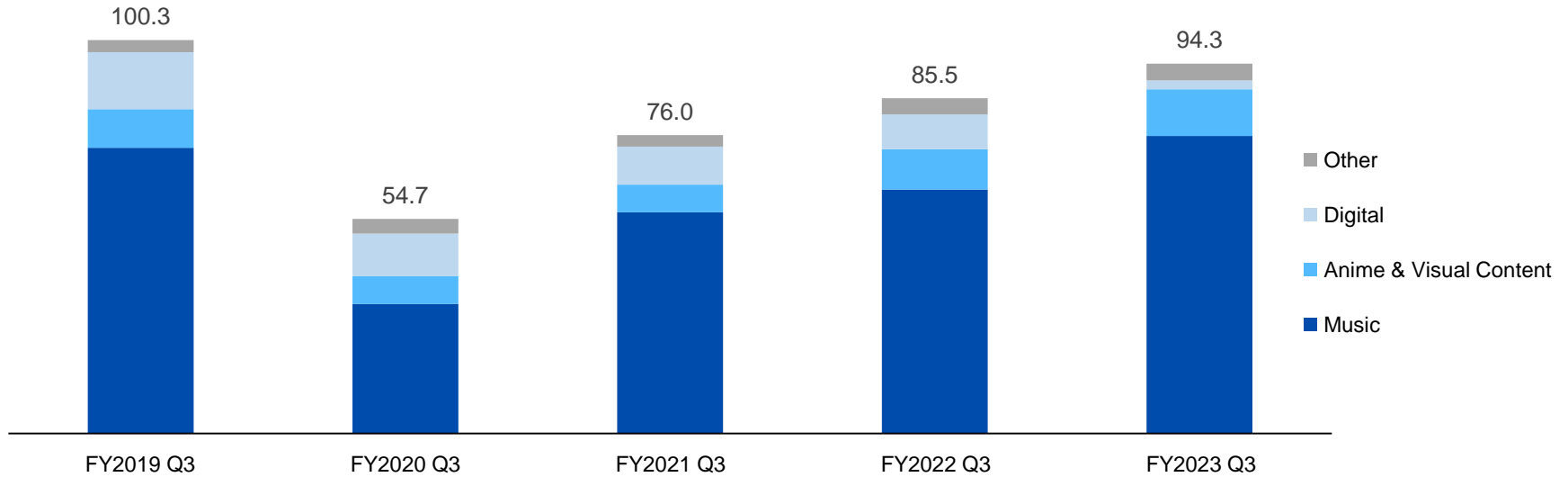
Overview of Business Results

- ✓ 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.

Trends in Consolidated Net Sales

(billion yen)



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

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|--|-----------|---------------|--------|--------|
| Net sales | 85,525 | 94,382 | +8,857 | +10.4% |
| Cost of sales | 56,952 | 65,379 | +8,427 | |
| Gross profit | 28,573 | 29,003 | +429 | +1.5% |
| Gross profit margin | 33.4% | 30.7% | -2.7pt | |
| Personnel expenses | 9,309 | 9,840 | +531 | |
| Sales promotion and advertising expenses | 5,355 | 5,529 | +173 | |
| General expenses | 10,563 | 12,055 | +1,491 | |
| Total SG&A Expenses | 25,228 | 27,425 | +2,196 | |
| Operating profit | 3,344 | 1,577 | -1,766 | -52.8% |
| Operating margin | 3.9% | 1.7% | -2.2pt | |

Results by Segment

Net sales of Music Business increased due to an increase in the number of Live Concert.

