
AVEX GROUP HOLDINGS INC.

Highlights of Consolidated Financial Results



3rd quarter of financial year ending
March 2007

IR

FY ended March 2007 Consolidated business results



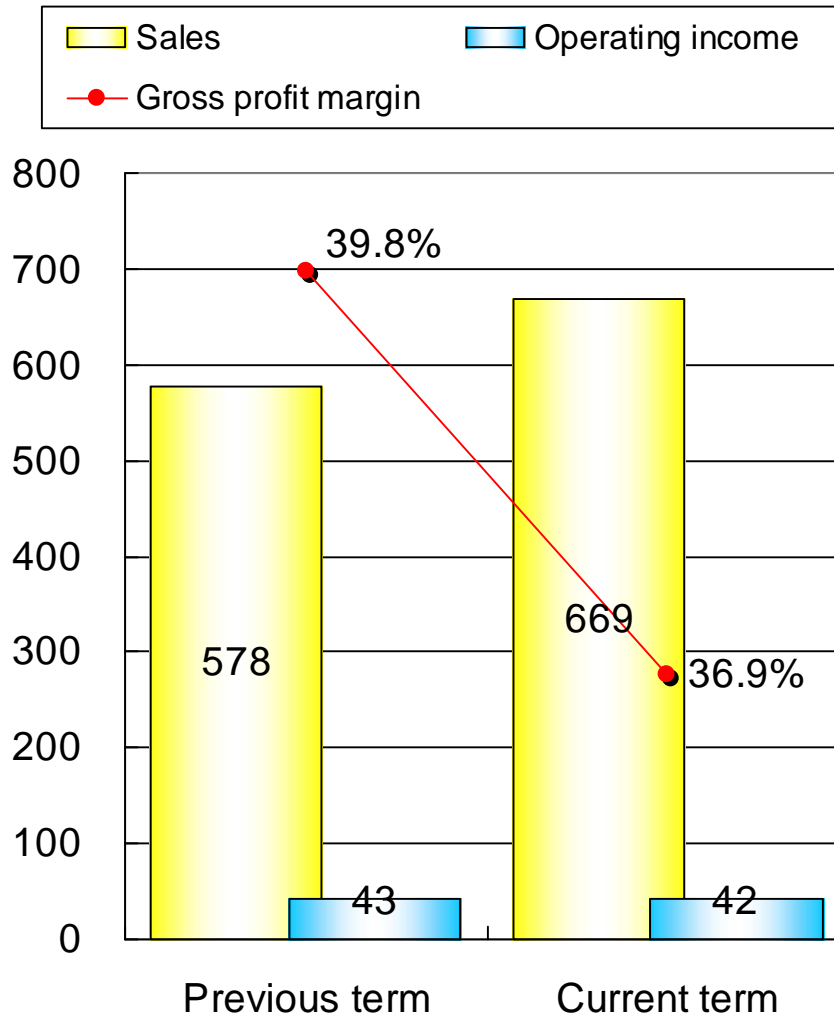
3rd quarter of financial year ending
March 2007

Sales increased 15.7% year-on-year (+9 billion yen)

Particularly, sales in the NC segment increased 42.9% year-on-year (+4.8billion yen)

	Previous term	Current term	Change
Sales	578	669	+90
Operating income	43	42	-0
Operating income margin	7.4%	6.4%	-1.0%
Ordinary income	45	38	-7
Net income	24	13	-10

3rd quarter Summary of consolidated financial results



- Sales increased by 9.0 billion yen as a whole due to strong proceeds from the music distribution service in the NC segment, which contributed to a 3.3 billion yen increase in profit.
- On the other hand, the gross margin ratio decreased in the PC segment, which contributed to a 1.6 billion yen decrease in profit. In addition, SG&A expenses increased due to increased advertisement expenses associated with the expansion of membership websites in the NC segment, which contributed to a 1.6 billion yen decrease in profit.
- Due to the above two factors, operating income remained unchanged year-on-year.

All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

3rd quarter Summary of components of consolidated segments



	Current term		Previous term			
	Sales	Operating Profit	Sales	Operating Profit	Sales Variance	O.P. Variance
CC	315	21	296	21	+19	+0
PC	363	-0	349	3	+14	-4
NC	160	9	112	10	+48	-0
LC	70	4	56	2	+14	+1
Others	24	2	16	1	+8	+1
Total	936	37	831	39	-	-
Elimination and corporate	-267	5	-252	3	-	-
Consolidated	669	42	578	43	+90	-0

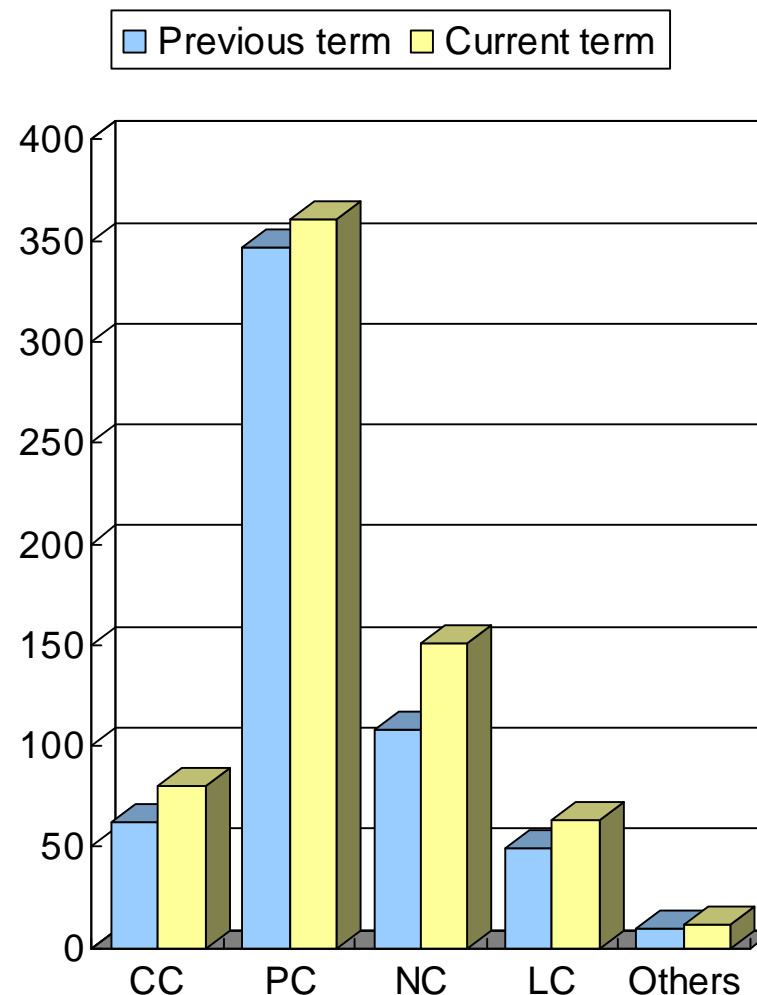
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3rd quarter Sales to customers outside the group by business segment



	Sales to customers outside the group		
	Current term	Previous term	Change
CC	80	62	+18
PC	361	347	+13
NC	151	108	+42
LC	63	49	+13
Others	12	10	+2
Total	669	578	+90

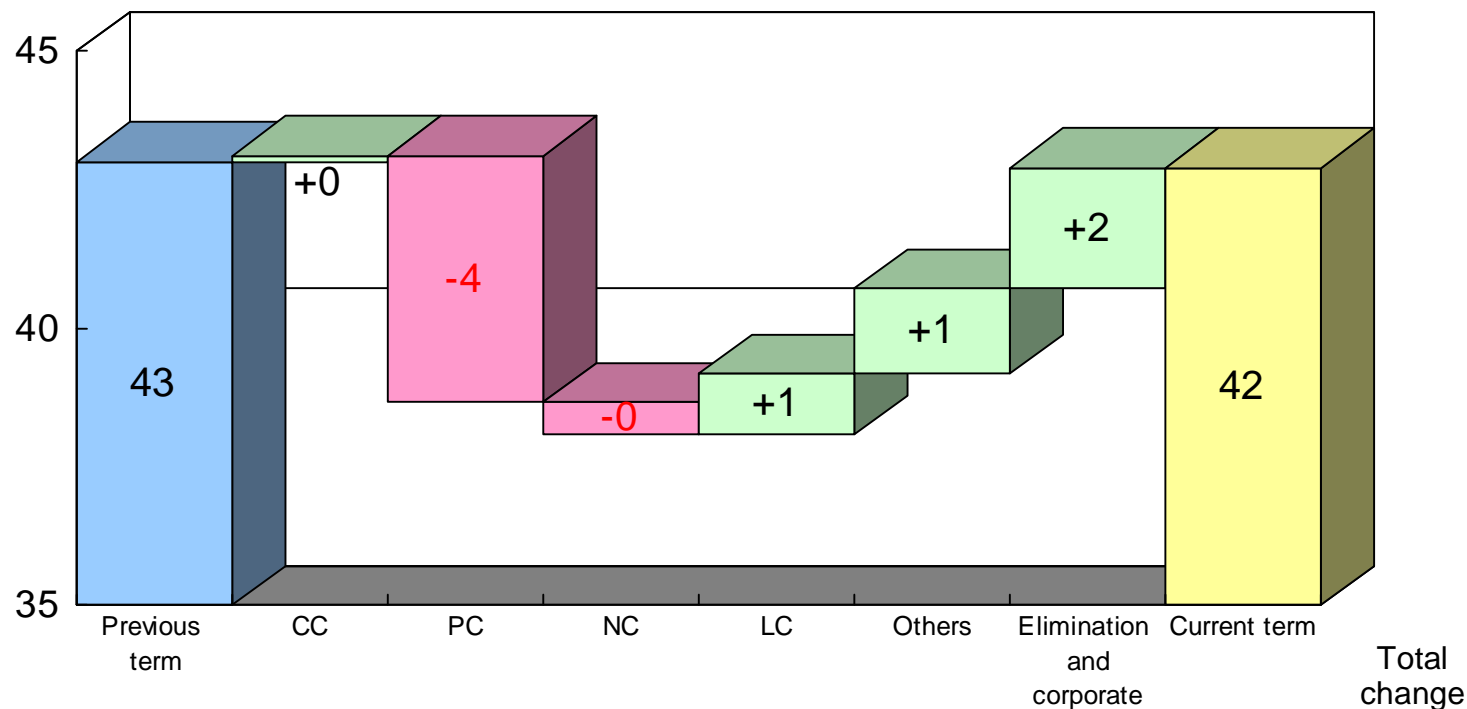


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3rd quarter

Increase/decrease factors in consolidated operating income (vs. same period last year)



Effect of changes in sales	43	+9	+2	+15	+1	+4		42	+33
Effect of changes in cost rates		+1	-7	+2	+0	-3	-9		-16
Effect of changes in SG&A expenses		-11	+0	-17	-1	+0	+12		-16
Total	43	+0	-4	-0	+1	+1	+2	42	-0

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(Amounts of less than 100 million yen are truncated.)

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3rd quarter Consolidated comparative income statement-1



3Q cumulative	Previous term	Current term	Change	Percentage change
Sales	578	669	+90	+15.7%
Cost of sales	348	422	+73	+21.2%
Gross profit	230	246	+16	+7.3%
Gross profit margin	39.8%	36.9%	-2.9%	-
Personnel costs	47	55	+7	+16.6%
Sales promotion and advertising expenses	76	82	+5	+7.9%
General expenses	63	66	+2	+4.7%
Total SG&A expenses	187	203	+16	+9.0%
Operating income	43	42	-0	-0.3%
Operating income margin	7.4%	6.4%	-1.0%	-

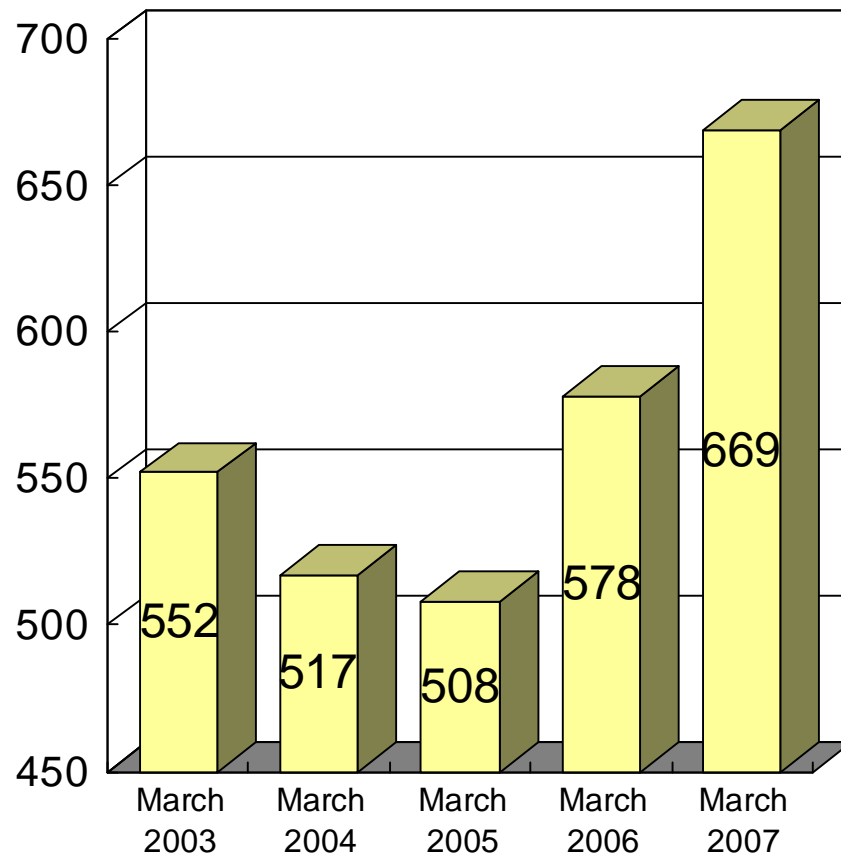
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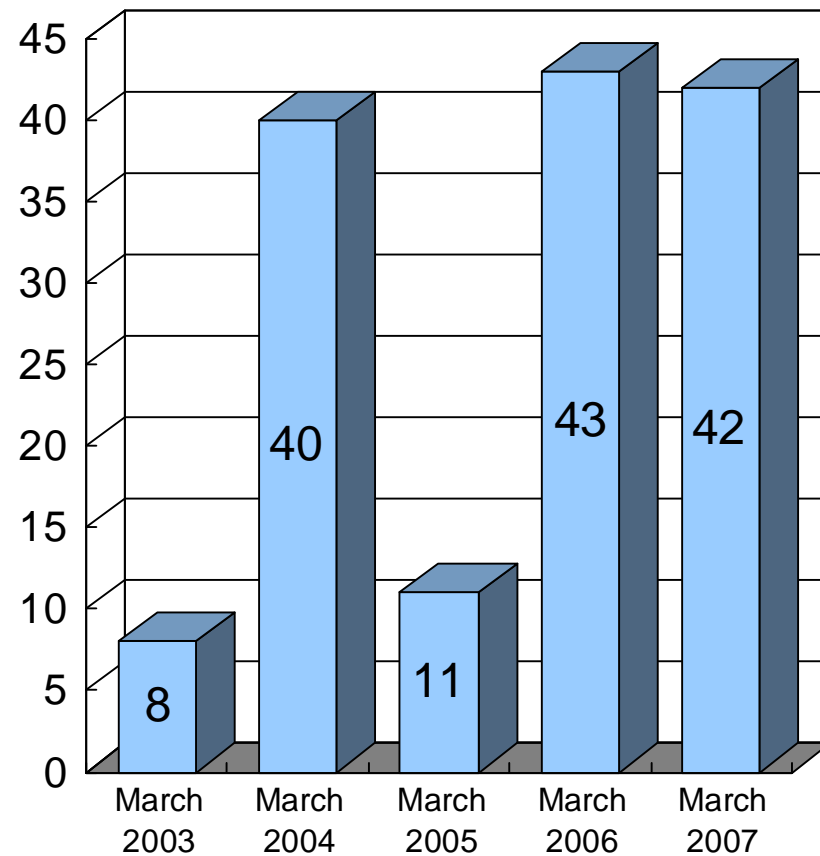
3rd quarter Consolidated results-1



