



# Earnings Results for FY2024 Q2

(Fiscal year ending March 31st, 2025)

(April 1, 2024 to September 30, 2024)

November 7, 2024

Really! Mad+Pure

**Avex Inc.**  
TSE Prime 7860

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# Consolidated Results

Financial Highlights

Topics

a-nation 2024



# Overview

Both net sales and profit declined YoY due to an increase in general expenses, in addition to factors such as a decrease in the number of Live Concerts at large venues, fewer package title releases, and the termination of the outsourced operations in the digital video distribution business recorded in the first quarter of the previous fiscal year.

Our earnings forecast remains unchanged since major titles are scheduled to be released in the second half of the year.

(Million Yen)	FY2023 2Q	FY2024 2Q	YoY	Rate	FY2024 Full-year forecast (reference)
Net sales	64,355	56,131	-8,224	-12.8%	—
Operating profit	2,167	-2,122	-4,289	—	2,000
Profit attributable to owners of parent	2,458	1,632	-826	-33.6%	4,500

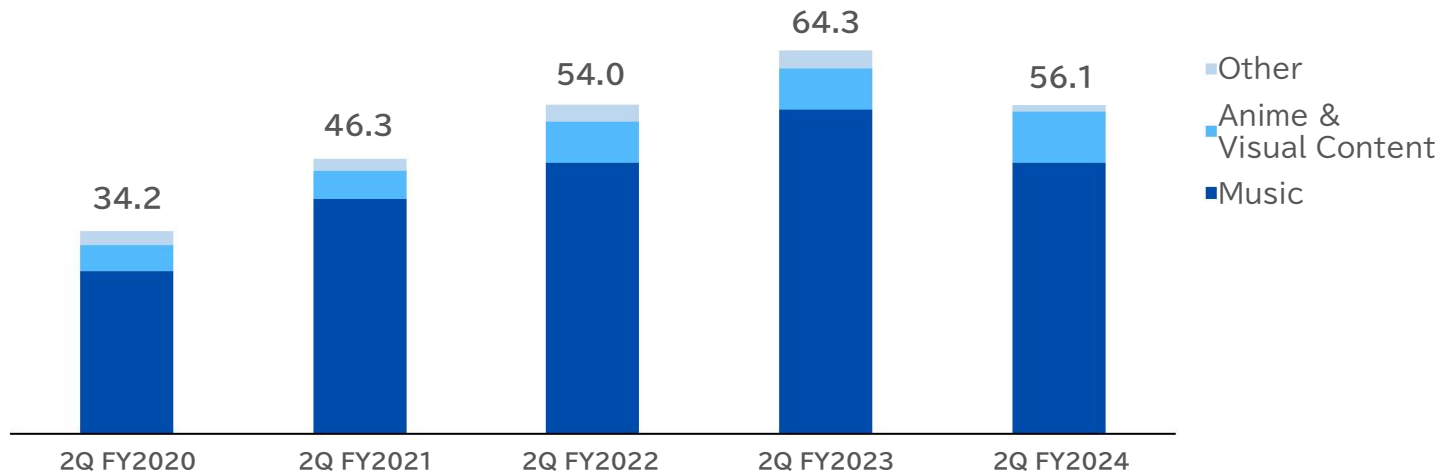
## Overview of Business Results

- ✓ Net sales declined due to factors such as a decrease in the number of Live Concerts at large venues held in the same period of the previous fiscal year and fewer major title releases.
- ✓ In addition, operating profit declined due to factors such as the termination of the outsourced operations in the digital video distribution business and the increase in general expenses.
- ✓ Extraordinary income was recorded because of the share transfer of a subsidiary in the second quarter (disclosed on June 21).
- ✓ The full-year forecast remains unchanged (See page 12).

Net sales decreased mainly in the Music Business.

## Trends in Consolidated Net Sales

(billion yen)



Note: 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

Ultimately, our net sales decreased due to factors such as a decrease in the number of Live Concerts at large venues and fewer package title releases while our operating profit was in the red due to an increase in general expenses.

(million yen)	FY2023 2Q	FY2024 2Q	YoY	Rate
<b>Net sales</b>	64,355	56,131	-8,224	-12.8%
Cost of sales	44,286	40,183	-4,103	
<b>Gross profit</b>	20,068	15,948	-4,120	-20.5%
Gross profit margin	31.2%	28.4%	-2.8pt	
Personnel expenses	6,752	6,220	-531	
Sales promotion and advertising expenses	3,325	3,182	-142	
General expenses	7,823	8,666	+843	
Total SG&A enpenses	17,901	18,070	+169	
<b>Operating Profit</b>	2,167	-2,122	-4,289	—
Operating margin	3.4%	—	—	

# Results by Segment

Operating profit decreased in the music business due to the reduced number of Live Concerts at large venues, fewer package titles, the termination of outsourced operations in the digital video distribution business, and other factors. Operating profit from the Anime & Visual Content Business increased due to the stellar box office performance of film titles.

