

Consolidated Financial Summary for Interim Period of Fiscal Year Ending March 31, 2026
(Japanese Accounting Standards)

Avex Inc.

Code No: 7860

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Scheduled date to submit the Semi-annual Securities Report (*Hanki Houkokusho*): November 14, 2025

Scheduled date for commencement of dividend payments: December 4, 2025

Supplementary documents for financial results: Yes

Financial results briefing: Yes (briefing for institutional investors and securities analysts planned to be held by video streaming)

November 13, 2025

Tokyo Stock Exchange, Prime Market

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Note: All amounts are rounded down to the nearest million yen.

**1. Consolidated operating results for the interim period of fiscal year ending March 31, 2026
 (April 1, 2025 to September 30, 2025)**

(1) Consolidated operating results

Note: Figures in percentages denote the year-on-year change.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Interim Period of Fiscal Year Ending March 31, 2026	64,028	14.1	1,119	—	1,327	—	864	(47.0)
Interim Period of Fiscal Year Ended March 31, 2025	56,131	(12.8)	(2,122)	—	(2,385)	—	1,632	(33.6)

(Note) Comprehensive income Interim Period of Fiscal Year Ending March 31, 2026: ¥990 million (-49.2%)
 Interim Period of Fiscal Year Ended March 31, 2025: ¥1,949 million (67.6%)

	Profit per share	Diluted profit per share
	yen	yen
Interim Period of Fiscal Year Ending March 31, 2026	20.38	—
Interim Period of Fiscal Year Ended March 31, 2025	36.51	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
As of September 30, 2025	108,396	50,551	45.6
As of March 31, 2025	105,960	51,112	47.3

(Reference) Shareholders' equity As of September 30, 2025: ¥49,462 million
 As of March 31, 2025: ¥50,109 million

2. Status of dividend payments

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	End of year	Annual
Year ended March 31, 2025	—	yen	yen	yen	yen
Year ending March 31, 2026	—	25.00	—	25.00	50.00
Year ending March 31, 2026 (forecast)		25.00	—	25.00	50.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecasts for consolidated operating results for the year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

Note: Figures in percentages denote the year-on-year change.

	Operating profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	yen
Full year	3,000	—	1,200	5.4	28.26

(Note) Revisions to earnings forecasts published most recently: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 1 company (Company name) S10 Entertainment & Media LLC

Excluded: 1 company (Company name) Avex Technologies Inc.

(2) Application of particular accounts procedures to the preparation of semi-annual consolidated financial statements:
None(3) Changes in accounting policies and changes in or restatement of accounting estimates
1. Changes in accounting policies in conjunction with revisions to accounting standards: None
2. Changes in accounting policies other than 1: None
3. Changes in accounting estimates: None
4. Restatement: None(4) Outstanding shares (ordinary shares)
a. Shares outstanding at end of term (including treasury stock)
As of September 30, 2025: 45,914,100 shares
As of March 31, 2025: 45,792,500 shares
b. Treasury stock at end of term
As of September 30, 2025: 3,410,698 shares
As of March 31, 2025: 3,410,680 shares
c. Average number of shares during term
Interim Period of Fiscal Year Ending March 31, 2026: 42,424,344 shares
Interim Period of Fiscal Year Ended March 31, 2025: 44,700,254 shares

* This financial summary is outside the scope of review by certified public accountant or audit corporation.

* Explanation for forecasts of business results and other notes

The forecasts for business results and other forward-looking statements contained in this release are based on data and information that the Group has obtained so far and specific assumptions that the Group judges to be reasonable. Please note, therefore, that the actual results and others may greatly differ from the forecasts due to various factors.

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1. Overview of Operating Results, etc.