Net Sales by Segment

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|-----------------------------------|-----------|---------------|---------|--------|
| Music | 65,570 | 78,944 | +13,374 | +20.4% |
| Anime & Visual Content | 10,881 | 12,485 | +1,603 | +14.7% |
| Digital | 9,463 | 2,489 | -6,973 | -73.7% |
| Other Business | 4,368 | 4,480 | +111 | +2.6% |
| Company-wide Adjustment | -4,758 | -4,016 | +741 | — |
| Total | 85,525 | 94,382 | +8,857 | +10.4% |

Operating Profit by Segment

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|-----------------------------------|-----------|--------------|--------|--------|
| Music | 2,876 | 1,250 | -1,626 | -56.5% |
| Anime & Visual Content | 423 | 258 | -165 | -39.0% |
| Digital | -575 | 367 | +942 | — |
| Other Business | 613 | -298 | -911 | — |
| Company-wide Adjustment | 6 | 0 | -6 | — |
| Total | 3,344 | 1,577 | -1,766 | -52.8% |

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 in live concerts, e-commerce and music packages

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|--|-----------|---------------|---------|--------|
| Net Sales in the Music Business | 65,570 | 78,944 | +13,374 | +20.4% |
| Live | 21,637 | 30,020 | +8,383 | +38.7% |
| Merchandising | 3,389 | 4,995 | +1,605 | +47.4% |
| Management | 5,658 | 5,319 | -339 | -6.0% |
| Music package | 15,995 | 17,731 | +1,735 | +10.9% |
| Digital music distribution | 9,696 | 9,581 | -114 | -1.2% |
| Music publishing | 2,105 | 2,199 | +94 | +4.5% |
| E-Commerce | 8,340 | 10,309 | +1,968 | +23.6% |
| Other | 4,548 | 5,185 | +637 | +14.0% |
| Operating profit | 2,876 | 1,250 | -1,626 | -56.5% |
| Operating margin | 4.4% | 1.6% | -2.8pt | — |

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 Q3 | FY2023 Q3 | YoY | |
|---------------------------|--------------------------------|-------------------|---------------|--------------|--------|
| Overview of Live Concerts | Total number of performances | 832 | 1,017 | +185 | |
| | Stadium | 11 | 15 | +4 | |
| | Arena | 127 | 91 | -36 | |
| | Hall & Live House class | 694 | 911 | +217 | |
| | Audience (ten thousand people) | 166 | 211 | +45 | |
| | Average ticket price (yen) | 9,150 | 11,141 | +1,990 | |
| Overview of Music Package | Albums | Unit price (yen) | 2,829 | 2,578 | -252 |
| | | Units (thousands) | 2,554 | 3,068 | +514 |
| | Singles | Unit price (yen) | 1,222 | 1,134 | -88 |
| | | Units (thousands) | 3,169 | 3,678 | +509 |
| | DVD/ Blu-ray | Unit price (yen) | 5,461 | 5,246 | -215 |
| | | Units (thousands) | 1,138 | 2,168 | +1,030 |