## Net sales by Segment

(million yen)	FY2023 2Q	FY2024 2Q	YoY	Rate
Music Business	56,375	47,441	-8,934	-15.8%
Anime & Visual Content	7,203	8,985	+1,782	+24.7%
Other Businesses	3,068	2,017	-1,051	-34.3%
Adjustment	-2,291	-2,312	-21	—
<b>Total</b>	<b>64,355</b>	<b>56,131</b>	<b>-8,224</b>	<b>-12.8%</b>

## Operating Profit by Segment

(million yen)	FY2023 2Q	FY2024 2Q	YoY	Rate
Music Business	2,291	-1,898	-4,190	—
Anime & Visual Content	-187	45	+232	—
Other Businesses	66	-273	-340	—
Adjustment	-3	4	+8	—
<b>Total</b>	<b>2,167</b>	<b>-2,122</b>	<b>-4,289</b>	<b>—</b>

Note: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the different segments in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.

Net sales declined due to the reduced number of Live Concerts at large venues, fewer package titles, and other factors.

(million yen)	2Q FY2023	2Q FY2024	YoY	Rate		2Q FY2023	2Q FY2024	YoY		
<b>Net Sales in the Music Business</b>	56,375	47,441	-8,934	-15.8%	<b>Overview of Live Concerts</b>	Total number of performances	677	557	-120	
Live	22,382	18,142	-4,239	-18.9%		Stadium	14	6	-8	
Merchandising	3,343	2,438	-904	-27.1%		Arena	47	66	+19	
Management	3,461	3,922	+460	+13.3%		Hall & Live House class	616	485	-131	
Music package	12,333	8,395	-3,937	-31.9%		Audience (ten thousand people)	170	113	-56	
Digital music distribution	6,334	6,640	+306	+4.8%		Average ticket price (yen)	11,117	12,019	+902	
Music publishing	1,451	1,539	+87	+6.0%	<b>Overview of Music Package</b>	Albums	Unit price (yen)	2,650	2,803	+153
E-Commerce	7,409	7,006	-403	-5.4%		Units (thousands)	2,375	972	-1,403	
Fan clubs	692	694	+1	+0.3%		Singles	Unit price (yen)	1,122	1,136	+14
Other	4,618*	3,591	-1,027	-22.2%		Units (thousands)	3,388	3,062	-326	
<b>Operating profit</b>	2,291	-1,898	-4,190	—		DVD/Blu-ray	Unit price (yen)	5,177	5,645	+468
Operating margin	4.1%	—	—	—		Units (thousands)	1,123	300	-823	

Note 3: 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 4: Average price and units for the overview of Music Package are for new releases only (including sales on consignment).

\*: Including the sales of 1.26 billion yen from the outsourced operations of Avex Broadcasting & Communications Inc. recorded in the former Digital Business segment (terminated in the end of June 2023)

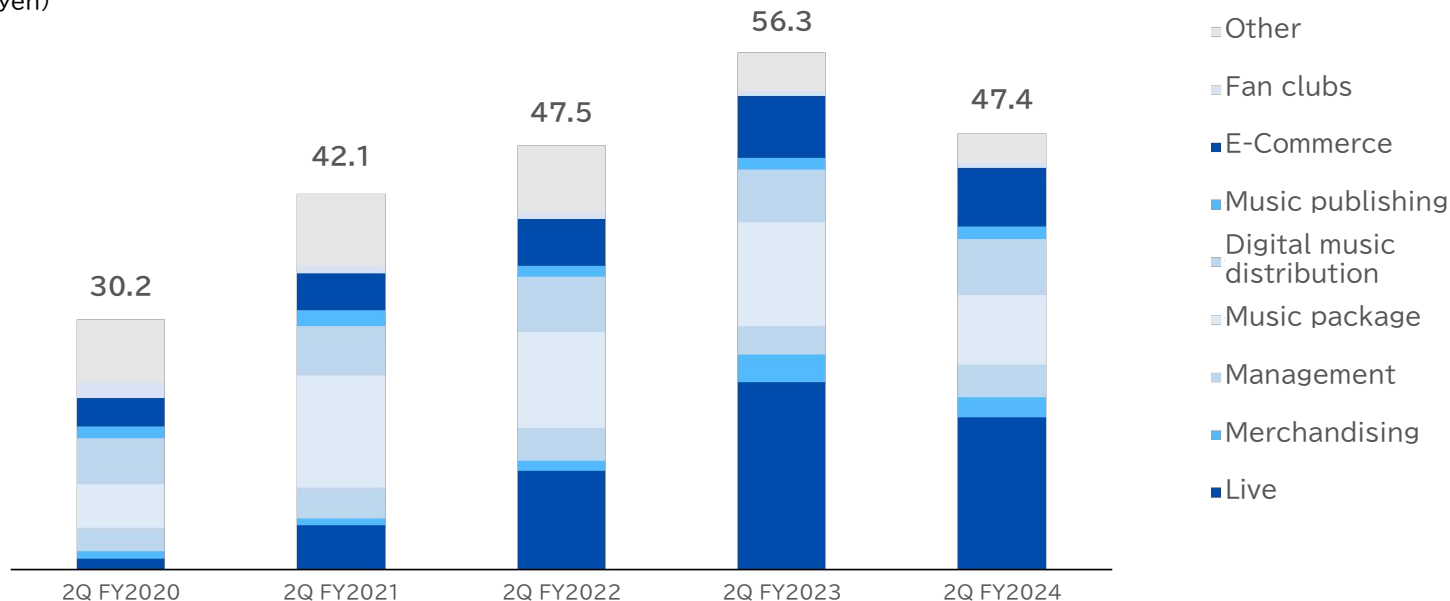
Note 1: In the net sales in each sub-segment, transactions within the subsegment have not been eliminated.