(1) Overview of Consolidated Financial Results for the Interim Period Ended September 30, 2025

(Unit: million yen)

Interim period results	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026
Net sales	46,304	54,060	64,355	56,131	64,028
Cost of sales	28,797	33,704	44,286	40,183	46,079
Gross profit	17,507	20,356	20,068	15,948	17,949
Gross profit margin	37.8%	37.7%	31.2%	28.4%	28.0%
Personnel expenses	5,646	6,539	6,752	6,220	6,088
Sales promotion and advertising expenses	2,989	3,429	3,325	3,182	3,538
General expenses	6,236	6,767	7,823	8,666	7,202
Total SG&A expenses	14,872	16,736	17,901	18,070	16,829
Operating profit (loss)	2,634	3,619	2,167	(2,122)	1,119
Operating margin	5.7%	6.7%	3.4%	-%	1.7%

In the entertainment industry, to which the Group belongs, the production of music software, including music videos, was up 9.6% year on year, to 159,187 million yen (January to September 2025; according to a survey by the Recording Industry Association of Japan). Sales of paid music downloads were up 5.5% year on year, to 65,014 million yen (January to June 2025; according to a survey by the Recording Industry Association of Japan). In the video-related market, sales of video software decreased 18.6% year on year, to 55,552 million yen (January to September 2025; according to a survey by the Japan Video Software Association).

In this business environment, the Group worked to realize the Medium-Term Management Plan “avex vision 2027” by making aggressive investments, with emphasis on “seeking out and cultivating new talent” as the starting point of value creation and by building a structure that will allow it to aim for long-term growth, while at the same time implementing strategic initiatives for overseas markets. In each segment, progress was made in IP discovery, cultivation, development and acquisition with a global perspective, expanding the IP portfolio, and building a global value chain to maximize the value of IP. We have already steadily strengthening our business foundations in overseas markets. In our mainstay businesses such as LIVE and LABEL, we worked to maximize the value of existing IP and strengthened collaboration with partner companies.

In terms of business performance for the interim period of the fiscal year under review, net sales were 64,028 million yen (up 14.1% year on year) mainly due to an increase in the number of major live performances in the Music Business and strong overseas distribution of animation works in the Anime & Visual Content Business, and operating profit was 1,119 million yen (operating loss of 2,122 million yen in the same period of the previous year) chiefly due to a decrease in the provision for allowance for doubtful accounts and a decrease in selling, general and administrative expenses, mainly as a result of review of the execution of expenses. Profit attributable to owners of parent was 864 million yen (down 47.0% year on year) chiefly due to the recording of extraordinary income from the transfer of shares in subsidiaries in the interim period of the previous fiscal year.

(2) Overview of Financial Position for the Interim Period Ended September 30, 2025

Total assets at the end of the interim period under review increased 2,435 million yen, to 108,396 million yen from the end of the previous consolidated fiscal year. This was chiefly attributable to increases of 2,670 million yen in goodwill, 2,217 million yen in other current assets and 1,832 million yen in notes and accounts receivable - trade respectively, which more than offset a decline of 4,693 million yen in cash and deposits.

Liabilities increased by 2,996 million yen from the end of the previous consolidated fiscal year, to 57,844 million yen. This was primarily due to an increase of 8,632 million yen in other current liabilities, despite decreases of 3,066 million yen in accounts payable - other and 1,758 million yen in income taxes payable.

Net assets decreased 561 million yen from the end of the previous consolidated fiscal year, to 50,551 million yen. This was chiefly attributable to a decline of 585 million yen in capital surplus.

(3) Summary of Consolidated Financial Forecasts and Other Future Forecast Information

With respect to the summary of consolidated financial forecasts for the fiscal year ending March 31, 2026, the financial forecasts presented in the “Consolidated Financial Summary for the Year Ended March 31, 2025” announced on May 8, 2025 remain unchanged.

If any revision to the financial forecasts becomes necessary in the future, the Company will promptly disclose it.