Sales



Operating income



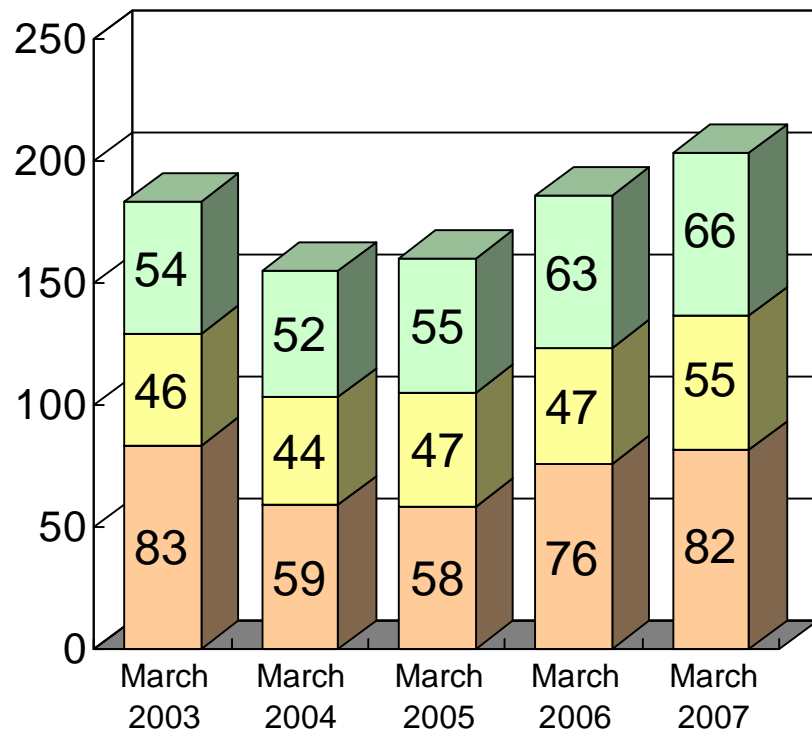
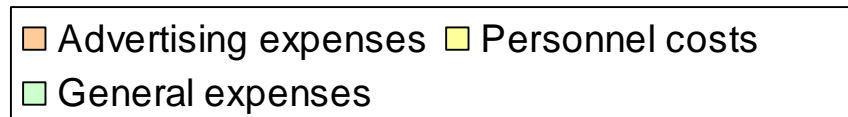
All figures, if not otherwise indicated, are expressed in units of 100 million yen.
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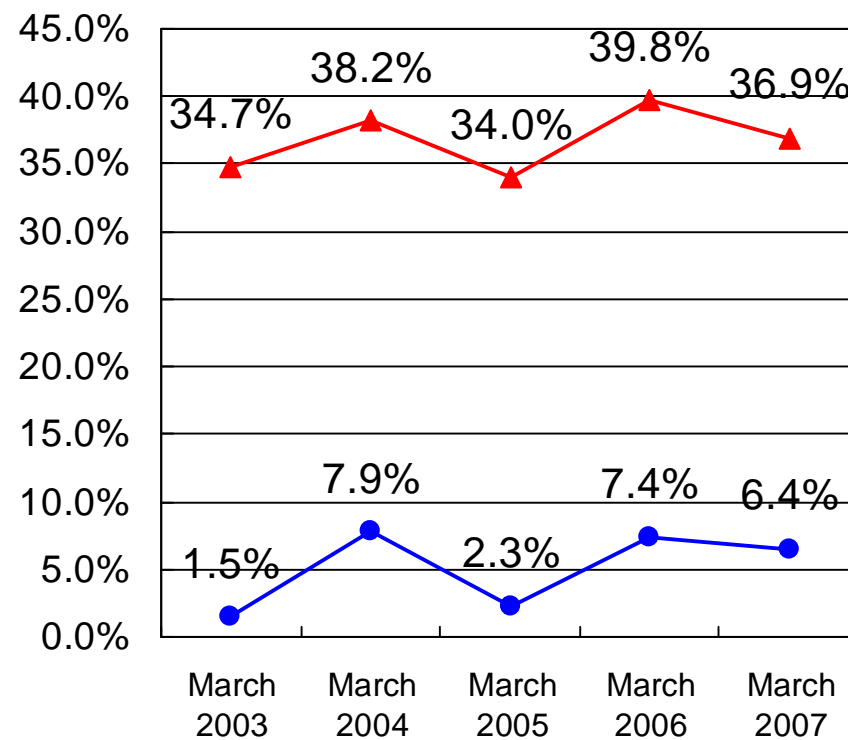
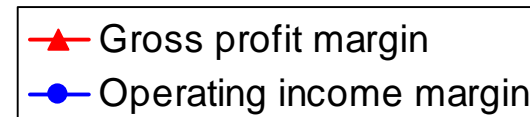
3rd quarter Consolidated results-2



SG&A expenses



Profit margins



All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

Consolidated business results Quarterly transition



	FY ended March 2005	FY ended March 2006				FY ended March 2007		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Sales	245	145	236	196	319	197	217	254
Cost of sales	147	102	135	110	175	134	139	148
Gross profit	97	43	100	86	144	62	77	106
Gross profit margin	39.7%	29.6%	42.5%	44.0%	45.2%	31.6%	35.9%	41.8%
Personnel costs	23	16	15	15	41	17	18	19
Sales promotion and advertising expenses	23	16	30	29	33	25	30	26
General expenses	19	20	23	18	25	21	22	22
Total SG&A expenses	66	53	69	63	100	64	70	68
Operating income	31	-10	30	23	43	-2	6	38
Operating income margin	12.6%	-7.3%	12.9%	11.7%	13.6%	-1.3%	3.2%	15.1%

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(Amounts of less than 100 million yen are truncated.)

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FY ended March '07

Consolidated business results in detail

—By segment—



3rd quarter of financial year ending
March 2007

PC segment (Package Communication)

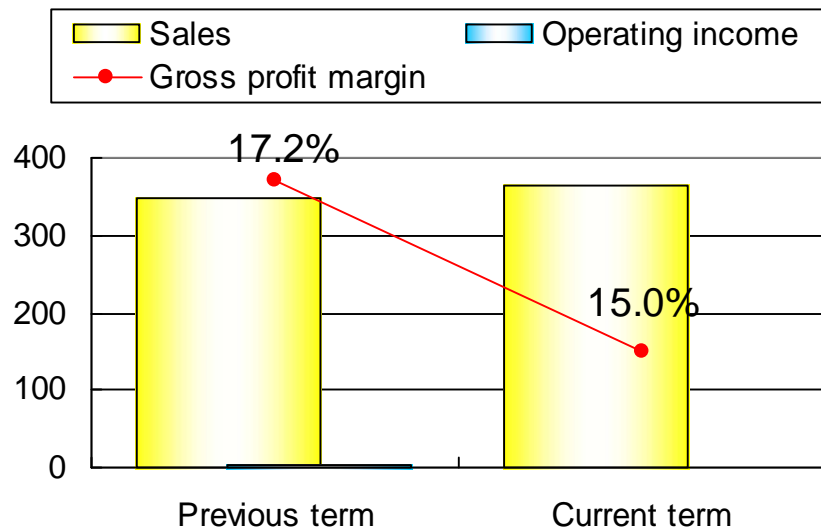


3rd quarter of financial year ending
March 2007

3rd quarter Digest of PC segment



	Previous term	Current term	Change
Sales	349	363	+14
Operating income	3	-0	-4
Operating income margin	1.1%	-0.1%	-1.2%



- Sales in the Package Communication segment moved steadily, increasing by 1.4 billion yen year-on-year.
- However, the gross profit margin decreased due to a decline in sales of our label products, which command a high profit ratio. As a result, operating income decreased by 400 million yen year-on-year.

All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

3rd quarter PC segment Breakdown of music label sales



New title	CD albums			CD singles			DVDs		
	Previous term	Current term	Of which, new artists	Previous term	Current term	Of which, new artists	Previous term	Current term	Of which, new artists
Number of titles	222	305	11	175	193	11	46	56	-
Volume (thousand)	7,642	6,259	88	8,744	7,219	145	1,058	856	-
	34	20	8	49	37	13	23	15	-
Value (million yen)	14,072	12,238	136	6,436	5,970	129	2,484	2,201	-
	63	40	12	36	30	11	54	39	-
Unit price (yen)	1,841	1,955	1,550	736	827	890	2,348	2,571	-

Previous/current terms' totals are on P.17
 PC segment breakdown of sales To music label (1)

Unit: million yen

Sales of old titles	3,394	3,102	-	266	167	-	606	876	-
Total sales	17,467	15,341	-	6,703	6,138	-	3,091	3,078	-

Figures below volume and value columns represent volume and value per title.

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3rd quarter

PC segment Breakdown of video label sales



New title	DVDs		CD albums		CD singles	
	Previous term	Current term	Previous term	Current term	Previous term	Current term
Number of titles	227	383	32	44	24	29
Volume (thousand)	657	883	146	267	161	138
	2	2	4	6	6	4
Value (million yen)	2,388	3,735	267	470	130	118
	10	9	8	10	5	4
Unit price (yen)	3,634	4,227	1,830	1,759	809	858

Previous/current terms' totals are on P.17
 PC segment breakdown of sales To music label (2)

Unit: million yen

Sales of old titles	624	527	135	66	17	15
Total sales	3,012	4,262	403	537	148	134

Figures below volume and value columns represent volume and value per title.

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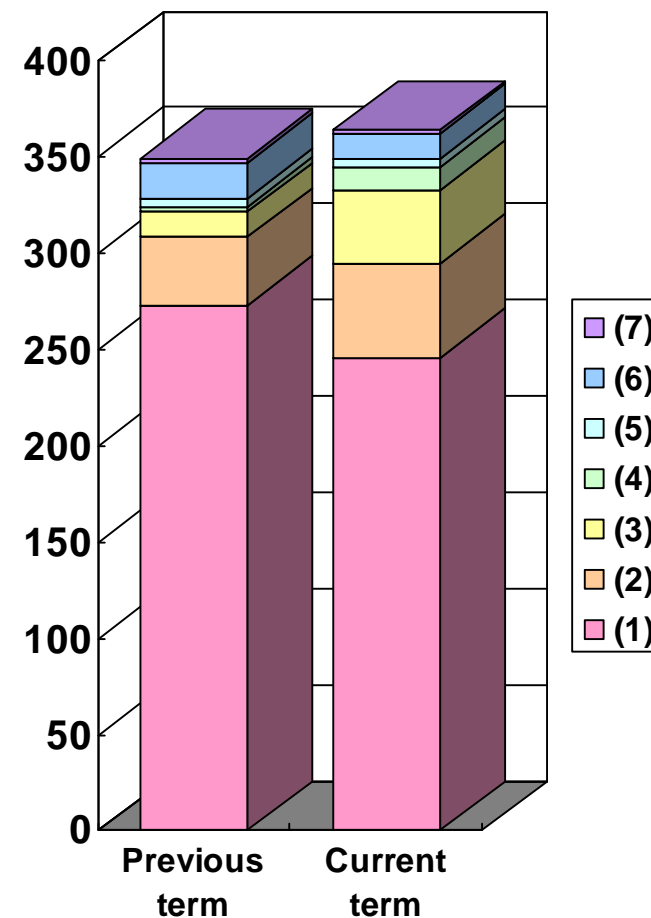
3rd quarter PC segment Breakdown of sales



From P.16 sales breakdown of video label in PC segment

From P.15 sales breakdown of music label in PC segment

	Previous term	Current term	Change
Music label (1)	272	245	-27
Video label (2)	35	49	+13
Own label	308	294	-13
Sales on consignment (3)	13	37	+24
Sales of newly developed channels (4)	2	11	+9
Royalty revenue (5)	4	4	+0
Overseas sales (6)	18	13	-5
Others (7)	2	1	-0
Total sales	349	363	+14



All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

3rd quarter PC segment Comparative income statement



3Q cumulative	Previous term	Current term	Change	Percentage change
Sales	349	363	+14	+4.1%
Cost of sales	289	309	+19	+6.9%
Gross profit	60	54	-5	-9.1%
Gross profit margin	17.2%	15.0%	-2.2%	-
Personnel costs	11	12	+1	+14.3%
Sales promotion and advertising expenses	12	11	-0	-8.0%
General expenses	18	17	-0	-4.8%
GMF	14	13	-0	-5.2%
Total SG&A expenses	56	55	-0	-1.8%
Operating income	3	-0	-4	-
Operating income margin	1.1%	-0.1%	-1.2%	-

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NC Segment (Network Communication)



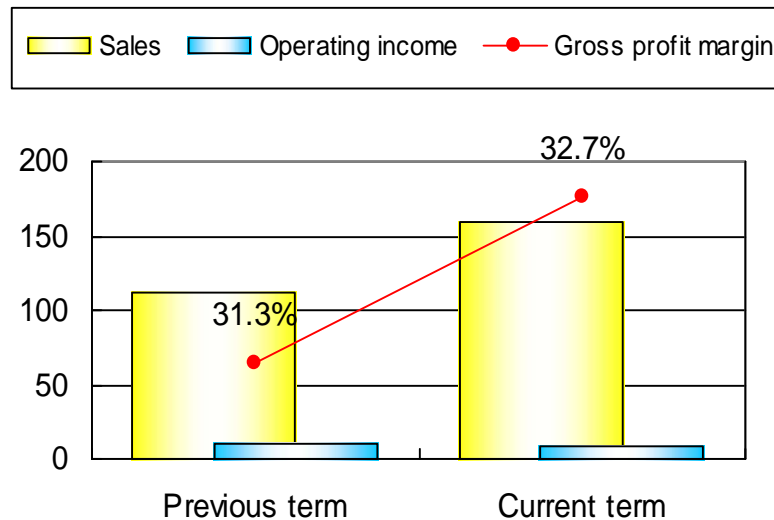
3rd quarter of financial year ending
March 2007

3rd quarter

Digest of NC segment



	Previous term	Current term	Change
Sales	112	160	+48
Operating income	10	9	-0
Operating income margin	8.9%	5.9%	-3.0%



- Sales increased by 4.8 billion yen due to steady development mainly in the paid online distribution service and membership business “mu-mo®.” This contributed to a 1.5 billion yen increase in profit.
- SG&A expenses increased by 1.7 billion yen due to heightened sales promotion and advertising expenses aimed at expanding the membership business and similar operations. Consequently, operating income remained unchanged year-on-year.