Note 2: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.

Net sales is on par with the result two years ago, despite falling short of net sales in the previous fiscal year, during which Live Concerts were held at large venues.

### Net Sales Trends in the Music Business

(billion yen)



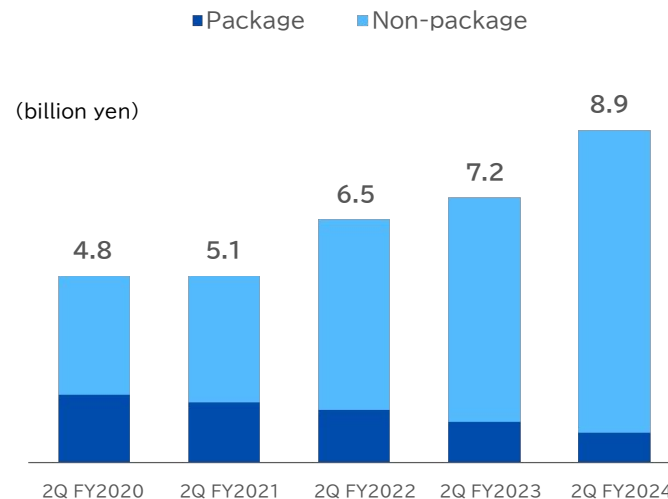
Note: The "Other" sub-segment includes sales of digital video distribution recorded in the former Digital Business and sales of outsourced operations of Avex Broadcasting & Communications Inc. (terminated at the end of June 2023).

# Anime & Visual Content Business

Both net sales and profit increased due to the stellar box office performance of film titles.

(million yen)	2Q FY2023	2Q FY2024	YoY	Rate
<b>Net sales in the Anime &amp; Visual Content Business</b>	7,203	8,985	+1,782	+24.7%
Package	1,131	878	-253	-22.4%
Non-package	6,071	8,107	+2,035	+33.5%
<b>Operating profit</b>	-187	45	+232	—
<b>Operating margin</b>	—	0.5%	—	—

## 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.

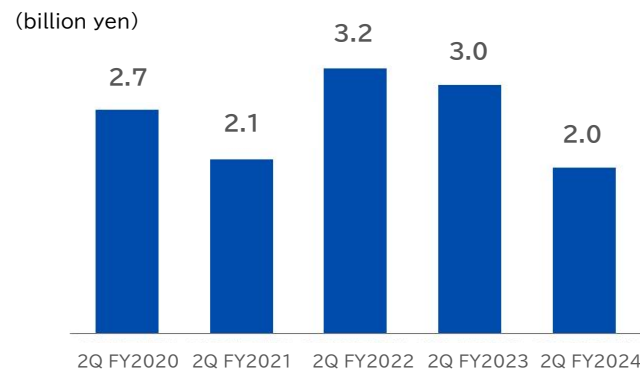
Note 2: In the net sales in each sub-segment, transactions within the subsegment have not been eliminated.

Note 3: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.

Both net sales and operating profit of other businesses dropped due to fewer events held at large venues in Saudi Arabia compared to the previous fiscal year.

(million yen)	2Q FY2023	2Q FY2024	YoY	Rate
<b>Net sales in Other Businesses</b>	3,068	2,017	-1,051	-34.3%
<b>Operating profit</b>	66	-273	-340	—
<b>Operating margin</b>	2.2%	—	—	—

### Net Sales Trends in Other Businesses



Note: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.

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## Business Progress and Future Outlook

Topics

ULTRA JAPAN 2024





# Consolidated Financial Results Forecast for FY2024

(\* Unchanged Since the Publication of Revision Dated June 21)

The forecasts for operating profit and profit attributable to owners of parent for FY2024 remain the same as announced on June 21, considering the impact of major music package titles and Live Concerts scheduled in the year's second half.