2. Semi-annual Consolidated Financial Statements and Major Notes

(1) Semi-annual Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	35,690	30,996
Notes and accounts receivable - trade	22,952	24,784
Merchandise and finished goods	910	1,750
Work in process	3,683	4,164
Raw materials and supplies	315	431
Other	14,474	16,692
Allowance for doubtful accounts	(253)	(119)
Total current assets	77,774	78,700
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,214	4,927
Land	2,690	2,965
Other, net	1,595	1,703
Total property, plant and equipment	8,500	9,595
Intangible assets		
Goodwill	22	2,693
Other	2,637	2,768
Total intangible assets	2,660	5,461
Investments and other assets		
Investment securities	9,839	7,642
Retirement benefit asset	42	63
Other	8,767	8,745
Allowance for doubtful accounts	(1,624)	(1,814)
Total investments and other assets	17,025	14,637
Total non-current assets	28,186	29,695
Total assets	105,960	108,396

	(Unit: million yen)	
	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,972	2,603
Current portion of long-term borrowings	3	1
Accounts payable - other	29,511	26,444
Income taxes payable	2,105	347
Refund liabilities	1,323	1,276
Provision for bonuses	310	188
Other	16,607	25,240
Total current liabilities	52,834	56,101
Non-current liabilities		
Other	2,013	1,743
Total non-current liabilities	2,013	1,743
Total liabilities	54,848	57,844
Net assets		
Shareholders' equity		
Share capital	4,755	4,833
Capital surplus	5,649	5,063
Retained earnings	43,677	43,491
Treasury shares	(4,933)	(4,933)
Total shareholders' equity	49,149	48,455
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	700	978
Foreign currency translation adjustment	(49)	(131)
Remeasurements of defined benefit plans	308	159
Total of accumulated other comprehensive income	960	1,006
Non-controlling interests	1,003	1,089
Total net assets	51,112	50,551
Total liabilities and net assets	105,960	108,396

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income
 Semi-annual Consolidated Statements of Income

	(Unit: million yen)	
	For the interim period ended September 30, 2024	For the interim period ended September 30, 2025
Net sales	56,131	64,028
Cost of sales	40,183	46,079
Gross profit	15,948	17,949
Selling, general and administrative expenses		
Advertising expenses	2,460	2,687
Promotion expenses	722	851
Provision of allowance for doubtful accounts	715	(37)
Employees' salaries and bonuses	4,175	4,130
Provision for bonuses	42	178
Retirement benefit expenses	106	(21)
Other	9,847	9,040
Total selling, general and administrative expenses	18,070	16,829
Operating profit (loss)	(2,122)	1,119
Non-operating income		
Interest income	12	58
Dividend income	7	6
Share of profit of entities accounted for using equity method	22	213
Gain on valuation of investment securities	2	–
Other	33	41
Total non-operating income	77	320
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	252	62
Commission fee	29	29
Other	57	19
Total non-operating expenses	340	112
Ordinary profit (loss)	(2,385)	1,327
Extraordinary income		
Gain on sale of shares of subsidiaries	4,548	–
Gain on change in equity	1,965	–
Total extraordinary income	6,514	–
Extraordinary losses		
Impairment loss	188	–
Loss on disaster	159	–
Loss on liquidation of business	–	48
Loss on retirement of non-current assets	10	19
Other	216	–
Total extraordinary losses	574	68
Profit before income taxes	3,555	1,258
Income taxes - current	1,739	335
Income taxes - deferred	41	(22)
Total income taxes	1,781	313
Profit	1,773	945
Profit attributable to non-controlling interests	141	80
Profit attributable to owners of parent	1,632	864

Semi-annual Consolidated Statements of Comprehensive Income

(Unit: million yen)

	For the interim period ended September 30, 2024	For the interim period ended September 30, 2025
Profit	1,773	945
Other comprehensive income		
Valuation difference on available-for-sale securities	23	278
Foreign currency translation adjustment	119	(20)
Remeasurements of defined benefit plans, net of tax	(45)	(139)
Share of other comprehensive income of associates accounted for using equity method	77	(72)
Total other comprehensive income	175	45
Comprehensive income	1,949	990
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,808	911
Comprehensive income attributable to non-controlling interests	141	79

(3) Notes Concerning Semi-annual Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable

(Note Regarding Significant Changes in the Amount of Shareholders' Equity)

Not applicable