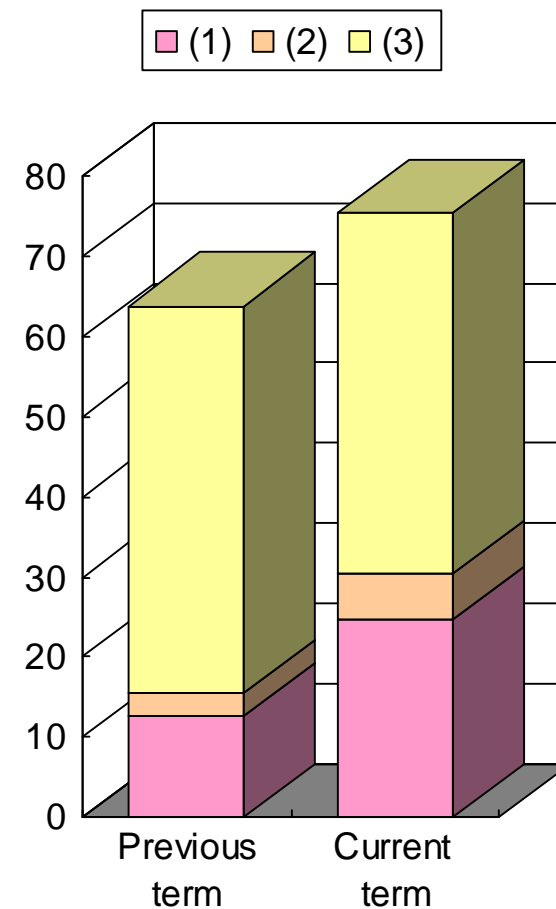
All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

3rd quarter NC segment Breakdown of online distribution business



Volume (thousand tunes)	Previous term	Current term	Change
Mobiles	4,199	8,236	+4,036
PC	1,780	3,678	+1,898
Volume (thousand tunes)	5,980	11,914	+5,934
<i>Chaku-uta</i>	41,834	42,134	+300

Value (million yen)	Previous term	Current term	Change	Unit price (yen)	
				Previous term	Current term
Mobiles (1)	1,259	2,466	+1,206	300	300
PC (2)	291	569	+277	164	155
Total Sale	1,551	3,036	+1,484	259	255
<i>Chaku-uta</i> (3)	4,833	4,502	-330	116	107



Online distribution (1) P.23 NC segment breakdown of sales To Chaku-Uta (2)

All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

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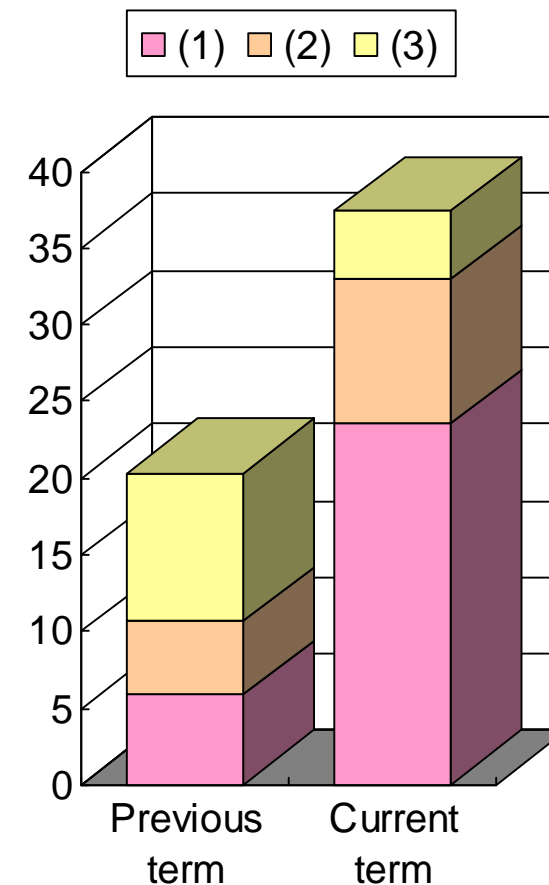
3rd quarter NC segment Breakdown of membership business



Membership (thousand people)	Year-on-year	Current term				Change
		End of previous term	increase	decrease	End of current term	
mu-mo	388	571	1,517	1,206	882	+494
FC	275	308	266	219	355	+79
Mobiles	290	263	99	305	58	-232
Membership	954	1,143	1,883	1,730	1,296	+342

Value (million yen)	Previous term	Current term	Change
mu-mo(1)	589	2,350	+1,760
FC(2)	481	951	+470
Mobiles(3)	963	441	-521
Total Sale	2,034	3,743	+1,709

Unit price (yen)	
Previous	Current
327	316
301	308
256	228
284	300



P.23 NC segment breakdown of sales To membership business (4)

All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

3rd quarter

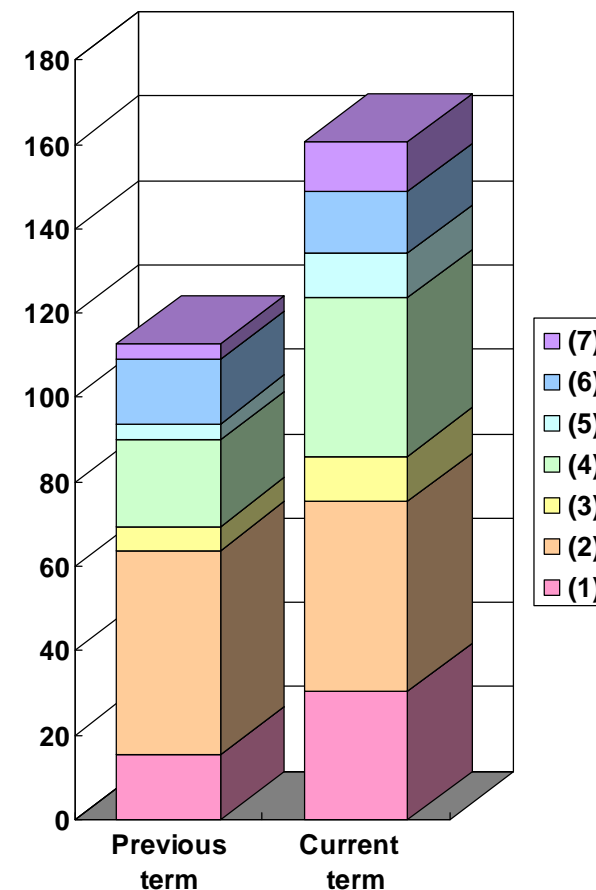
NC segment Breakdown of sales



From P.21 breakdown of distribution business in NC segment

From P.22 breakdown of membership business in NC segment

	Previous term	Current term	Change
Online distribution (1)	15	30	+14
Chaku-uta (2)	48	45	-3
Chaku-mero (3)	5	10	+5
Content distribution	69	86	+16
Membership business (4)	20	37	+17
EC (5)	3	10	+6
MD (6)	15	14	-0
Others (7)	3	11	+8
Total sales	112	160	+48



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3rd quarter NC segment Comparative income statement



3Q cumulative	Previous term	Current term	Change	Percentage change
Sales	112	160	+48	+42.9%
Cost of sales	77	108	+31	+40.1%
Gross profit	35	52	+17	+49.1%
Gross profit margin	31.3%	32.7%	+1.4%	-
Personnel costs	7	10	+2	+29.0%
Sales promotion and advertising expenses	4	13	+9	+223.4%
General expenses	8	10	+2	+29.1%
GMF	4	8	+3	+73.5%
Total SG&A expenses	25	43	+17	+70.9%
Operating income	10	9	-0	-5.8%
Operating income margin	8.9%	5.9%	-3.0%	-

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LC segment (Live Communication)

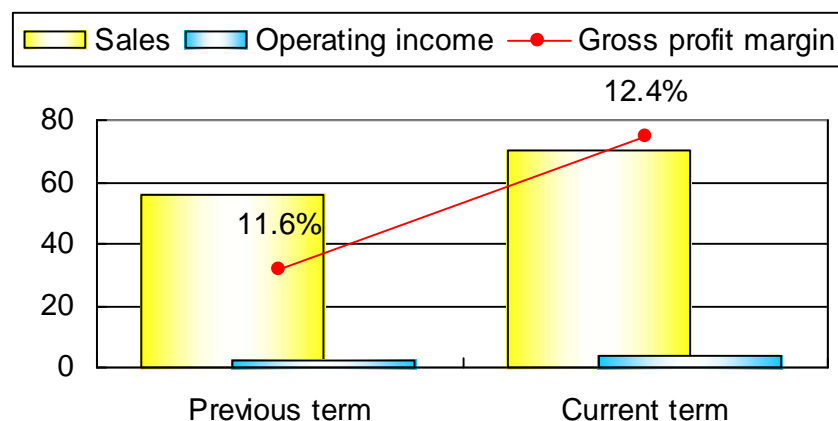


3rd quarter of financial year ending
March 2007

3rd quarter Digest of LC segment



	Previous term	Current term	Change
Sales	56	70	+14
Operating income	2	4	+1
Operating income margin	5.3%	5.8%	+0.5%



- Larger attendances for live concerts by our artists and the “a-nation” outdoor live event contributed to a 1.4 billion yen increase in sales.
- Operating income increased by 100 million yen.

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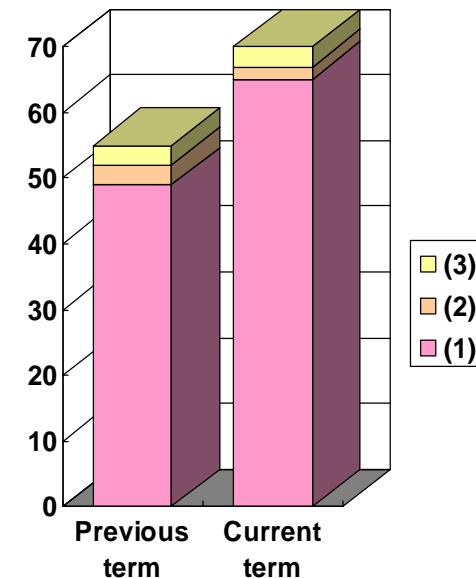
3rd quarter LC segment Breakdown of sales



	Within the group			Outside the group		
	Previous term	Current term	Change	Previous term	Current term	Change
Number of tickets (thousand)	501	624	+123	21	18	-2
Value (million yen)	3,468	5,005	+1,537	191	197	+6
Unit price (including funds from supporting companies)	6,922	8,011	+1,089	9,095	10,620	+1,525

Each balance is due to contributions, etc

	Previous term	Current term	Change
Within the group (1)	49	65	+15
Outside the group (2)	3	2	-0
Concerts (independent production)	53	67	+14
Events (contracted-out production) (3)	3	3	+0
Total sales	56	70	+14



All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

3rd quarter LC segment Comparative income statement



3Q cumulative	Previous term	Current term	Change	Percentage change
Sales	56	70	+14	+26.3%
Cost of sales	49	62	+12	+25.1%
Gross profit	6	8	+2	+35.1%
Gross profit margin	11.6%	12.4%	+0.8%	-
Personnel costs	1	1	+0	+28.2%
Sales promotion and advertising expenses	-	0	+0	-
General expenses	1	1	+0	+37.7%
GMF	0	1	+0	+34.0%
Total SG&A expenses	3	4	+1	+33.7%
Operating income	2	4	+1	+37.1%
Operating income margin	5.3%	5.8%	+0.5%	-

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CC segment (Content Creation)

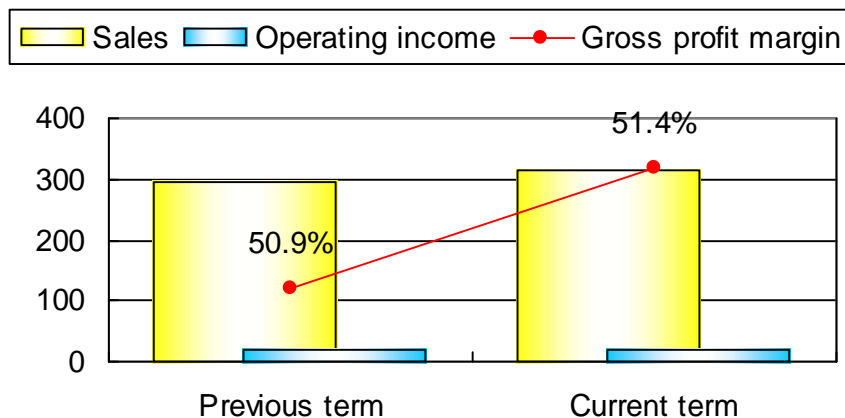


3rd quarter of financial year ending
March 2007

3rd quarter Digest of CC segment



	Previous term	Current term	Change
Sales	296	315	+19
Operating income	21	21	+0
Operating income margin	7.3%	6.9%	-0.4%