(million yen)	Operating profit	Profit attributable to owners of parent
<b>Consolidated Results Forecast for FY2024</b> (as announced on June 21, 2024)	2,000	4,500

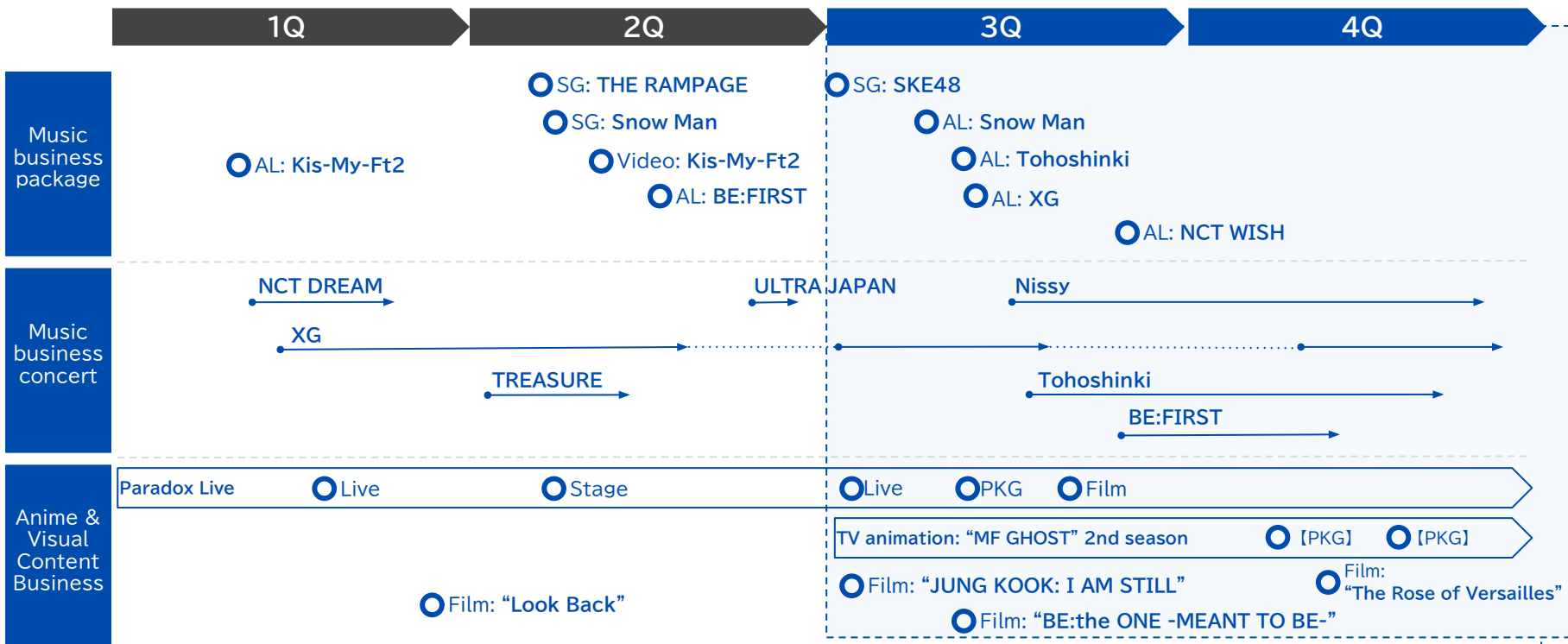
# Major Releases Scheduled in FY2024

(\* The list includes only events that have been announced)



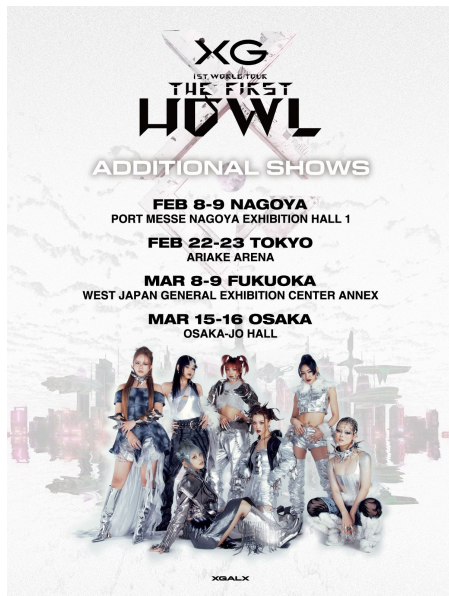
Major title releases and concerts are scheduled in the year's second half.

SG:	Singles	PKG:	Package titles (SG/AL/video, etc.)
AL:	Albums	Live, stage:	Live/stage performances
Video:	DVD/Blu-ray	Film:	Film titles



Due to high popularity, nine additional performances scheduled in Japan and the United States were announced. A total of 37 performances are expected to draw a crowd of 200,000 people (\*announced performance dates only).