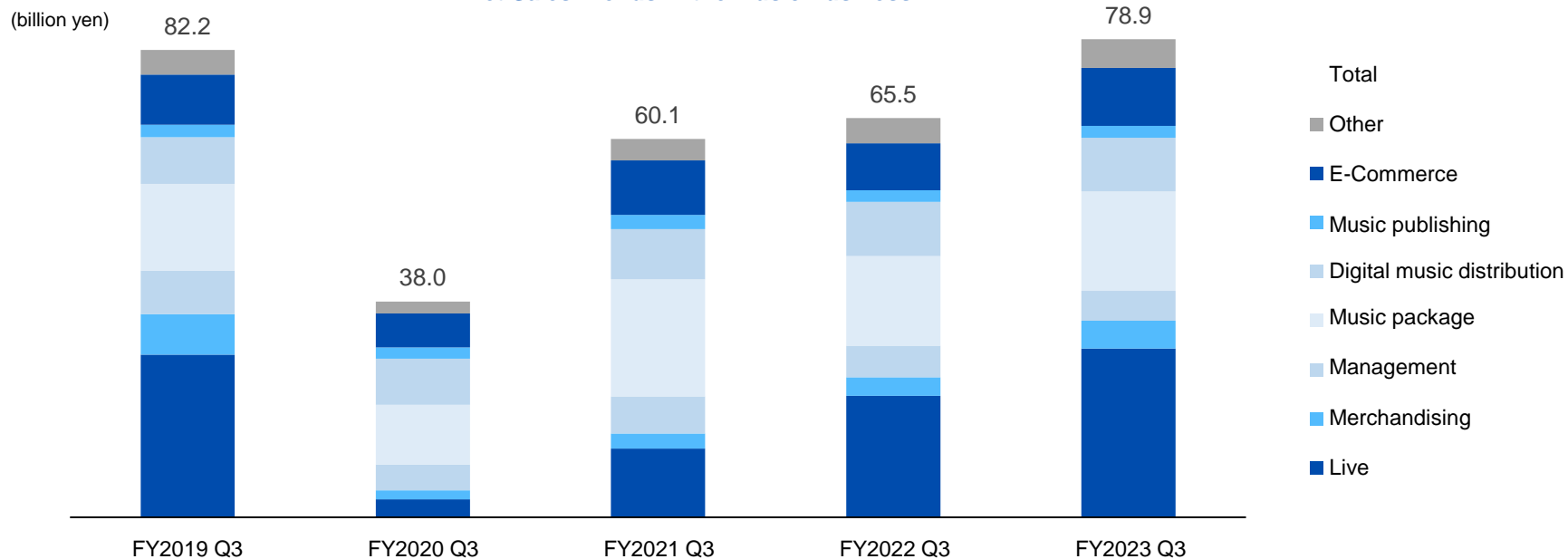
Note 3: Due to the revision of the criteria for listing the number of live concerts since the consolidated financial results for FY2022, the figures do not match those disclosed in the previous year's financial results presentation materials.

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).

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

Net Sales Trends in the Music Business



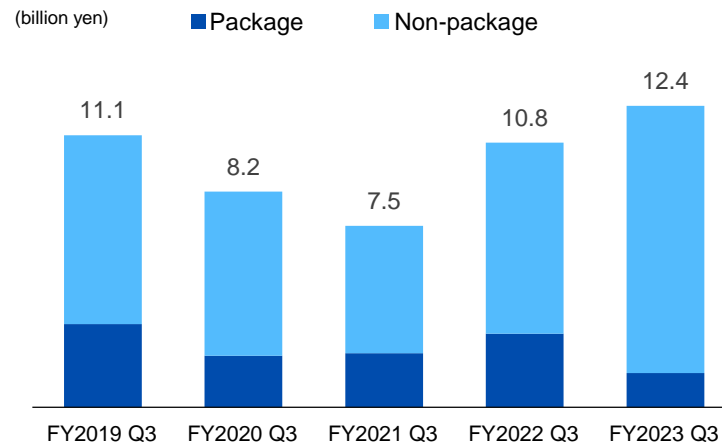
Note: The net sales breakdown for FY2020 and earlier is for reference only and does not reflect the impact of changes in the accounting standards, etc. or restatements or adjustments within the segment.

Anime & Visual Content Business

Profit decreased due to the lower gross profit margin and greater SGA expenses, despite the higher non-package net sales, including overseas sales and events, etc.

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|---|-----------|---------------|--------|--------|
| Net sales in the Anime & Visual Content Business | 10,881 | 12,485 | +1,603 | +14.7% |
| Package | 3,043 | 1,490 | -1,552 | -51.0% |
| Non-package | 7,838 | 10,994 | +3,156 | +40.3% |
| Operating profit | 423 | 258 | -165 | -39.0% |
| Operating margin | 3.9% | 2.1% | -1.8pt | — |

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.

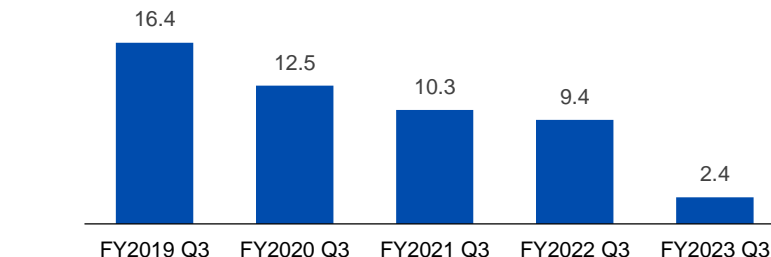
Digital and Other Businesses

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.