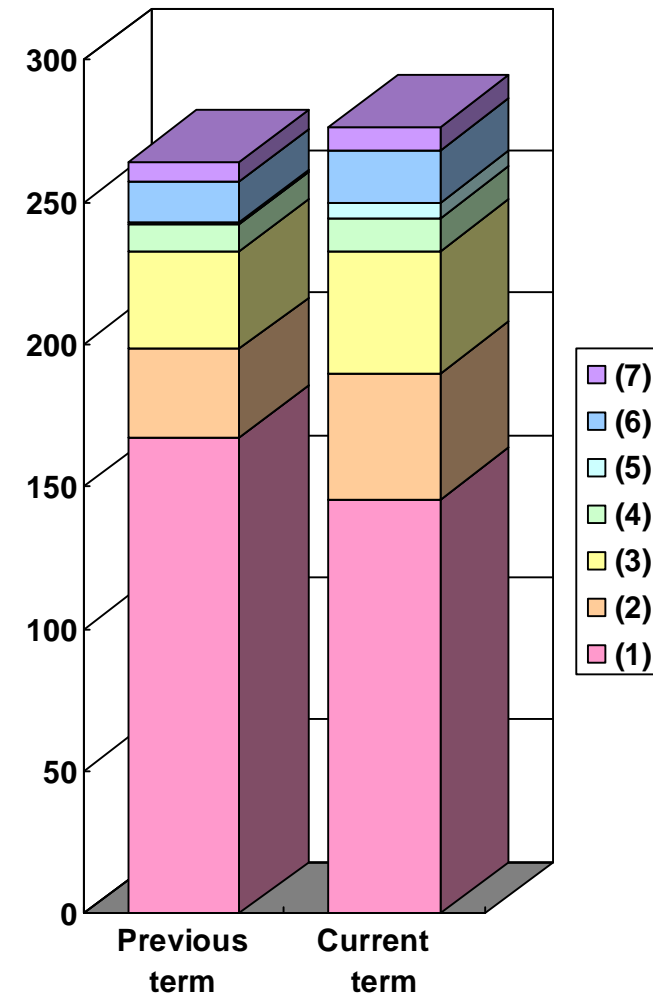
- Sales increased by 1.9 billion yen due to increased royalty revenues from the online distribution service in the NC segment and artist-related revenue, including CM guarantees, contributing to a 1.1 billion yen increase in profit.
- However, SG&A expenses including personnel, sales promotion and advertising costs, increased by 1.1 billion yen, which contributed to a decrease in profit. Consequently, operating income remained unchanged year-on-year.

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3rd quarter CC segment Breakdown of music-related sales



Music-related	Previous term	Current term	Change
Package (1)	167	145	-21
Online distribution (2)	30	44	+13
Copyright royalty (3)	34	42	+8
Other royalties (4)	9	11	+2
Royalty revenue	242	244	+2
Package sales (5)	0	5	+4
Artist-related (6)	14	18	+4
Production and others (7)	7	8	+0
Total sales	264	276	+12

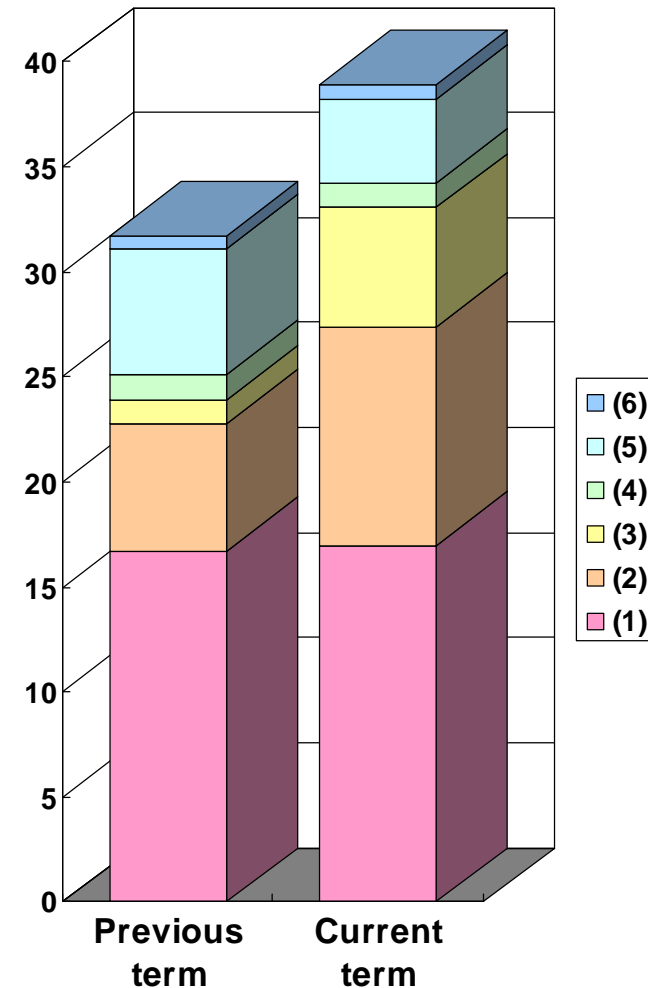


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3rd quarter CC segment Breakdown of video-related sales



Video-related	Previous term	Current term	Change
Animation packages (1)	16	17	+0
Movies and other packages (2)	6	10	+4
Multi-use (3)	1	5	+4
Royalty revenue	23	33	+9
Distribution revenue (4)	1	1	-0
Package sales (5)	6	3	-2
Others (6)	0	0	+0
Total sales	31	38	+7



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(Amounts of less than 100 million yen are truncated.)

3rd quarter CC segment Comparative income statement



3Q cumulative	Previous term	Current term	Change	Percentage change
Sales	296	315	+19	+6.6%
Cost of sales	145	153	+7	+5.5%
Gross profit	150	162	+11	+7.7%
Gross profit margin	50.9%	51.4%	+0.5%	-
Personnel costs	22	26	+4	+20.5%
Sales promotion and advertising expenses	60	57	-2	-4.6%
General expenses	18	23	+5	+27.1%
GMF	28	32	+4	+16.4%
Total SG&A expenses	129	140	+11	+8.9%
Operating income	21	21	+0	+0.5%
Operating income margin	7.3%	6.9%	-0.4%	-

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(Amounts of less than 100 million yen are truncated.)

[Reference]

CC segment plus PC segment



⇒ Music-related plus video-related

	Music-related		
	Previous term	Current term	Change
Sales	407	436	+29
Cost of sales	208	229	+21
Gross profit	198	207	+8
Gross profit margin	48.8%	47.4%	-1.3%
Personnel costs	28	33	+4
Sales promotion and advertising expenses	62	56	-6
General expenses	33	35	+2
GMF	38	41	+3
Total SG&A expenses	162	166	+3
Operating income	36	40	+4
Operating income margin	8.8%	9.3%	+0.5%

	Video-related		
	Previous term	Current term	Change
Sales	45	59	+13
Cost of sales	33	49	+16
Gross profit	11	9	-2
Gross profit margin	26.0%	15.8%	-10.2%
Personnel costs	5	6	+1
Sales promotion and advertising expenses	9	12	+2
General expenses	3	4	+1
GMF	4	5	+0
Total SG&A expenses	22	28	+6
Operating income	-10	-19	-9
Operating income margin	-23.2%	-33.0%	-9.8%

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(Amounts of less than 100 million yen are truncated.)

Main Works and Topics



3rd quarter of financial year ending
March 2007

Main contributors to sales in each music business-1



■ Main CD singles

- Kumi Koda, “4 hot wave (I’ll be there /Ningyo-hime/JUICY/With your smile)” 489,000 copies
- Kumi Koda, “Yume no Uta/Futari de ...” 419,000 copies
- Kumi Koda, “Koi no tsubomi” 389,000 copies

■ Main CD albums

- Kumi Koda, “Black Cherry” 1,460,000 copies
- Ayumi Hamasaki, “Secret” 804,000 copies
- MEGARYU, “Garyusenpu” 292,000 copies

■ Main music DVDs

- Kumi Koda, “LIVE TOUR 2005 –first things–deluxe edition” 141,000 copies
- Ai Otsuka, “LOVE COOK Tour 2006” 130,000 copies

■ Main video DVDs

- “Tokyo Friends The Movie Standard Edition” 103,000 copies
- “Amazing Nuts!” 33,000 copies
- “RIZE” 33,000 copies

■ Main contracted-out products

- HY “Confidence” 573,000 copies
- Aoi Teshima, “Teru no Uta” 277,000 copies

■ Artists who debuted during the period from April 2006 to December 2006

- 2BACKKA
- Blog 27
- EVANS BLUE
- FATMAN SCOOP
- kaede
- Rock-senti
- Ossan
- Saiyumeimei
- Ataru Nakamura

All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

Main contributors to sales in each music business-2



■ Main works distributed by the online distribution service

- *Chaku-uta*
 - Kumi Koda, “Koi no tsubomi” 2,530,000 downloads
 - Kumi Koda, “Yume no Uta” 1,350,000 downloads
 - Ai Otsuka, “Yumekui” 1,190,000 downloads
 - Ayumi Hamasaki, “BLUE BIRD” 1,030,000 downloads
 - EXILE & Kumi Koda, “WON’T BE LONG” 1,020,000 downloads

- *Chaku-uta Full*
 - Kumi Koda, “Koi no tsubomi” 520,000 downloads
 - Ai Otsuka, “Frienger” 480,000 downloads
 - Kumi Koda, “Yume no Uta” 320,000 downloads

- *Chaku-movie*
 - Kumi Koda, “Koi no tsubomi” 110,000 downloads
 - Kumi Koda, “Yume no Uta” 100,000 downloads

■ Main concert tours

- a-nation
 - 7 performances at 5 locations for a total of 190,000 people
- Ayumi Hamasaki
 - 18 performances at 10 locations for a total of 130,000 people

■ Movies distributed by AVEX

- Breakfast on Pluto
- Nine Lives
- The Descent
- Stoned
- Tokyo Friends The Movie
- Oyayubi sagashi
- Kusuriyubi no hyohon
- She Hates Me
- Block Party
- My Date with Drew

All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

Full-year Forecast of Consolidated Financial Results



3rd quarter of financial year ending
March 2007

Full-year forecast

Digest of consolidated financial results



No modification was made to the forecast released at the time financial results were announced for the six month period ended Sept. 30, 2006.

While sales are expected to reach 102.7 billion yen (+12.9 billion yen year-on-year), current net income is expected to be 3.7 billion yen (a decrease of 700 million yen year-on-year) due to an increase in loss on investments by the equity method and so on.

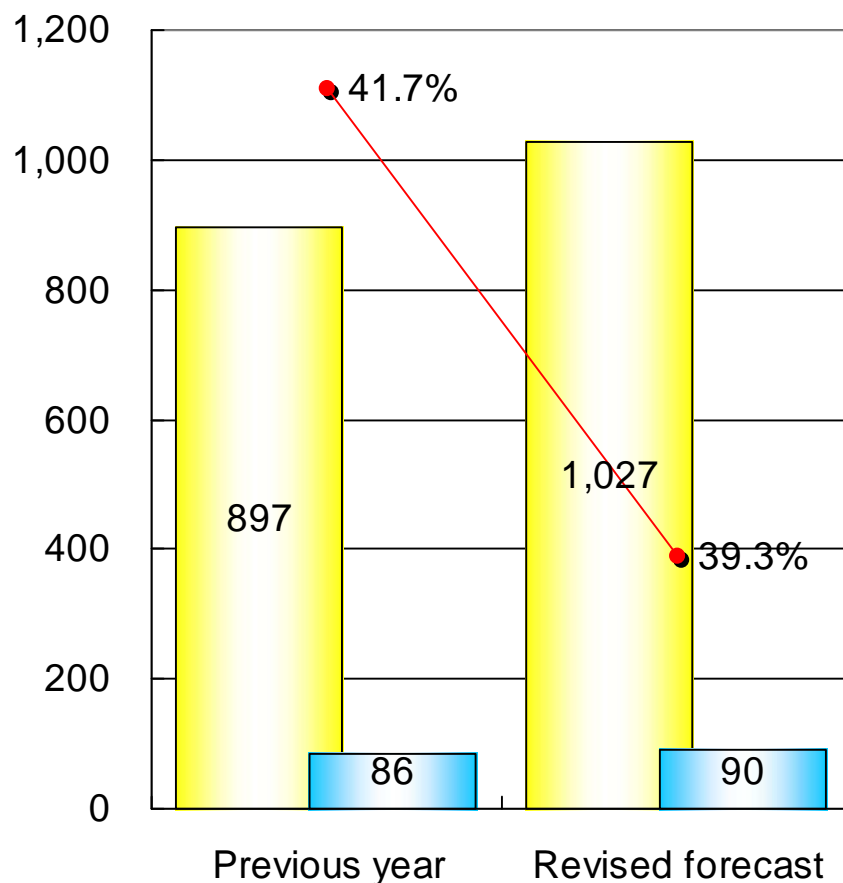
Full year	Previous term actual	Revised forecast	Change
Sales	897	1,027	+129
Operating income	86	90	+3
Operating income margin	9.6%	8.8%	-0.8%
Ordinary income	90	84	-6
Net income	44	37	-7

All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

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Full-year forecast

Summary of consolidated financial results



No modification was made to the forecast released at the time financial results were announced for the six month period ended Sept. 30, 2006.

- Due to the effect of a sales increase of 12.9 billion yen, profit increased by 5.1 billion yen. However, as a result of a 2.4% rise in cost rate, profit decreased by 2.1 billion yen, which led to an increase of 3 billion yen in profit.
- In SG&A expenses, there was a decrease factor totaling 2.6 billion yen due to an increase in employees and sales promotion expenses. This was caused by the enhancement of new businesses, such as the music distribution business and the visual content business.
- Operating income is expected to increase by 14.4% year-on-year to 9 billion yen (an increase of 0.4 billion yen).