## XG 1st WORLD TOUR “The first HOWL”



Regions where performances were held or are scheduled

**ASIA**

12 cities / 14 performances

**NORTH AMERICA**

8 cities / 9 performances

**UK & EUROPE**

6 cities / 6 performances

**JAPAN (ADDITIONAL SHOWS)**

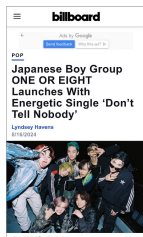
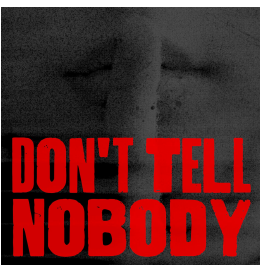
4 cities / 8 performances

Other regions where performances are scheduled:  
SOUTH AMERICA / AUSTRALIA

# Debut of ONE OR EIGHT

ONE OR EIGHT, the next-gen boy band aiming to be a global artist, debuted on August 16 with “Don’t Tell Nobody.” The group consists of members selected through the avex Youth audition program, the source of IP creation, with a view toward the pursuit of continuous IP development in the future.

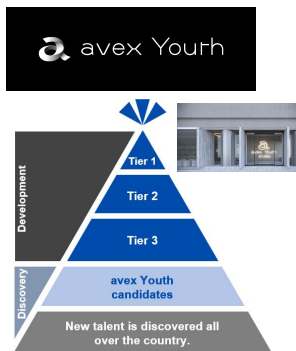
August 16, 2024 1st SG, “Don’t Tell Nobody”



- ✓ Dance pop number produced by Ryan Tedder, the frontman of One Republic, and David Stewart, the producer of BTS’ “Dynamite.”
- ✓ When they debuted, US Billboard ran an feature article on them, which is unprecedented for a Japanese artist. They also entered the playlists of Spotify’s New Music Friday in 16 countries including the USA.
- ✓ The total number of streams, including on YouTube, exceeded 18 million and it is increasing steadily.

A model for the creation of global IP

## Discovery / Development



avex Youth: A talent discovery and development system designed for world-class talent development was introduced by a new studio established at the end of April

## Entry into the US market



Strategies for the global market/creative/marketing collaboration

# “Look Back” Domestic Box Office Revenue Surpassing 2 billion yen

On August 18, the animated film, “Look Back,” surpassed a total of one million viewers in Japan since its release on June 28.

In October, the film’s box office revenue grossed over 2 billion yen in Japan, and it began screening in countries and regions worldwide.

## Overseas box-office performance (as of the end of October)

Audience: Over 1.75 million,  
Box office revenue: Over 1.9 billion yen



© Tatsuki Fujimoto/Shueisha © 2024 “Look Back” Production Committee

Screenings began in mainland China on Saturday, October 26, where an audience of 86 million people attended screenings in 6 days.

As of Friday, November 8, it will be streamed exclusively on Amazon Prime Video in over 240 countries and regions.

Status of release (as of the end of October)

○ Released  
○ To be released



## Broadened Reach of Major Artists

As new IPs continue to develop, the reach of major artists, such as Ayumi Hamasaki and Da-iCE, is broadening.



### Ayumi Hamasaki

In November, Ayumi Hamasaki started her first Asia Tour in 16 years. All of the tickets for the concerts in Shanghai, China (Mercedes-Benz Arena) scheduled for November 1 and 2 and the concert in Chengdu (Dong'an Lake Sports Park Multi-Purpose Gymnasium) on November 9 sold immediately. The countdown live concert, an annual tradition, is scheduled for the end of the year at the Yoyogi National Stadium 1st Gymnasium in Tokyo.



### Da-iCE

Da-iCE's song "I wonder," released in April, surpassed 100 million streams worldwide in just four months, the fastest time for the group. This year, the 10th anniversary of the group's major debut, will feature an Arena Tour starting in November, followed by their biggest concerts at K-Arena Yokohama in January 2025.

## IP Development in Live Concert

For the first time in five years since the COVID-19 pandemic, “a-nation” was held with a live audience. At the same time, we are developing our own IPs, including “THE HOPE” and other festivals and events.



### a-nation

The “a-nation” music festival, which boasts a cumulative attendance over 6 million people, was held for the first time in four years. Five years since the beginning of the COVID-19 pandemic, it was held as an event with a live audience for the first time. Approximately 50,000 people filled the venue to enjoy performances from a total of 19 artists, including Ayumi Hamasaki and Tohoshinki.



### THE HOPE

“THE HOPE,” one of Japan’s largest HIP HOP festivals, was held in September in Odaiba, Tokyo. This year, it was a two-day event for the first time, featuring over 50 artist groups and over 20 DJs.



## Growth in the Actor/Talent Field

Regarding the management field, our actors and talent, who have continued to grow and develop, have widened their opportunity.



### Meru Nukumi

Meru Nukumi appeared in her first starring role in a golden prime-time drama series, “Kururi ~Who’s in Love with Me~,” aired by TBS from April 2024 in the Tuesday Drama slot. Following her first appearance in the TV series in 2021, she has widened the scope of her activities, receiving the Newcomer of the Year Award at the 46th Japan Academy Awards.



