

AVEX GROUP HOLDINGS INC.

Highlights of Consolidated Financial Results



3rd quarter of financial year ending
March 2006

* Forecast figures are taken from the forecast made at the time of the 2nd quarter results announcement on Nov 18.

3rd quarter

Digest of consolidated financial results



AVEX achieved record 9 month sales.

Sales increased 13% year-on-year (+6.9 billion yen)

Particularly, sales in the PC business increased 6% year-on-year (+2.2 billion yen)

Sales in the NC business increased 66% year-on-year (+4.5 billion yen)

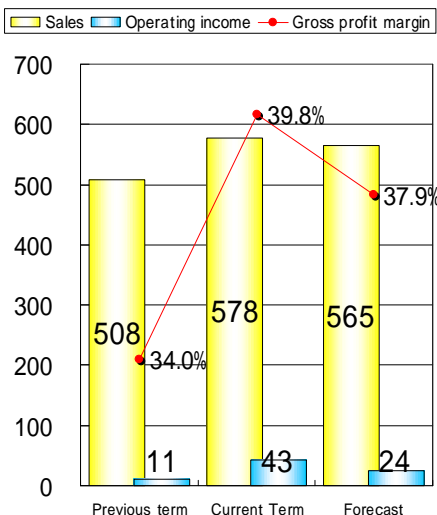
	Previous term	Current term	Change	Forecast	Variance
Sales	508	578	+69	565	+13
Operating income	11	43	+31	24	+19
Operating income margin	2.3%	7.4%	+5.1%	4.2%	+3.2%
Ordinary income	12	45	+33	26	+19
Net income	-5	24	+30	12	+12

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

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results

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3rd quarter Summary of consolidated financial results



- Sales increased by 6.9 billion yen due to strong package sales and proceeds from the online distribution service, which contributed to an increase of 3.6 billion yen in profit. Cost rate also improved by 5.8% due to lower fixed cost rate, which contributed to an increase of 1.5 billion yen in profit.
- On the other hand, SG&A expenses increased due to increased sales promotion and advertising expenses, personnel cost in music distribution and visual content business, which contributed to a decrease of 2.5 billion yen in profit.
- Due to the above two factors, operating income increased by 3.1 billion 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.)

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results

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3rd quarter Summary of components of consolidated segments



	Current term		Previous term				Forecast			
	Sales	O.P.	Sales	O.P.	Change in sales	Change in O.P.	Sales	O.P.	Change in sales	Change in O.P.
CC	296	21	252	-1	+43	+22	287	9	+9	+12
PC	349	3	327	4	+22	-0	339	3	+10	+0
NC	112	10	67	6	+45	+3	112	6	+0	+4
LC	56	2	53	1	+2	+1	53	2	+3	+0
Other	16	1	20	-0	-3	+1	16	0	+0	+1
Total	831	39	720	10	-	-	810	23	-	-
Elimination	-252	3	-212	1	-	-	-245	0	-	-
Consolidated	578	43	508	11	+69	+31	565	24	+13	+19

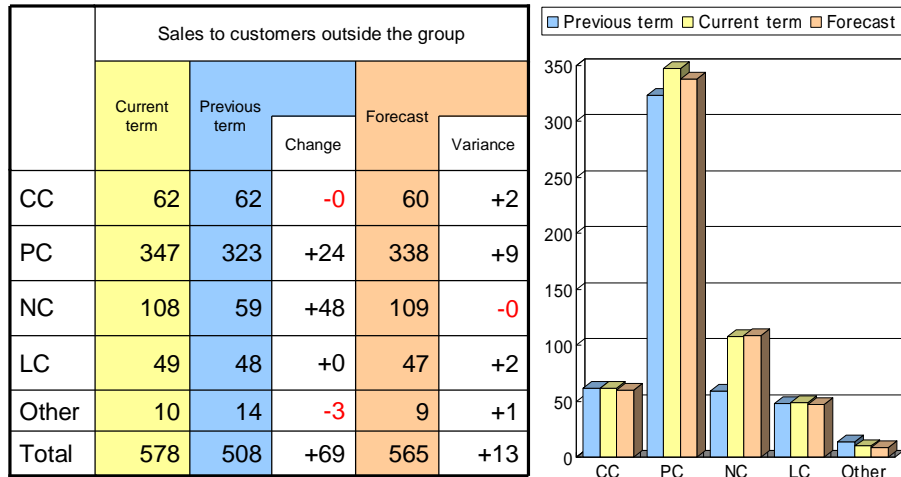
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Third Quarter Financial Results