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Full-year forecast

Summary of components of our consolidated segments



	Full-year forecast		Previous term			
	Sales	Operating Profit	Sales	Operating Profit	Sales Variance	O.P. Variance
CC	510	55	474	60	+35	-5
PC	619	14	581	11	+37	+2
NC	224	12	163	10	+60	+1
LC	86	4	66	1	+19	+2
Others	33	3	23	-0	+9	+3
Total	1,472	88	1,309	84	-	-
Elimination and corporate	-445	2	-411	1	-	-
Consolidated	1,027	90	897	86	+129	+3

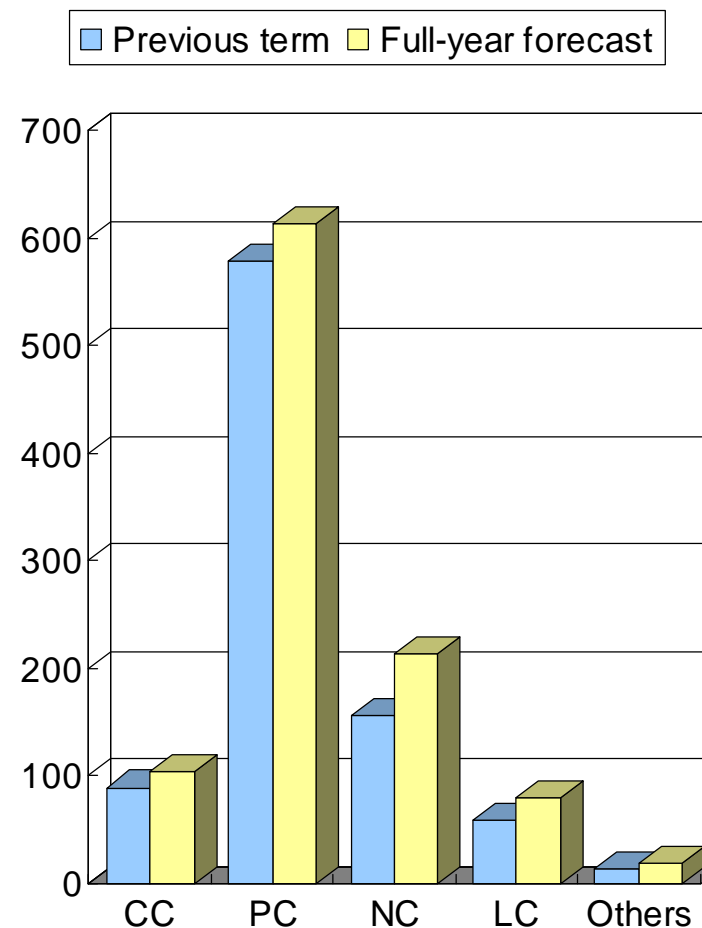
All figures, if not otherwise indicated, are expressed in units of 100 million yen.
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Full-year forecast

Sales to customers outside the group by business segment

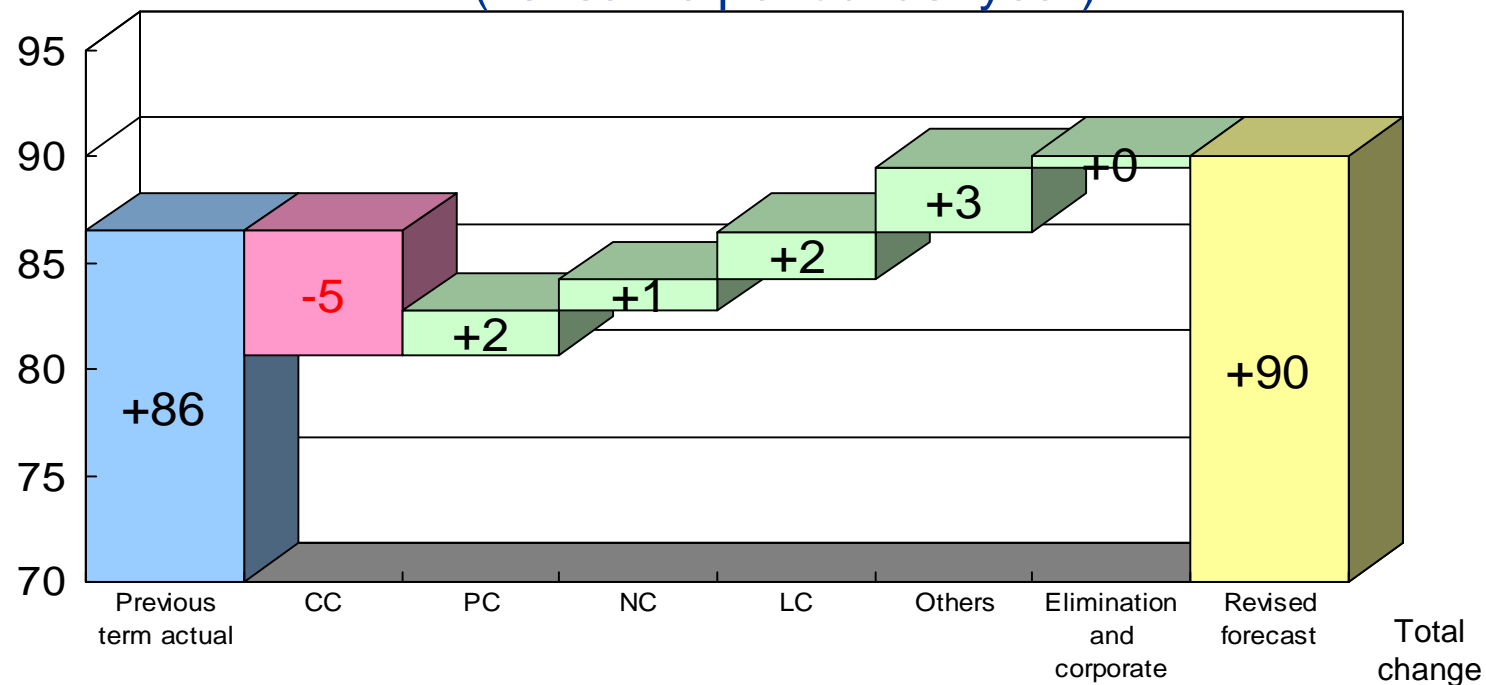
	Sales to customers outside the group		
	Full-year forecast	Previous term	Change
CC	103	89	+13
PC	614	579	+34
NC	213	156	+56
LC	79	58	+20
Others	18	14	+3
Total	1,027	897	+129



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Full-year forecast

Increase/decrease factors of consolidated operating income (vs. same period last year)



Effect of changes in sales		+18	+6	+18	+2	+5			+51
Effect of changes in cost rates		+0	-4	+0	+0	-4	-12		-21
Effect of changes in SG&A expenses		-24	+0	-17	-0	+2	+13		-26
Total	+86	-5	+2	+1	+2	+3	+0	+90	+3

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Full-year forecast

Consolidated comparative income statement



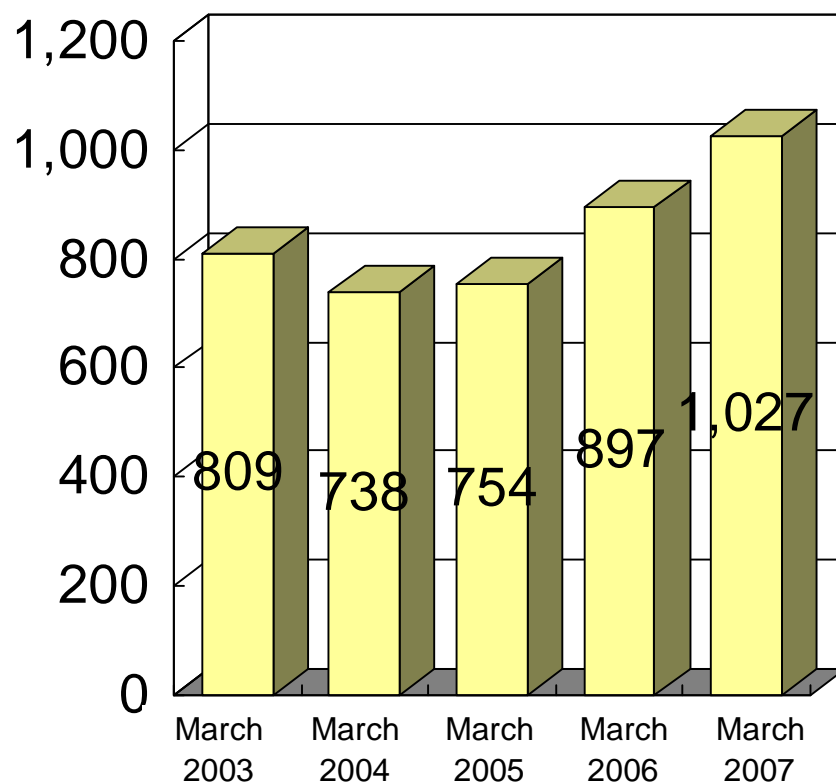
Full year	Previous term actual	Full-year forecast	Change	Percentage change
Sales	897	1,027	+129	+14.4%
Cost of sales	523	623	+99	+19.0%
Gross profit	374	404	+29	+8.0%
Gross profit margin	41.7%	39.3%	-2.4%	-
Personnel costs	89	95	+5	+6.4%
Sales promotion and advertising expenses	109	130	+20	+18.3%
General expenses	88	89	+0	+0.6%
Total SG&A expenses	287	314	+26	+9.1%
Operating income	86	90	+3	+4.0%
Operating income margin	9.6%	8.8%	-0.8%	-

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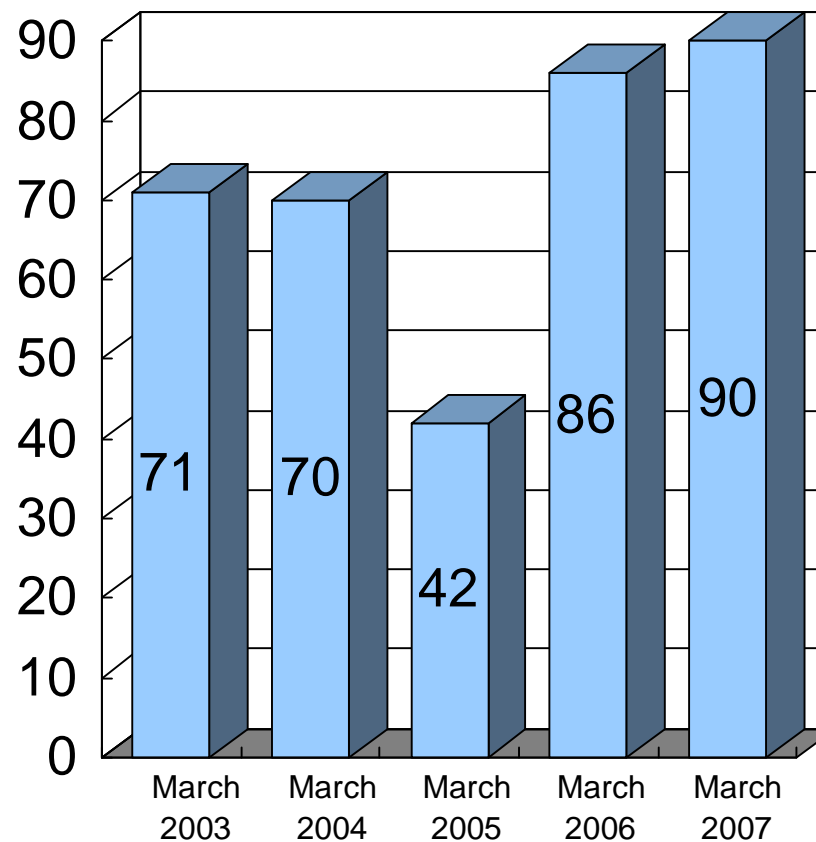
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Consolidated sales



Consolidated operating income

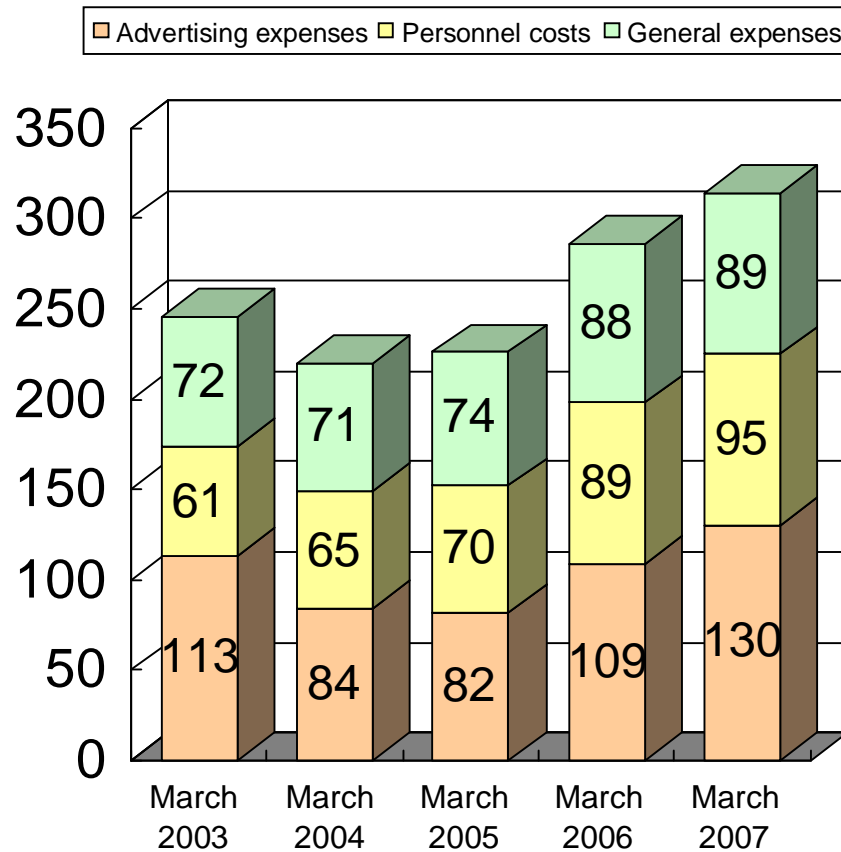


All figures, if not otherwise indicated, are expressed in units of 100 million yen.
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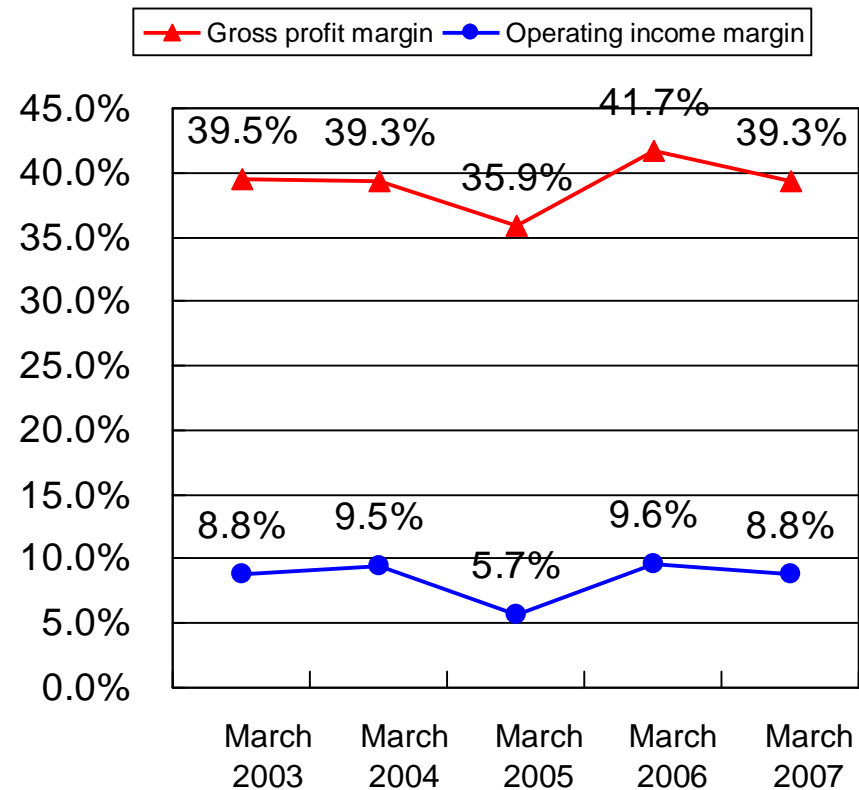
Full-year forecast Consolidated results-2