### Akari Takaishi

Starting her acting career in earnest in April 2019, she appeared in her first film, “Baby Assassins,” which was directed by Yugo Sakamoto and premiered on July 30, 2021. In 2023, she won the Best Rising Actress award at the 15th TAMA Film Awards. She has been chosen to play the main female role in the NHK morning drama series, “Bakebake,” which is set to air in the second half of FY2025.

# Appendix.

## Topics

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“Look Back”  
© Tatsuki Fujimoto/Shueisha  
© 2024 “Look Back” Production Committee



# Highlights from Q2 of FY2024

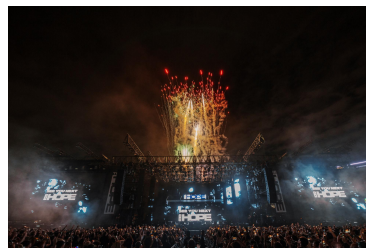
Major news releases	May 9	Press release	Avex USA Makes Strategic Investment in U.S. Management Company S10 Entertainment
	May 9	IR	Notice Regarding Differences Between Financial Forecasts and Actual Results for Fiscal Year Ended March 31, 2024 and Differences Between Actual Results for Fiscal Year Ended March 31, 2024 and Previous Year
	May 9	IR	Notice Regarding Establishment of Nomination and Compensation Committee
	May 9	IR	Notice Regarding Determination of Matters Related to Treasury Share Acquisition(※)
	May 15	Notice	Kuroiwa, Representative Director, CEO, Named as One of Billboard Magazine's 2024 International Power Players. He has been Included in the List for the Second Time and for Two Consecutive Years
	June 14	Press release	"a-nation 2024" is to be Held! One of the Summer Festivals with the Largest Cumulative Attendance in Japan is to be Held for the First Time in Four Years
	June 21	IR	Notice of Change in Consolidated Subsidiary
	June 21	IR	Notice of Revision of Financial Results Forecast
	June 21	IR	Notice Regarding Issuance of New Shares as Restricted Stock Compensation
	July 5	Press release	Creating Intellectual Property in the Domain of Art and Offering Interfaces with Artists, "MEET YOUR ART" is Recognized as a "This is MECENAT 2024" Activity
August 23	Press release	The animated film, "Look Back," created by manga artist Tatsuki Fujimoto, tells a coming-of-age tale and has attracted an audience of one million viewers. The film achieved the highest box office revenue during the first three days after its release. It became a trending subject.	
August 23	Press release	Avex Pictures, in collaboration with Studio Dragon, the leading drama series production company in Asia, held "K-Drama Fest 2024 with Studio Dragon," the second project launched through their strategic partnership agreement.	

Note: "Notice of Status of Acquisition of Treasury Shares" is disclosed on the first business day of each month.

	Month(s)	Artist/Genre	Title
Live/Event	April-September	Kumi Koda	“KODA KUMI LIVE TOUR 2024 -BEST SINGLE KNIGHT-”
	May-June	NCT DREAM	“2024 NCT DREAM WORLD TOUR <THE DREAM SHOW 3: DREAM( )SCAPE> in JAPAN”
	May-June	Event	“STAR ISLAND 2024”
	May-March 2025	XG	“XG 1st WORLD TOUR “The first HOWL””
	June-September	NCT DOYOUNG	“2024 DOYOUNG CONCERT [ Dear Youth, ] in JAPAN”
	July-August	TREASURE	2024 TREASURE FAN MEETING~WONDERLAND~
	July-September	Da-iCE	Da-iCE 10th Anniversary Live House Tour 2024
	August-September	WayV	2024 WayV CONCERT [ON THE Way] IN JAPAN
	September	Festival	a-nation 2024
	September	Festival	ULTRA JAPAN 2024
September	Festival	THE HOPE 2024	



Kumi Koda



THE HOPE 2024

## Content highlights from Q2 of FY2024

Music

	Format	Release Date	Artist	Title
Package	Singles	May	XG	WOKE UP
		June	NCT DREAM	Moonlight
		July	THE RAMPAGE from EXILE TRIBE	24karats GOLD GENESIS
		July	Snow Man	“BREAKOUT / Kimi wa Bokuno mono”
	Albums	May	Kis-My-Ft2	Synopsis
		July	FANTASTICS from EXILE TRIBE	Temporal Transition
		August	BE:FIRST	2:BE
		September	WayV	The Highest
	DVD/Blu-ray	June	GENERATIONS from EXILE TRIBE	GENERATIONS 10th ANNIVERSARY YEAR GENERATIONS LIVE TOUR 2023 “THE BEST”・“THE STORY”
		August	Kis-My-Ft2	For dear life



NCT DREAM



Kis-My-Ft2

	Genre	Month(s)	Title
Live/Event	Live	April-August	“i☆Ris 9th Live Tour 2024 Aitakute…Full Ener9y!!”
	Live	May	Paradox Live Dope Show 2024
	Movie	June	“Look Back”
	Stage	August-September	New comedy “Osomatsu-san”

