



December 25, 2025

FOR IMMEDIATE RELEASE

Company name : Avex Inc.
Representative : Katsumi Kuroiwa, Representative Director, CEO
(Securities code: 7860, TSE Prime Market)
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Notice of Recognition of Extraordinary Gain due to Change in an Equity-Method Affiliate (Share Transfer) and Basic Agreement for a Strategic Partnership with Sanrio Co., Ltd.

Avex Inc. (the “Company”) hereby announces that, at a meeting of its Board of Directors held today, it resolved to transfer all shares of SANRIO SOUTHEAST ASIA PTE. LTD. (“SSEA”), an equity-method affiliate of the Company held by its consolidated subsidiary Avex South East Asia Pte. Ltd. (“ASEA”), to Sanrio Co., Ltd. (“Sanrio”) (the “Share Transfer”). Furthermore, the Company resolved to execute a Memorandum of Understanding (MOU) regarding a strategic partnership between the Company and Sanrio, as detailed below.

In connection with the Share Transfer, the Company expects to recognize an extraordinary gain, and SSEA will ultimately be excluded from the scope of the Company’s equity-method affiliates.

Details

1. Reason for the Share Transfer

SSEA is a joint venture between Sanrio and ASEA, established in Singapore in November 2020 as a base to oversee the Southeast Asian region in the field of licensing businesses utilizing characters owned or newly developed by Sanrio. SSEA aimed to maximize the value of Sanrio's characters by leveraging Sanrio’s character business expertise and brand power alongside ASEA’s business expertise and know-how. The goal was to advance the business development of both companies in the region and, in the future, consider collaborations between IPs owned by the Company and characters owned or newly developed by Sanrio.

SSEA, which was initially established with a five-year outlook, has succeeded over the past five years in expanding Sanrio's licensing business in the Southeast Asian region. It has rebuilt Sanrio characters into brands that enjoy high recognition and support within the character licensing market in Southeast Asia.

Given these circumstances, to further strengthen the partnership by leveraging each other's strengths, the Company and Sanrio have agreed to dissolve the joint venture SSEA in a developmental manner through this Share Transfer. Separately, the Company and Sanrio have reached a basic agreement to execute an MOU to work toward concluding a comprehensive strategic partnership agreement covering fields such as music, events, and merchandising, aiming to further create and expand IPs in both the Japanese and global markets.

For details on the basic agreement towards the execution of the MOU for the strategic partnership agreement agreed upon today, please refer to the attached press release.

2. Overview of the Affiliate Subject to Change

(1)	Name	SANRIO SOUTHEAST ASIA PTE. LTD.
(2)	Address	8 Marina View, #43-01 Asia Square Tower 1, Singapore 018960
(3)	Title and name of representative	Tomokuni Tsuji, Chairman Shunta Takahashi, CEO
(4)	Business	Licensing business using the characters owned by Sanrio group in Southeast Asia (Singapore, Thailand, Vietnam, Indonesia, the Philippines, Malaysia, Cambodia, Laos, Myanmar and Brunei)
(5)	Share capital	2,000,000 US dollars
(6)	Established	November 2, 2020
(7)	Major shareholders and shareholding ratios	Sanrio Co., Ltd. 70% Avex South East Asia Pte. Ltd. 30%

3. Overview of the Transferee and Partner (As of September 30, 2025)

(1)	Name	Sanrio Co., Ltd.	
(2)	Address	1-6-1 Osaki, Shinagawa-ku, Tokyo	
(3)	Title and name of representative	Tomokuni Tsuji, President and CEO	
(4)	Business	Planning and sale of social communication gifts Planning and sale of greeting cards Planning and sale of books Operation of restaurants Production, promotion and distribution of movies Planning, production, and sales of recorded music and video products Planning and presentation of musicals, live performances Copyright licensing Planning and operation of theme parks Planning, development and sale of educational services and materials Planning, sale and distribution of digital content Activities related to advertising and marketing Activities related to sports	
(5)	Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust Account)	10.4%
		KIYOKAWA SHOUJI CO., LTD	8.0%
		Custody Bank of Japan, Ltd. (Trust Account)	5.2%
		Bandai Namco Holdings Inc.	4.5%
		KOUNAN SHOUJI CO., LTD	3.1%
		Yuko Tsuji	2.1%
		STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement Sales Department, Mizuho Bank, Ltd.)	1.8%

		Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)		1.7%
		STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement Sales Department, Mizuho Bank, Ltd.)		1.5%
		STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Settlement Sales Department, Mizuho Bank, Ltd.)		1.5%
(6)	Relationship between the listed company and the subject company	Capital relationship	Not applicable	
		Personnel relationship	Not applicable	
		Business relationship	Not applicable	
		Status of related parties	Not applicable	

4. Number of Shares to be Transferred and Status of Shareholding Before and After Transfer

(1)	Number of shares held before the transfer	600,000 shares (Percentage of voting rights: 30%)
(2)	Number of shares to be transferred	600,000 shares (Percentage of voting rights: 30%)
(3)	Transfer price	10.7 million US dollars
(4)	Number of shares held after the transfer	0 shares (Percentage of voting rights: 0%)

5. Schedule of the Transaction

(1)	Date of resolution by the Board of Directors	December 25, 2025
(2)	Date of execution of agreement	December 2025 - January 2026 (plan)
(3)	Date of share transfer completion	December 2025 - January 2026 (plan)

6. Future Outlook

In connection with the Share Transfer, the Company expects to recognize an extraordinary gain of approximately 1.0 billion yen for the fiscal year ending March 31, 2026.