Selling, general & administrative expenses



Profit margins



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4th quarter plan New releases in each music business



■ Main CD album releases

- Release in January BoA "MADE IN TWENTY(20)"
- Release in February Ayumi Hamasaki "A BEST 2 -BLACK-"
- Release in February Ayumi Hamasaki "A BEST 2 -WHITE-"
- Release in March EXILE "EXILE EVOLUTION"
- Release in March Ai Otsuka "I am BEST"
- Release in March Kumi Koda "BEST -BOUNCE & LOVERS-"
- Release in March m-flo "COSMICOLOR"

■ Main CD single releases

- Release in January EXILE "Lovers Again"
- Release in January Namie Amuro "Baby Don't Cry"
- Release in January V6 "Honey Beat/
Boku to Bokura no Ashita"
- Release in February EXILE "Michi"
- Release in February Ai Otsuka "CHU-LIP"
- Release in March Kumi Koda "BUT/Aisho"
- Release in March Toho Shinki "Choosey Lover"

■ Main music DVD releases

- Release in January Ai Otsuka "[LOVE IS BORN]-
3rd Anniversary 2006—at Hibiya-Yagai Ongaku-
Do on 9th of September 2006"—
- Release in March Kumi Koda "KODA KUMI LIVE TOUR
2006-2007-Second Session-(tentative)"

■ Main contracted-out products

- Release in February Aoi Teshima "Haru no Kashu"
- Release in February SATOMI' "Diamondlily"
- Release in March HY "HY 2006 KUMAKARA"
AMAЕ TOUR_J

■ Main video DVD releases

- Release in January "Oyayubi Sagashi"
- Release in March "Tada, Kimi wo Aishiteru"
- Release in March "Initial D Fourth Stage DVD BOX"

■ Main movies to be distributed

- On screen in January "Shooting Dogs"
- On screen in February "Sakebi"*
- On screen in March "The Blue Wolf, To the Ends of
the Earth and Sea"*

* Sales will be booked in the next fiscal term.

■ Main concert tours

- Held from January to February:
Kumi Koda 22 performances at 19 locations
- Held in March:
Ayumi Hamasaki 3 performances at 2 locations

Industry Environment Statistical Data



3rd quarter of financial year ending
March 2007

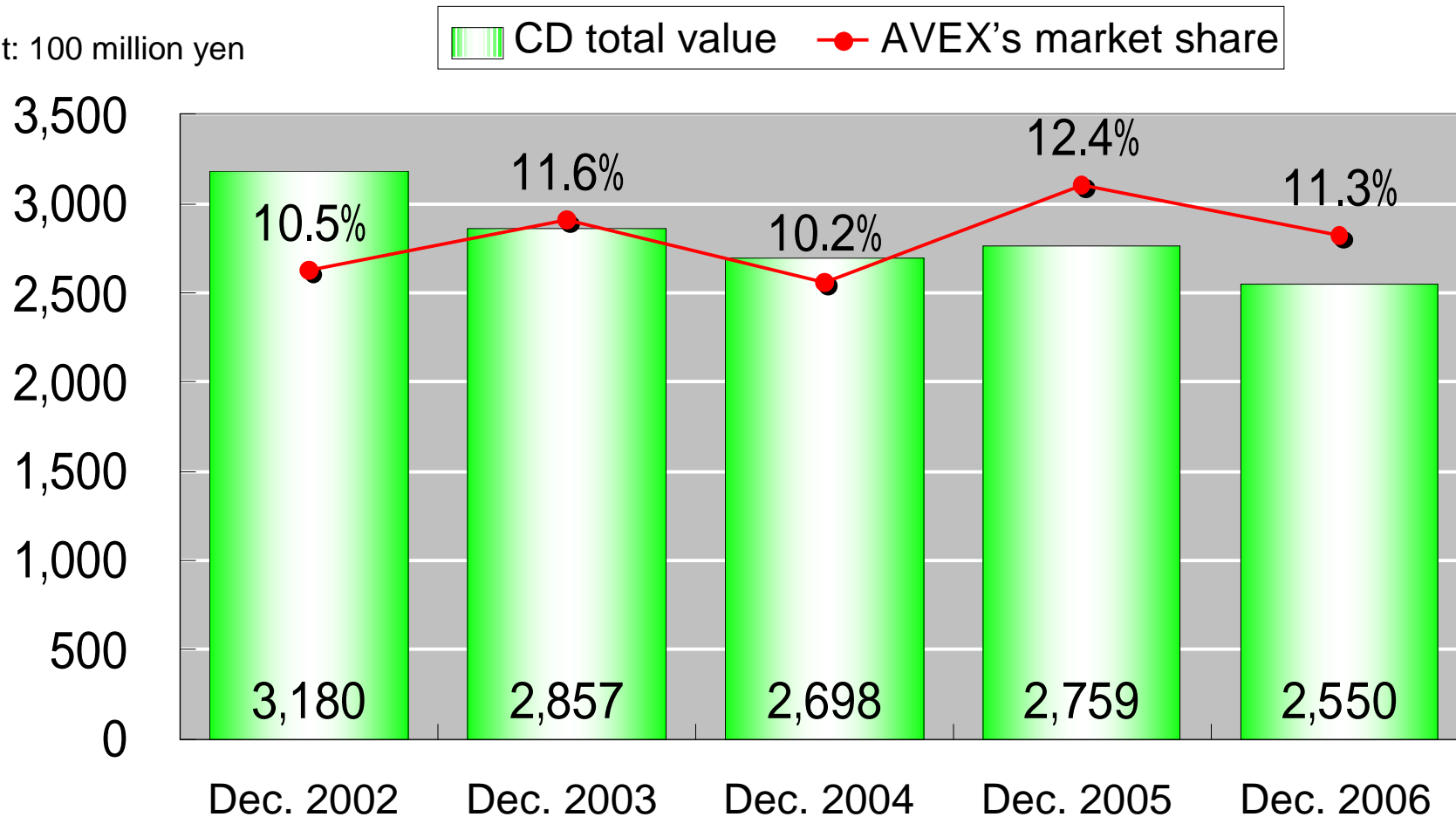
- The following statistical data was obtained by totaling the figures disclosed monthly by each organization.

Statistical data published by the Recording Industry Association of Japan (RIAJ): Music record output



CD Total (value): Cumulative total from April to December for each fiscal year

Unit: 100 million yen



All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

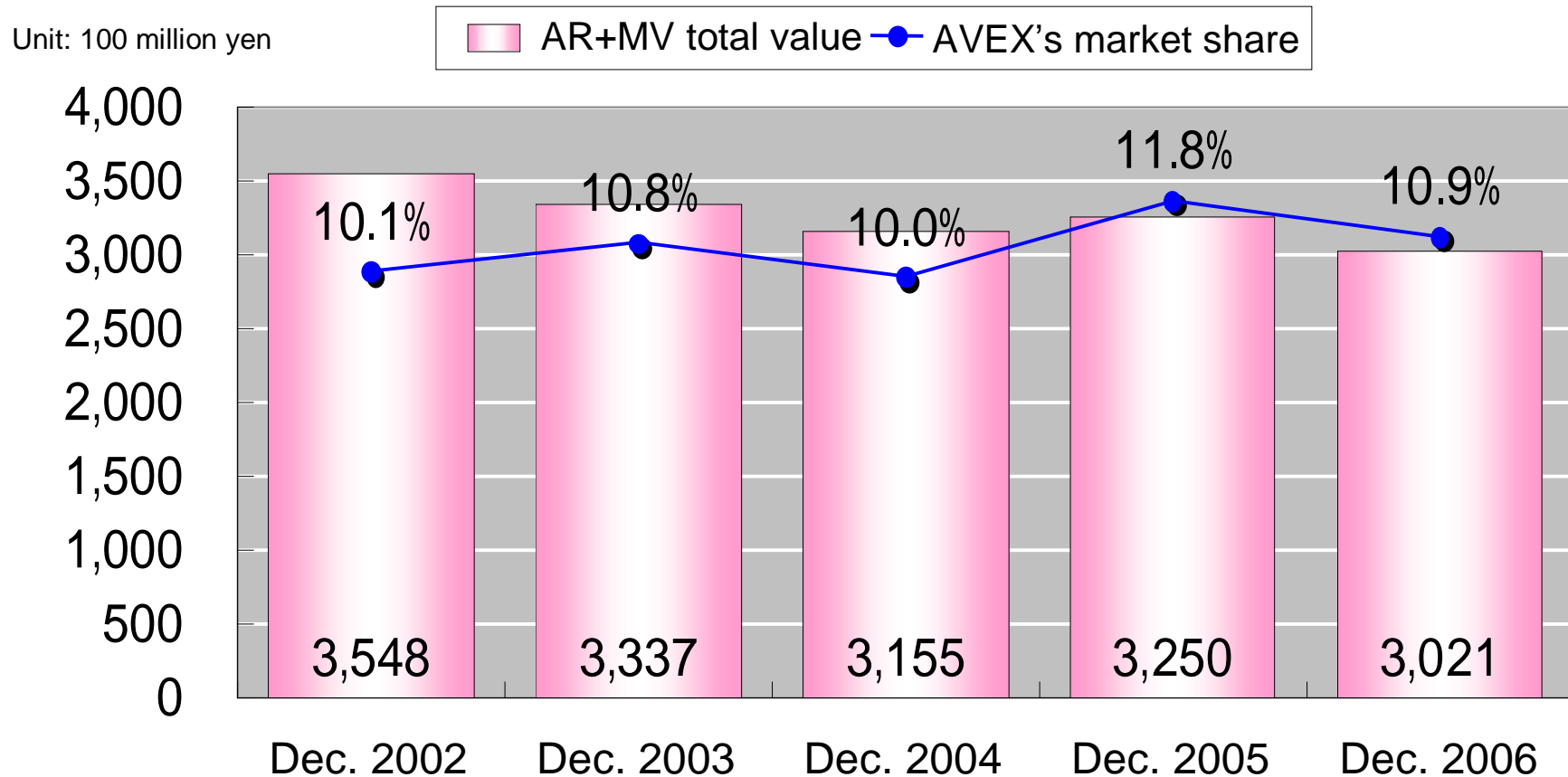
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Statistical data published by RIAJ: Music record output



Audio record plus music video (value):

Cumulative total from April to December for each fiscal year



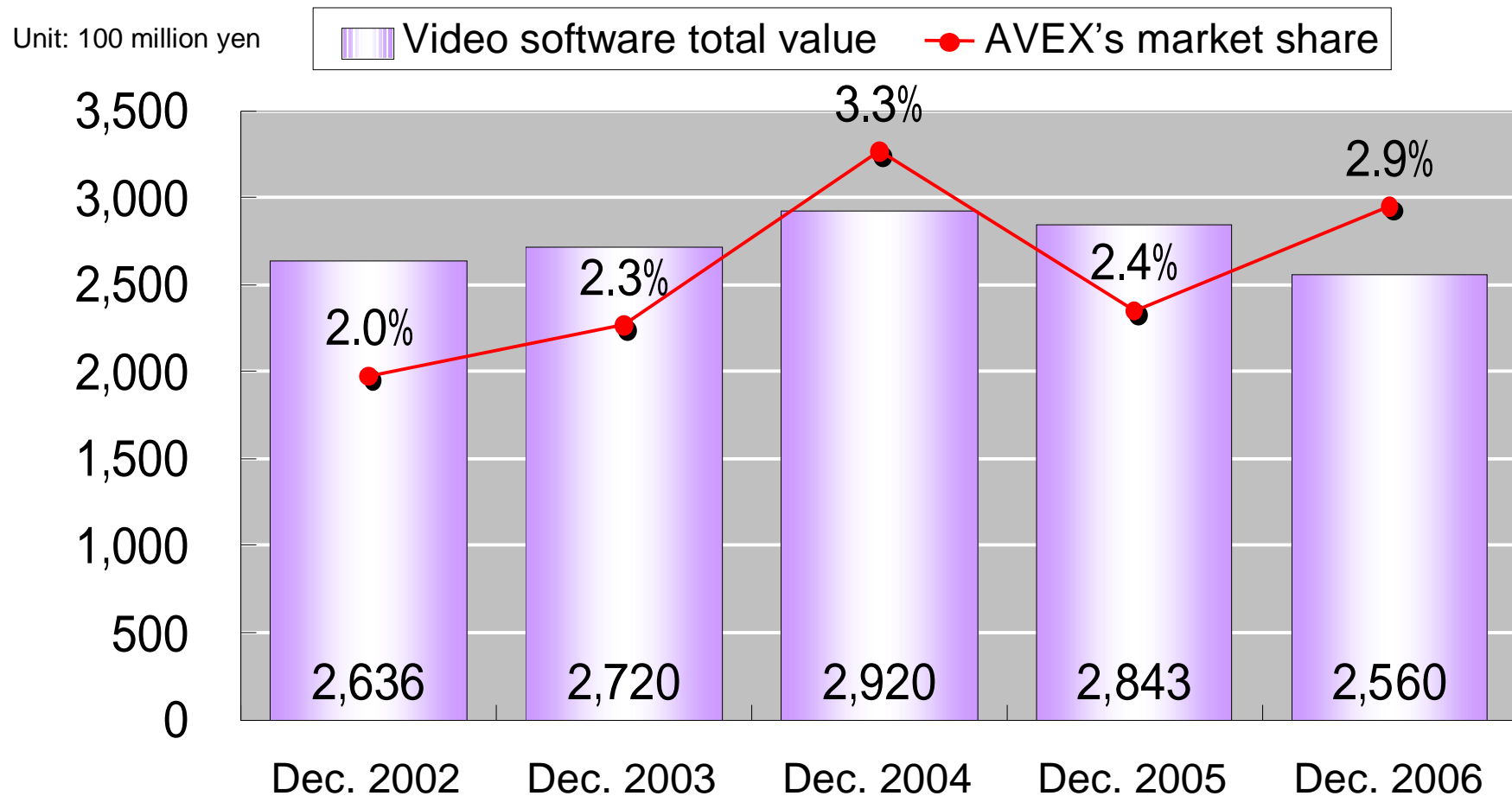
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Statistical data published by RIAJ: Music record output



Video software total (value): Cumulative total from April to December for each fiscal year



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(Amounts of less than 100 million yen are truncated.)