	Format	Release Date	Title
Package	DVD/Blu-ray	April	“Lumberjack the Monster”
		April-May	“Boku no Kokoro no Yabai Yatsu (The Dangers in My Heart)” Vol. 5 and 6
		May	“BAD LANDS”
		September	“Living no Matsunaga-san (Living-room Matsunaga-san)”



© Tatsuki Fujimoto/Shueisha © 2024 “Look Back” Production Committee  
“Look Back”



©Norio Sakurai (Akita Publishing) / Boku Yaba Production Committee  
“Boku no Kokoro no Yabai Yatsu”

## Content highlights from Q3 of FY2024 and after

Music

	Month(s)	Artist/Genre	Title
Live/Event	November-December	NCT WISH	2024 NCT WISH ASIA TOUR LOG in JAPAN
	November-March 2025	Nissy	Nissy Entertainment “Re:10th Anniversary Final” BEST DOME TOUR
	November-December	Da-iCE	Da-iCE 10th Anniversary Arena Tour 2024 -MUSi-aM-
	November-December	2NE1	2024 2NE1 CONCERT [WELCOME BACK] IN JAPAN
	November-March 2025	Tohoshinki	“Tohoshinki 20th Anniversary LIVE TOUR ~ZONE~”
	December	WayV	WayZenNi-JAPAN Meeting 2024 -WayV LAND-
	December-February 2025	BE:FIRST	BE:FIRST DOME TOUR 2024-2025 “2:BE”
	December	Ayumi Hamasaki	“ayumi hamasaki COUNTDOWN LIVE 2024-2025 ㊦ —I am ayu—”
	January 2025	Da-iCE	Da-iCE DAY 2025



BE:FIRST



Nissy



## Content highlights from Q3 of FY2024 and after

Music

	Format	Release Date	Artist	Title
Package	Singles	October	SKE48	“Kokuhakushinpakusu”
		October	THE RAMPAGE from EXILE TRIBE	Endless Happy-Ending
		November	“Bokuga Mitakatta Aozora”	“Sukisugite Up and down”
		December	BALLISTIK BOYZ from EXILE TRIBE	SAY IT
	Albums	October	Snow Man	RAYS
		November	Tohoshinki	ZONE
		November	XG	AWE
		December	NCT WISH	WISHFUL
	DVD/Blu-ray	October	BE:FIRST	BE:FIRST LIVE in DOME 2024 “Mainstream-Masterplan” in TOKYO DOME
		February 2025	GENERATIONS from EXILE TRIBE	GENERATIONS LIVE TOUR 2024 “GENERATIONS 2.0”



SKE48



Snow Man

## Content highlights from Q3 of FY2024 and after

	Genre	Month(s)	Title
Live/Event	Live	October-November	Paradox Live 2MAN SHOW
	Events	October	“K-Drama Fest 2024”
	Film	October	JUNG KOOK: I AM STILL
	Film	November	BE: the ONE-MEANT TO BE-
	Live	November	Hello Kitty 50th Anniversary Presents My Bestie Voice Collection with Sanrio characters
	Film	January 2025	The animated film “The Rose of Versailles”

	Genre	Release Date	Title
Package	DVD/Blu-ray	November	Paradox Live Dope Show 2024
		January-February 2025	“MF GHOST” 2nd Season Blu-ray BOX Sector 1/Sector 2



©Ikeda Riyoko Production/The Rose of Versailles Production Committee  
“The Rose of Versailles”



©Shuichi Shigeno, Kodansha / MF GHOST Production Committee  
“MF GHOST”

# Consolidated Statements of Income

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Sales promotion and advertising expenses	3,325	3,182	-142	
General expenses	7,823	8,666	+843	
Total SG&A expenses	17,901	18,070	+169	
<b>Operating profit</b>	2,167	-2,122	-4,289	—
Operating margin	3.4%	—	—	
Non-operating income	89	77	-11	
Non-operating expenses	70	340	+270	
<b>Ordinary profit</b>	2,186	-2,385	-4,571	—
Extraordinary income	1,721	6,514	+4,792	
Extraordinary losses	210	574	+363	
<b>Profit before income taxes</b>	3,697	3,555	-142	-3.9%
Income taxes	1,172	1,781	+608	
Profit attributable to non-controlling interest	67	141	+74	
<b>Profit attributable to owners of parent</b>	2,458	1,632	-826	-33.6%