Regarding the impact on the consolidated earnings forecast for the fiscal year ending March 31, 2026, please refer to the “Notice Concerning Revision of Earnings Forecast” disclosed today.

End

PRESS RELEASE

Sanrio and Avex Agree to Strengthen Comprehensive Partnership Following Expansion of Joint Venture in Southeast Asia

Further Accelerating the Global Expansion of IP Utilization

TOKYO, December 25, 2025 – Sanrio Co., Ltd. (Sanrio) and Avex Inc. (Avex) have agreed to strengthen their comprehensive partnership to further accelerate global expansion of IP-based content and businesses. Under this agreement, Sanrio and Avex Southeast Asia Pte. Ltd., a wholly owned subsidiary of Avex will dissolve their joint venture, SANRIO SOUTHEAST ASIA PTE. LTD. (SSEA), which was established in 2020, through a share transfer, thereby concluding the joint venture in a progressive manner. Avex will transfer its 30% stake in SSEA to Sanrio for a total of US\$10,700,000.



Over the approximately five years since its establishment, SSEA has dramatically expanded the licensing business for Sanrio's characters in the Southeast Asian market. Established with a five-year vision from the outset, this joint venture has achieved significant success in establishing Sanrio's characters as highly recognized and supported brands within the Southeast Asian licensing market.

Sales grew significantly during this period, reaching approximately tenfold (in JPY) from the fiscal year ending December 2021, when operations commenced, to the fiscal year ending December 2025. This demonstrates that SSEA steadily built its brand presence and business foundation in the local market and achieved monetization at a pace far exceeding initial expectations. This rapid growth can be attributed to the complementary synergy between Sanrio's globally competitive character brand strength and Avex's locally rooted business operations and expertise in the licensing business.

The share transfer is scheduled to be completed by the end of December 2025. Effective January 1, 2026, SSEA will become a wholly owned subsidiary of Sanrio and transition to a new management structure with Yasuyuki Otsuka (Sanrio Senior Managing Director) as CEO. All SSEA employees will retain their current employment and continue to engage in business operations as before.

Sanrio and Avex plan to build upon the trust established through this joint venture as the next step, aiming to further strengthen their partnership by leveraging each other's strengths. Moving forward, they intend to establish a more comprehensive and strategic partnership across various fields, including music, events, and merchandising.

Building on this milestone, Sanrio and Avex will advance together into a new phase of growth, partnering to create value through the creation, expansion, and global deployment of IP across Southeast Asia, Japan, and worldwide markets.

Overview of the Partnership

This time, Avex will transfer its 30% stake in SSEA to Sanrio. Going forward, the two companies will accelerate their business collaboration in the following areas:

- **Music Production (including Music Videos)**
 - └ Proactive collaboration on original music production utilizing Sanrio IP
 - └ Collaborative projects featuring both companies' IP
- **Events**
 - └ Sanrio sponsorship of Avex-hosted events
 - └ Further promotion of collaborations at Sanrio music events
- **Merchandising and Sales Distribution**
 - └ Joint product planning, manufacturing, and logistics coordination
 - └ Joint sales at Sanrio shops, Tree Village by Avex, etc.
- **Personnel Exchange and Support**
 - └ Personnel exchange between the two companies (including mutual secondments)

Executive Statements

■ Tomokuni Tsuji, President and CEO, Sanrio Co., Ltd.

“While the establishment of SSEA was a major undertaking for Sanrio, we are proud of the strong growth realized through our joint efforts with Avex in the Southeast Asian market. This share transfer is not an end, but the beginning of expanded collaboration across broader business domains. Together with Avex, we remain committed to delivering smiles to customers worldwide.”

■ Katsumi Kuroiwa, Representative Director and CEO, Avex Inc.

“SSEA is a symbolic project that brings Avex’s vision of ‘connecting with the world through the power of IP’ to life. Through our collaboration with Sanrio, we will continue to deepen this partnership, accelerate our global IP initiatives and generate even greater value going forward.

■ Shunta Takahashi, President, Avex Southeast Asia Pte. Ltd.

“I embraced the ambitious challenge of scaling our business tenfold, driven by a deep conviction in the unparalleled strength of the Sanrio IP. With the generous support of Sanrio and our many partners, this achievement was made possible through the collective efforts of a truly united team. Looking ahead, I will continue to support the next stage of growth as an advisor to SSEA in Singapore, helping to share the unique charms of Sanrio’s characters.”

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