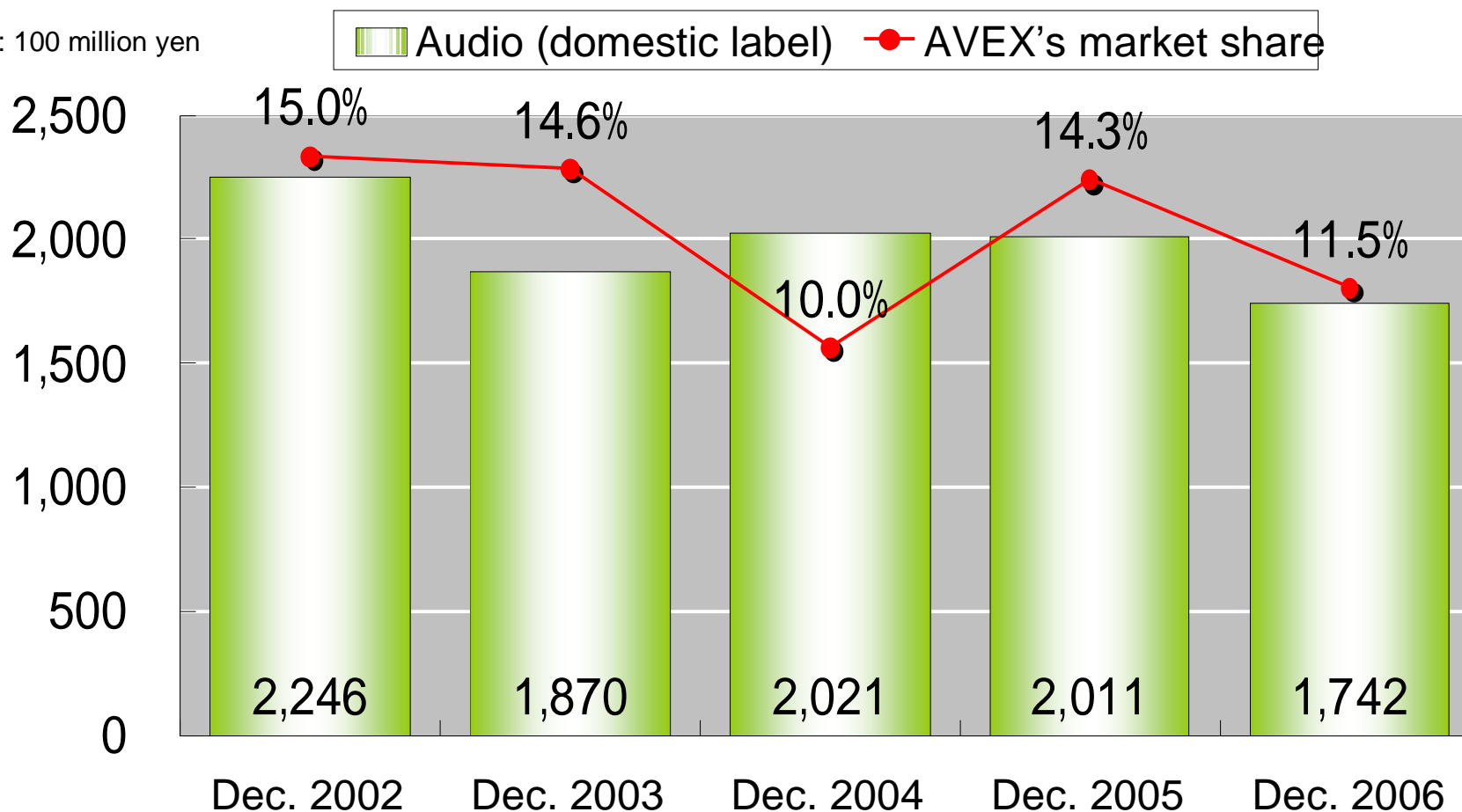
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Statistical data published by Oricon: Sales by music production company



Audio [domestic label]: Cumulative total from April to December for each fiscal year

Unit: 100 million yen



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(Amounts of less than 100 million yen are truncated.)

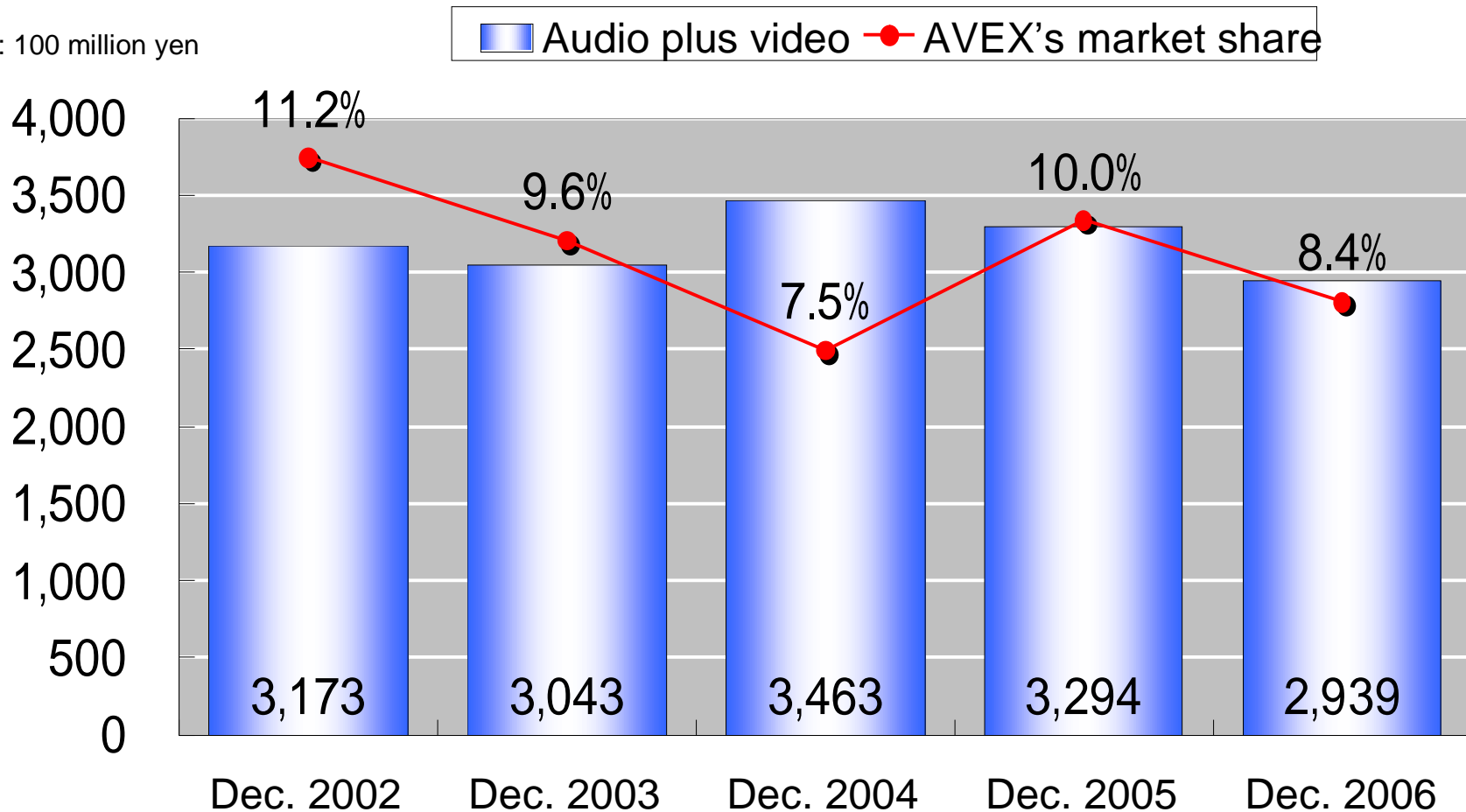
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Statistical data published by Oricon: Sales by music production company



Audio plus video: Cumulative total from April to December for each fiscal year

Unit: 100 million yen



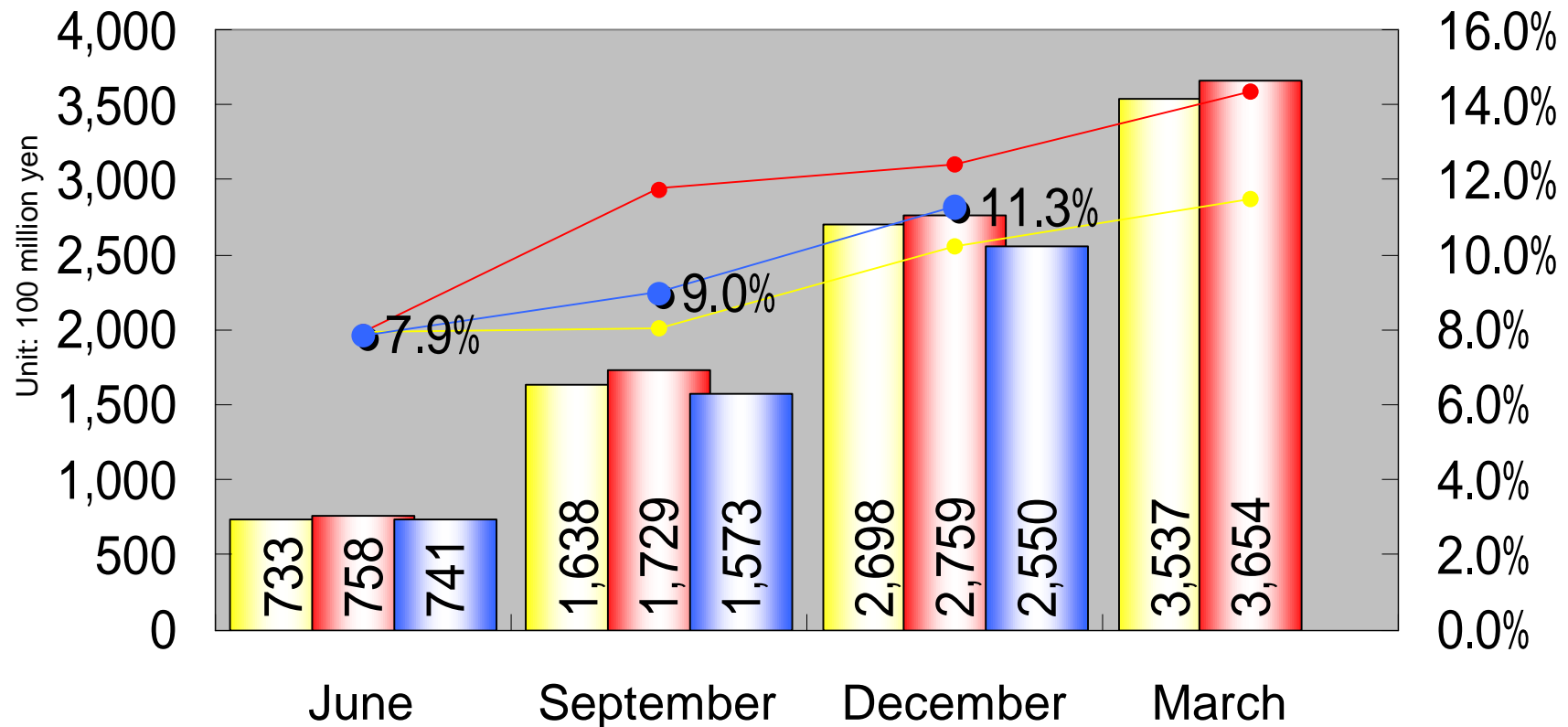
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Statistical data published by RIAJ: Music record output