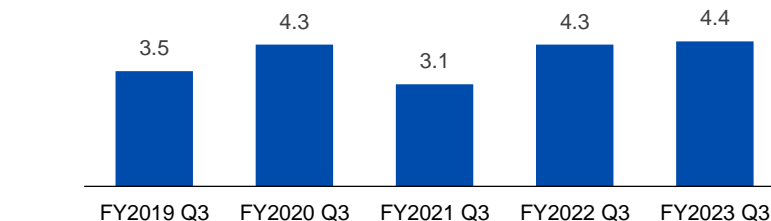
Net sales increased and profit decreased in other businesses.

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|--|-----------|-----------|--------|---------|
| Net sales in the Digital Business | 9,463 | 2,489 | -6,973 | -73.7% |
| Digital video distribution* | 7,751 | — | -7,751 | — |
| Fan clubs | 1,221 | 1,021 | -200 | -16.4% |
| Other | 485 | 1,468 | +983 | +202.6% |
| Operating profit | -575 | 367 | +942 | — |
| Operating margin | — | 14.7% | — | — |
| Net sales in Other Businesses | 4,368 | 4,480 | +111 | +2.6% |
| Operating profit | 613 | -298 | -911 | — |
| Operating margin | 14.0% | — | — | — |

(billion yen) **Net Sales Trends in the Digital Business**



(billion yen) **Net Sales Trends in Other Businesses**



*: On January 31, 2023, all shares of Avex Broadcasting & Communications Inc., a specified subsidiary (sub-sub-subsidiary) 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, 2023)

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.

Appendix.

Topics

“Paradox Live THE ANIMATION”



Highlights from Q3 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 |
| 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 |
| November 9 | IR | Notice of Change of Representative Director of Sub-Subsidiary |
| January 9, 2024 | Notice | Disaster Relief for the Areas Stricken by 2024 Noto Peninsula Earthquake |

Content highlights from Q3 of FY2023

Music

Live/Event

| Month(s) | Artist / Genre | Title |
|-------------------|----------------|---|
| February-June | Tohoshinki | “TOHOSHINKI LIVE TOUR 2023 - CLASSYC -” |
| April-June | BLACKPINK | “BLACKPINK WORLD TOUR [BORN PINK] JAPAN” |
| June-September | Da-iCE | “Da-iCE ARENA TOUR 2023 -SCENE-” |
| July-March 2024 | Ayumi Hamasaki | “ayumi hamasaki 25th Anniversary Live Tour” |
| August-March 2024 | Nissy | “10th Anniversary LIVE VIEWING TOUR 2023 -Nissy Meets You-” |
| September-October | TREASURE | “2023 TREASURE FAN MEETING~HELLO AGAIN~” |
| September | NCT | “NCT STADIUM LIVE 'NCT NATION : To The World-in JAPAN'” |
| September | Festival | “ULTRA JAPAN 2023” |
| October-December | LUNA SEA | “LUNA SEA DUAL ARENA TOUR 2023” |
| November | XG | “XG 'NEW DNA' SHOWCASE in JAPAN” |



Nissy



“ULTRA JAPAN 2023”



TREASURE

Content highlights from Q3 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” |
| | September | XG | “NEW DNA” |
| | October | NCT 127 | “Fact Check” |
| 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.” |
| | December | Snow Man | “Snow Man 1st DOME tour 2023 i DO ME” |