# Consolidated Balance Sheet and Cash Flow Statement



## Consolidated Balance Sheet

(million yen)	End of Mar. 2024	End of Sep. 2024
<b>(Assets)</b>		
<b>Current assets</b>	86,463	82,552
Cash and deposits	47,075	45,804
Trade accounts receivable, etc.	22,700	19,567
Inventories	4,502	5,281
Other	12,184	11,899
<b>Non-current assets</b>	23,424	25,608
Property, plant and equipment & intangible assets	8,809	10,909
Investment securities	8,214	8,235
Other	6,400	6,463
<b>Total assets</b>	<b>109,887</b>	<b>108,161</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>	51,587	52,296
Notes & accounts payable-trade, etc.	1,762	1,826
Accounts payable - other	31,163	23,810
Income taxes payable	1,050	1,659
Refund liabilities	1,705	1,475
Other	15,905	23,524
<b>Non-current liabilities</b>	2,200	2,291
<b>Total liabilities</b>	<b>53,787</b>	<b>54,588</b>
<b>(Net assets)</b>		
<b>Total net assets</b>	<b>56,099</b>	<b>53,572</b>
<b>Total liabilities &amp; net assets</b>	<b>109,887</b>	<b>108,161</b>

## Consolidated Statement of Cash Flows

(million yen)	2Q FY2023	2Q FY2024
<b>Cash flow statement</b>		
Net cash provided by operating activities	2,963	45
Net cash provided by investing activities	-443	4,051
Net Cash provided by financing activities	-1,171	-2,013
Consolidated cash flow	1,347	2,083
Effect of exchange rate change on cash and cash equivalents	-113	227
Net increase in cash and cash equivalents	1,234	2,310
Cash and cash equivalents at beginning of period	48,143	46,933
Cash and cash equivalents at end of period	49,377	45,804
<b>Free cash flows</b>	<b>2,519</b>	<b>4,096</b>

# Music Business Results

(million yen)	2Q FY2023	2Q FY2024	YoY	Rate
<b>Net sales</b>	<b>56,375</b>	<b>47,441</b>	<b>-8,934</b>	<b>-15.8%</b>
Live	22,382	18,142	-4,239	
Merchandising	3,343	2,438	-904	
Management	3,461	3,922	+460	
Music package	12,333	8,395	-3,937	
Digital music distribution	6,334	6,640	+306	
Music publishing	1,451	1,539	+87	
E-Commerce	7,409	7,006	-403	
Fan clubs	692	694	+1	
Other	4,618	3,591	-1,027	
Cost of sales	38,717	34,326	-4,391	
<b>Gross profit</b>	<b>17,658</b>	<b>13,114</b>	<b>-4,543</b>	<b>-25.7%</b>
Gross profit margin	31.3%	27.6%	-3.7pt	
Personnel expenses	4,234	3,648	-585	
Sales promotion and advertising expenses	2,945	2,677	-267	
General expenses	3,707	4,296	+589	
GMF (Group management fee)	4,478	4,390	-88	
Total SG&A expenses	15,366	15,013	-353	
<b>Operating profit</b>	<b>2,291</b>	<b>-1,898</b>	<b>-4,190</b>	<b>—</b>
Operating margin	4.1%	—	—	

Note 1: In the net sales in each sub-segment, transactions within the subsegment have not been eliminated.

Note 2: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method

# Anime & Visual Content Business Results

(million yen)	2Q FY2023	2Q FY2024	YoY	Rate
<b>Net sales</b>	<b>7,203</b>	<b>8,985</b>	<b>+1,782</b>	<b>+24.7%</b>
Package	1,131	878	-253	
Non-package	6,071	8,107	+2,035	
Cost of sales	5,538	6,651	+1,113	
<b>Gross profit</b>	<b>1,664</b>	<b>2,334</b>	<b>+669</b>	<b>+40.2%</b>
Gross profit margin	23.1%	26.0%	+2.9pt	
Personnel expenses	592	642	+50	
Sales promotion and advertising expenses	381	497	+115	
General expenses	311	388	+77	
GMF (Group management fee)	565	760	+194	
Total SG&A expenses	1,852	2,289	+436	
<b>Operating profit</b>	<b>-187</b>	<b>45</b>	<b>+232</b>	<b>—</b>
Operating margin	—	0.5%	—	

Note 1: In the net sales in each sub-segment, transactions within the subsegment have not been eliminated.

Note 2: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method

# Other Businesses Results

(million yen)	2Q FY2023	2Q FY2024	YoY	Rate
<b>Net sales</b>	<b>3,068</b>	<b>2,017</b>	<b>-1,051</b>	<b>-34.3%</b>
Cost of sales	2,036	1,311	-724	
<b>Gross profit</b>	<b>1,031</b>	<b>705</b>	<b>-326</b>	<b>-31.6%</b>
Gross profit margin	33.6%	35.0%	+1.4pt	
Personnel expenses	478	533	+54	
Sales promotion and advertising expenses	61	21	-39	
General expenses	381	391	+10	
GMF (Group management fee)	43	32	-11	
Total SG&A expenses	965	979	+13	
<b>Operating profit</b>	<b>66</b>	<b>-273</b>	<b>-340</b>	<b>—</b>
Operating margin	2.2%	—	—	

Note: The method for allocating GMF (group management fee) was changed in FY2023 and the operating profit in the segment in the previous fiscal year has been partly and retrospectively corrected in accordance with the current allocation method.



# 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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