CD total (value): Cumulative total by year

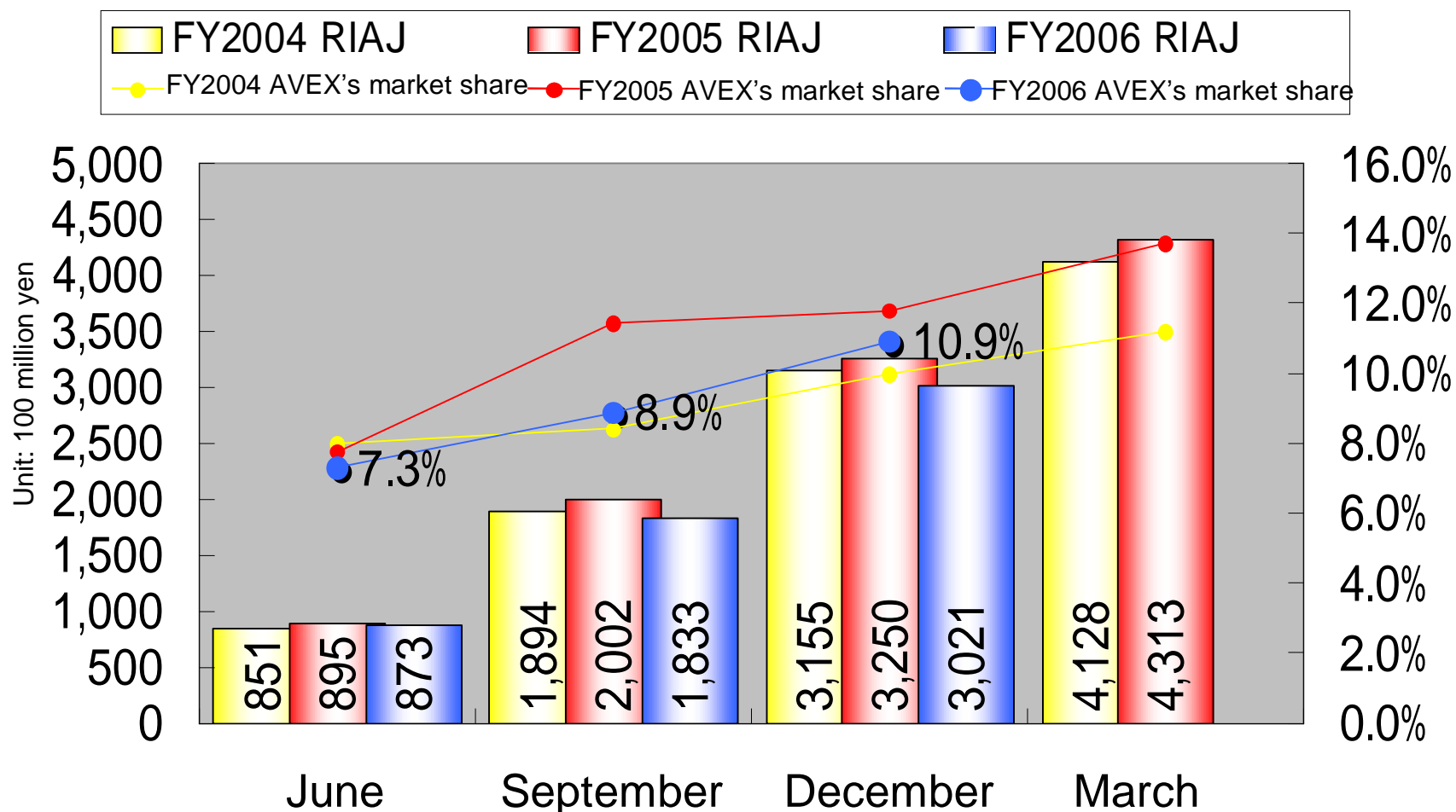


All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

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Statistical data published by RIAJ: Music record output

Audio plus video(Value): Cumulative total for the last 12 months

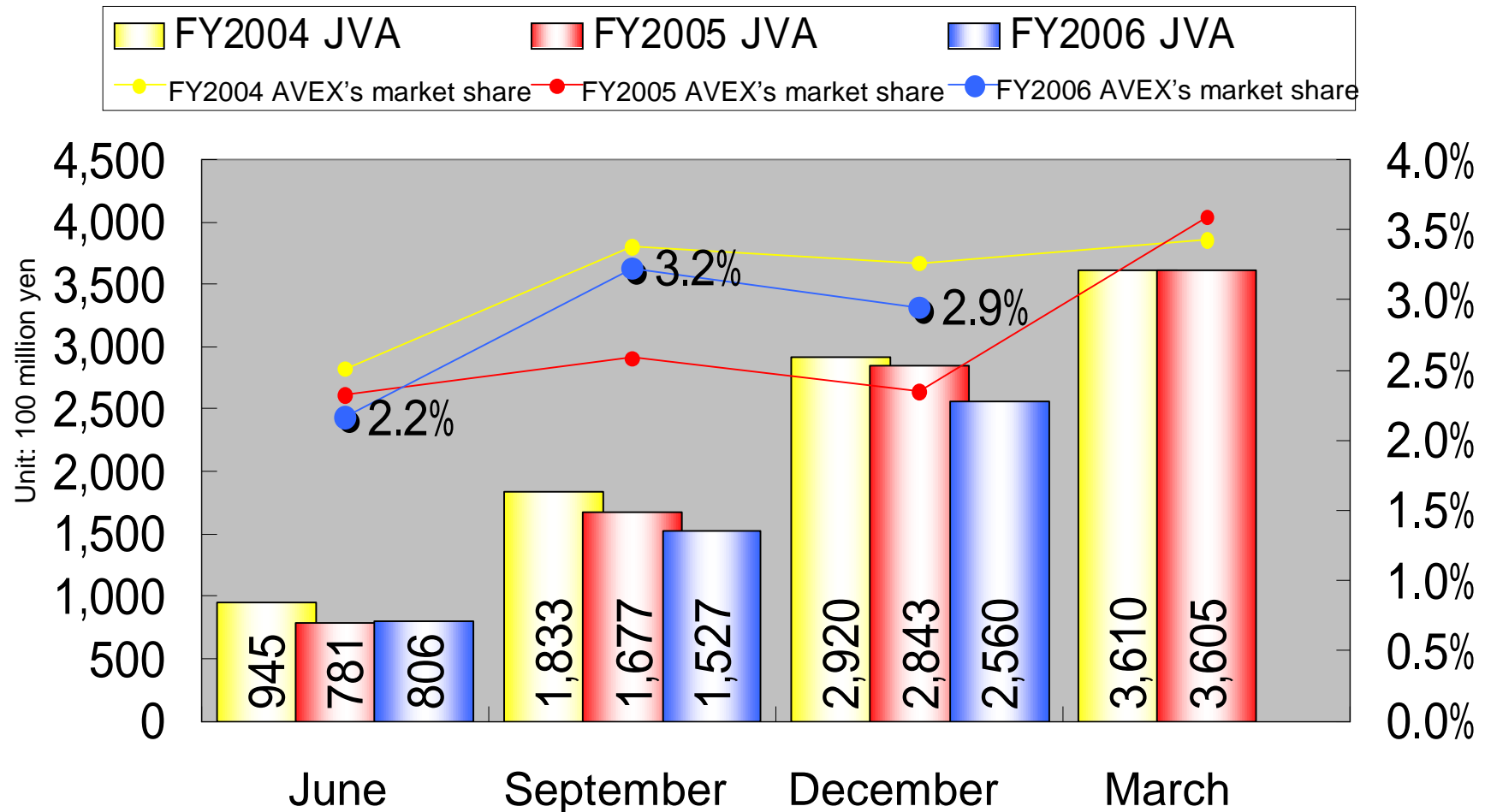


All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

Statistical data published by JVA: Preliminary video software sales



Video software total (value): Cumulative total by year



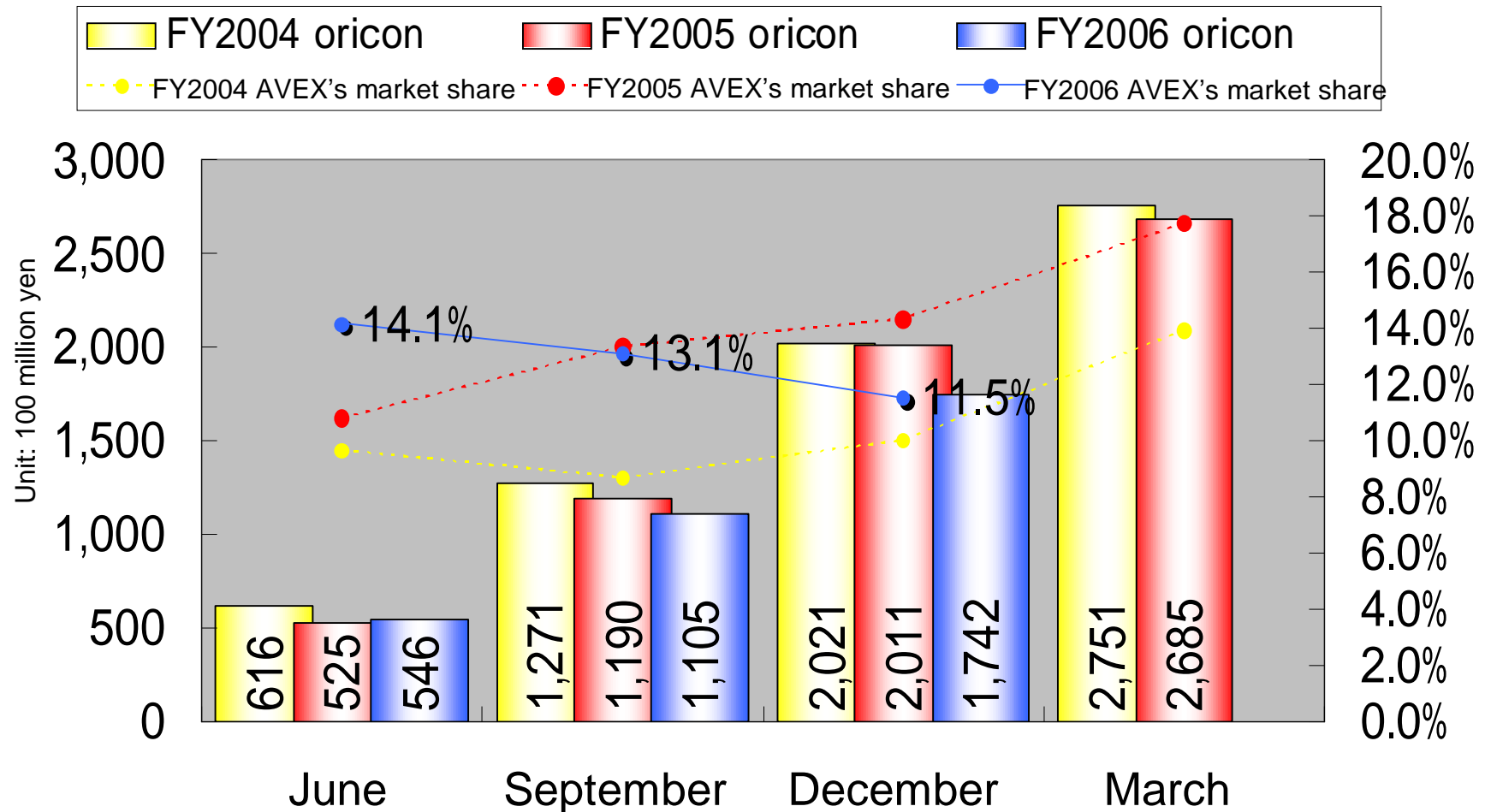
All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

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Statistical data published by Oricon: Sales by music production company



Audio [domestic label]: Cumulative total by year



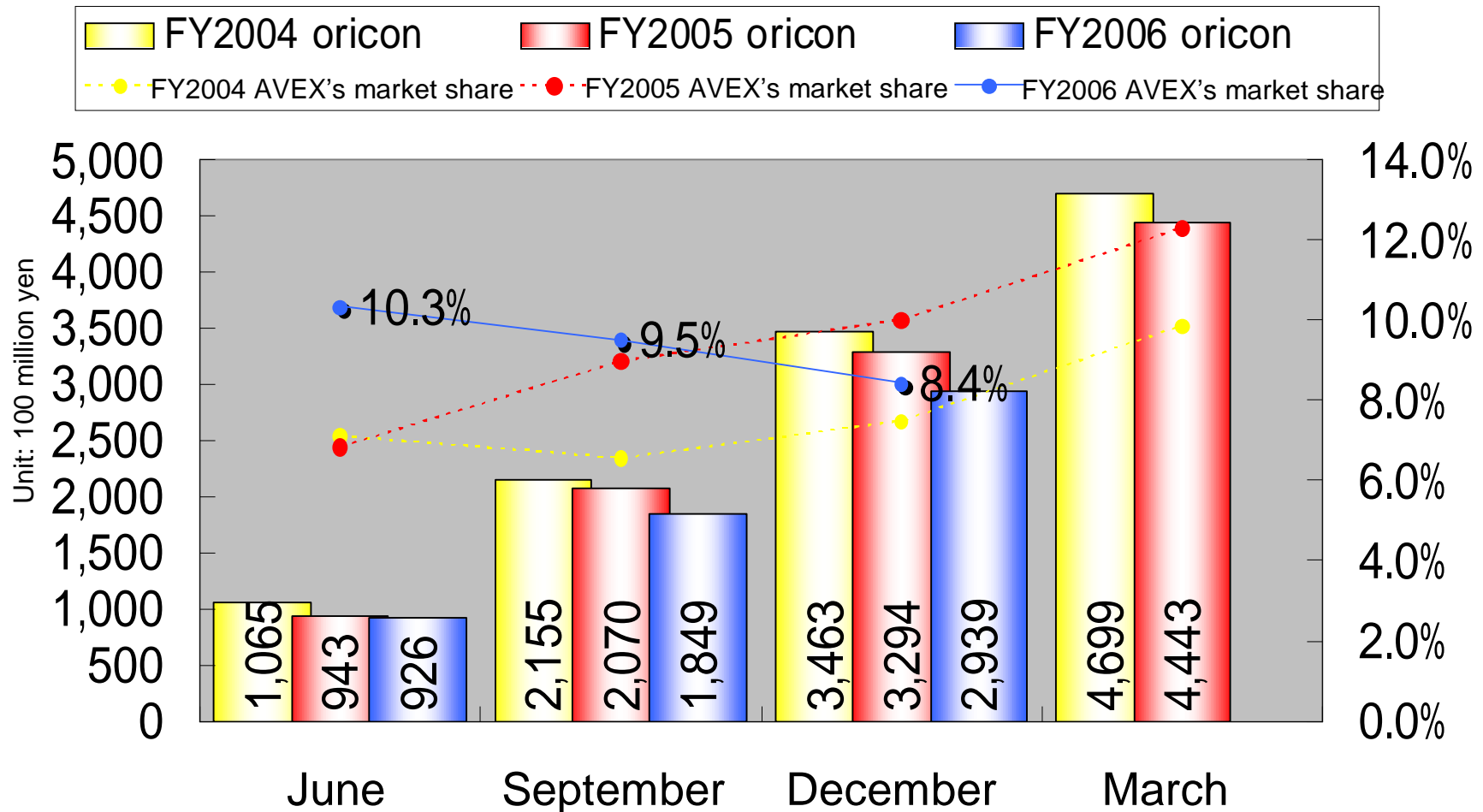
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Statistical data published by Oricon: Sales by music production company



Audio plus video: Cumulative total by year



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