SKE48



NCT 127



BE:FIRST

Content highlights from Q3 of FY2023

Anime & Visual Content Business

| | Genre | Month(s) | Title |
|------------|-------|-------------------|--|
| Live/Event | Live | May | “Paradox Live Dope Show 2023” |
| | Stage | August | Musical “Vincenzo” |
| | Stage | November-December | “Osomatsu-san on STAGE — SIX MEN’S SHOW TIME — 2nd SEASON” |

| | Format | Release Date | Title |
|---------|-------------|--------------|---|
| Package | DVD/Blu-ray | June | “ONE PIECE FILM RED: special version linked to the movie” |
| | | June-August | “Boku no Kokoro no Yabai Yatsu Blu-ray Vol. 1-3” |
| | | August | “Initial D Stage Series Complete Blu-ray” |
| | | September | “Paradox Live Dope Show 2023 Blu-ray” |



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



©Shuichi Shigeno / Kodansha / Avex Pictures OB Planning
©Shuichi Shigeno / Kodansha / Wedgelink
“Initial D Stage Series Complete Blu-ray”



©Paradox Live2023
“Paradox Live Dope Show 2023”

Content highlights from Q4 of FY2023 and after

Music
Live/Event

| Month(s) | Artist / Genre | Title |
|---------------|----------------|--|
| January-March | TREASURE | “2024 TREASURE TOUR [REBOOT] IN JAPAN” |
| January-March | NCT127 | “NCT 127 3RD TOUR ‘NEO CITY : JAPAN - THE UNITY’” |
| January | Da-iCE | “Da-iCE 10th Anniversary LIVE” |
| January | SUPER JUNIOR | “SUPER JUNIOR JAPAN Special Event 2024 —Blue World—” |
| January | Ed Sheeran | “+ = ÷ x Tour 2024” |
| February | TAYLOR SWIFT | “TAYLOR SWIFT THE ERAS TOUR” |
| February | Stage | “A Streetcar Named Desire” |



TAYLOR SWIFT



Ed Sheeran



SUPER JUNIOR

Content highlights from Q4 of FY2023 and after

Music

Package

| Format | Release Date | Artist | Title |
|-------------|--------------|---|---|
| Singles | January | Kis-My-Ft2 | “HEARTBREAKER / C'monova” |
| | February | Snow Man | “LOVE TRIGGER / We'll go together” |
| Albums | February | TREASURE | “REBOOT -JP SPECIAL SELECTION-” |
| | March | FANTASTICS × EPEX | “Peppermint Yum” |
| | March | J Soul Brothers III from EXILE TRIBE | “Land of Promise” |
| DVD/Blu-ray | January | Da-iCE | “Da-iCE ARENA TOUR 2023 -SCENE-” |
| | January | BMSG ALLSTARS | “BMSG FES'23” |
| | March | NCT | “NCT STADIUM LIVE 'NCT NATION : To The World-in JAPAN'” |



FANTASTICS × EPEX

J Soul Brothers III
from EXILE TRIBE

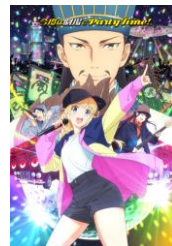
Da-iCE

| | Genre | Month(s) | Title |
|------------|-------|----------|---|
| Live/Event | Stage | February | Stage: "Jigokuraku Final Chapter" |
| | Stage | February | "DANPRI FESTIVAL" |
| | Film | March | "Ya Boy Kongming! Road to Summer Sonia" |
| | Live | March | "Kiyono Yasuno 4th Concert Tour 2024 - Marugotoshibori 100% Re:FRESH -" |

| | Genre | Release Date | Title |
|---------|-------------|---------------|---|
| Package | DVD/Blu-ray | January-March | "Paradox Live THE ANIMATION" Blu-ray 1-4 |
| | | February | "Bikkuri-Men Blu-ray & DVD box Vol. 1 and Vol. 2" |



© Yuji Kaku / Shueisha and Avex Pictures
Stage "Jigokuraku Final Chapter"



© Yuto Yotsuba, Ryo Ogawa and KODANSHA /
Ya Boy Kongming! Road to Summer Sonia Production Committee
"Ya Boy Kongming! Road to Summer Sonia"



© Lotte Bikkuriman Project /
Bikkuri-Men Production Committee
"Bikkuri-Men"

Consolidated Statements of Income

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|---|---------------|---------------|---------------|---------------|
| Net sales | 85,525 | 94,382 | +8,857 | +10.4% |
| Cost of sales | 56,952 | 65,379 | +8,427 | |
| Gross profit | 28,573 | 29,003 | +429 | +1.5% |
| Gross profit margin | 33.4% | 30.7% | -2.7pt | |
| Personnel expenses | 9,309 | 9,840 | +531 | |
| Sales promotion and advertising expenses | 5,355 | 5,529 | +173 | |
| General expenses | 10,563 | 12,055 | +1,491 | |
| Total SG&A Expenses | 25,228 | 27,425 | +2,196 | |
| Operating profit | 3,344 | 1,577 | -1,766 | -52.8% |
| Operating margin | 3.9% | 1.7% | -2.2pt | |
| Non-operating income | 231 | 82 | -149 | |
| Non-operating expenses | 224 | 354 | +129 | |
| Ordinary profit | 3,351 | 1,305 | -2,046 | -61.0% |
| Extraordinary income | 1,553 | 1,825 | +271 | |
| Extraordinary losses | 503 | 295 | -208 | |
| Profit before income taxes | 4,401 | 2,835 | -1,565 | -35.6% |
| Income taxes | 1,336 | 1,272 | -63 | |
| Profit attributable to non-controlling interest | 238 | 125 | -113 | |
| Profit attributable to owners of parent | 2,826 | 1,437 | -1,389 | -49.1% |

Consolidated Balance Sheet and Cash Flow Statement

| (million yen) | End of Mar. 2023 | End of Dec. 2023 |
|---|------------------|------------------|
| (Assets) | | |
| Current assets | 86,217 | 89,181 |
| Cash and deposits | 48,143 | 49,316 |
| Trade accounts receivable, etc. | 22,206 | 20,711 |
| Inventories | 4,196 | 6,129 |
| Other | 11,670 | 13,024 |
| Non-current assets | 22,697 | 22,924 |
| Property, plant and equipment & intangible assets | 8,057 | 9,850 |
| Investment securities | 9,228 | 6,306 |
| Other | 5,411 | 6,767 |
| Total assets | 108,915 | 112,106 |
| (Liabilities) | | |
| Current liabilities | 48,104 | 53,599 |
| Notes & accounts payable-trade, etc. | 3,434 | 6,561 |
| Accounts payable - other | 25,679 | 23,941 |
| Income taxes payable | 1,482 | 668 |
| Refund Liabilities | 2,168 | 1,802 |
| Other | 15,338 | 20,625 |
| Non-current liabilities | 1,972 | 2,200 |
| Total liabilities | 50,076 | 55,800 |
| (Net assets) | | |
| Total net assets | 58,838 | 56,306 |
| Total liabilities & net assets | 108,915 | 112,106 |

| (million yen) | FY2022 Q3 | FY2023 Q3 |
|---|--------------|--------------|
| Cash flow statement | | |
| Net cash provided by operating activities | 5,761 | 5,092 |
| Net cash provided by investing activities | -1,816 | -1,574 |
| Net Cash provided by Financing Activities | -2,435 | -2,319 |
| Consolidated cash flow | 1,510 | 1,198 |
| Effect of exchange rate change on cash and cash equivalents | -100 | -25 |
| Net increase in cash and cash equivalents | 1,409 | 1,172 |
| Cash and cash equivalents at beginning of period | 44,671 | 48,143 |
| Cash and cash equivalents at end of period | 46,081 | 49,316 |
| Free cash flows | 3,945 | 3,517 |

Music Business Results

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|--|---------------|---------------|----------------|---------------|
| Net sales | 65,570 | 78,944 | +13,374 | +20.4% |
| Live | 21,637 | 30,020 | +8,383 | |
| Merchandising | 3,389 | 4,995 | +1,605 | |
| Management | 5,658 | 5,319 | -339 | |
| Music package | 15,995 | 17,731 | +1,735 | |
| Digital music distribution | 9,696 | 9,581 | -114 | |
| Music publishing | 2,105 | 2,199 | +94 | |
| E-Commerce | 8,340 | 10,309 | +1,968 | |
| Other | 4,548 | 5,185 | +637 | |
| Cost of sales | 43,825 | 55,504 | +11,679 | |
| Gross profit | 21,745 | 23,439 | +1,694 | +7.8% |
| Gross profit margin | 33.2% | 29.7% | -3.5pt | |
| Personnel expenses | 5,477 | 5,636 | +158 | |
| Sales promotion and advertising expenses | 3,758 | 4,980 | +1,222 | |
| General expenses | 5,028 | 5,737 | +709 | |
| GMF (Group management fee) | 4,604 | 5,834 | +1,230 | |
| Total SG&A Expenses | 18,868 | 22,188 | +3,320 | |
| Operating profit | 2,876 | 1,250 | -1,626 | -56.5% |
| Operating margin | 4.4% | 1.6% | -2.8pt | |

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

Anime & Visual Content Business Results

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|--|---------------|---------------|---------------|---------------|
| Net sales | 10,881 | 12,485 | +1,603 | +14.7% |
| Package | 3,043 | 1,490 | -1,552 | |
| Non-package | 7,838 | 10,994 | +3,156 | |
| Cost of sales | 7,991 | 9,383 | +1,391 | |
| Gross profit | 2,890 | 3,102 | +212 | +7.3% |
| Gross profit margin | 26.6% | 24.8% | -1.7pt | |
| Personnel expenses | 805 | 880 | +74 | |
| Sales promotion and advertising expenses | 537 | 613 | +76 | |
| General expenses | 435 | 471 | +35 | |
| GMF (Group management fee) | 687 | 878 | +191 | |
| Total SG&A Expenses | 2,466 | 2,843 | +377 | |
| Operating profit | 423 | 258 | -165 | -39.0% |
| Operating margin | 3.9% | 2.1% | -1.8pt | |

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

Digital Business Results

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|--|--------------|--------------|---------------|---------------|
| Net sales | 9,463 | 2,489 | -6,973 | -73.7% |
| Video distribution | 7,751 | — | -7,751 | |
| Fan clubs | 1,221 | 1,021 | -200 | |
| Other | 485 | 1,468 | +983 | |
| Cost of sales | 7,318 | 1,132 | -6,186 | |
| Gross profit | 2,145 | 1,357 | -787 | -36.7% |
| Gross profit margin | 22.7% | 54.5% | +31.8pt | |
| Personnel expenses | 618 | 472 | -146 | |
| Sales promotion and advertising expenses | 1,051 | 27 | -1,023 | |
| General expenses | 486 | 169 | -316 | |
| GMF (Group management fee) | 564 | 320 | -243 | |
| Total SG&A Expenses | 2,720 | 990 | -1,730 | |
| Operating profit | -575 | 367 | +942 | — |
| Operating margin | — | 14.7% | — | |

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

Other Businesses Results

| (million yen) | FY2022 Q3 | FY2023 Q3 | YoY | Rate |
|--|--------------|--------------|-------------|---------------|
| Net sales | 4,368 | 4,480 | +111 | +2.6% |
| Cost of sales | 2,175 | 2,999 | +824 | |
| Gross profit | 2,193 | 1,480 | -713 | -32.5% |
| Gross profit margin | 50.2% | 33.0% | -17.2pt | |
| Personnel expenses | 688 | 676 | -11 | |
| Sales promotion and advertising expenses | 50 | 52 | +1 | |
| General expenses | 415 | 557 | +141 | |
| GMF (Group management fee) | 427 | 492 | +65 | |
| Total SG&A Expenses | 1,580 | 1,778 | +198 | |
| Operating profit | 613 | -298 | -911 | — |
| Operating margin | 14.0% | — | — | |

Disclaimer

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

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

Inquiries

Avex Inc.
Business Administration Group

Inquiries

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