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Sales to customers outside the group by business segment



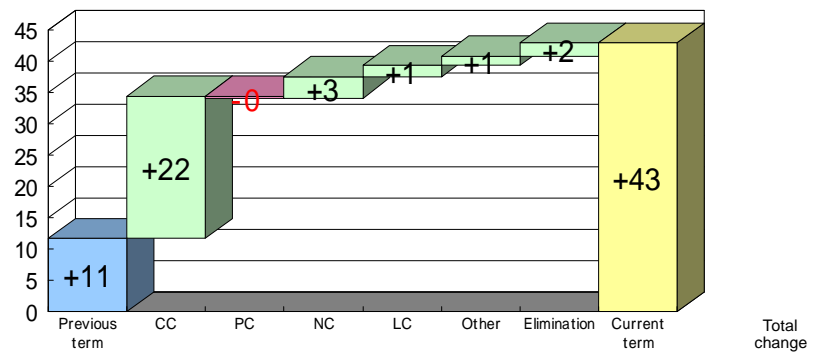
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AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results

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



Effect of changes in sales		+19	+3	+14	+0	-1		+36
Effect of changes in cost rates		+18	-1	-0	+2	+2	-0	+20
Effect of changes in SG&A expenses		-15	-2	-10	-1	+0	+2	-25
Total	+11	+22	-0	+3	+1	+1	+2	+43

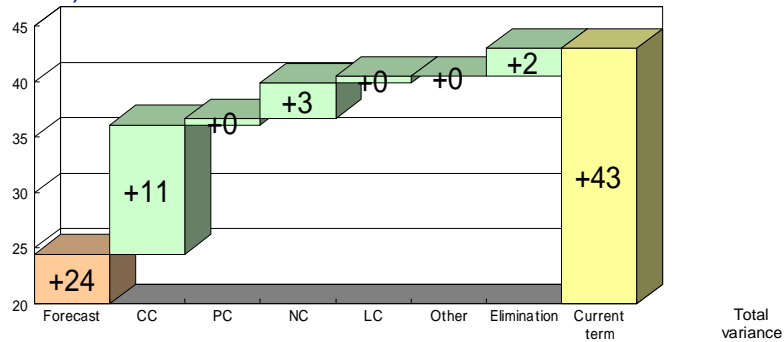
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Variance factors of consolidated operating income (vs. forecast)



Effect of variances in sales		+4	+1	+0	+0	+0			+7
Effect of variances in cost rates		+8	+0	+1	+1	-0	-2		+8
Effect of variances in SG&A expenses		-1	-1	+1	-0	-0	+4		+2
Total	+24	+11	+0	+3	+1	+0	+2	+43	+19

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AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results

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Consolidated comparative income statement



2Q cumulative	Previous term	Current term	Change	Percentage change	Forecast	Variance	Percentage change
Sales	508	578	+69	+13.8%	565	+13	+2.4%
Cost of sales	335	348	+12	+3.8%	350	-1	-0.4%
Gross profit	172	230	+57	+33.2%	214	+16	+7.5%
Gross profit margin	34.0%	39.8%	+5.8%	-	37.9%	+1.9%	-
Personnel costs	47	47	+0	+1.3%	48	-0	-0.3%
Sales promotion and advertising expenses	58	76	+17	+29.9%	73	+3	+4.2%
General expenses	55	63	+7	+14.2%	68	-4	-7.2%
Total SG&A expenses	161	187	+25	+16.1%	190	-2	-1.5%
Operating income	11	43	+31	+268.2%	24	+19	+79.2%
Operating income margin	2.3%	7.4%	+5.1%	-	4.2%	+3.2%	-

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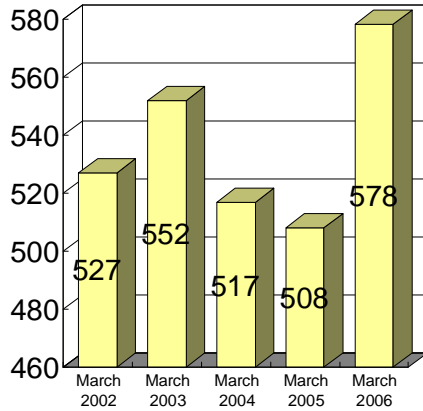
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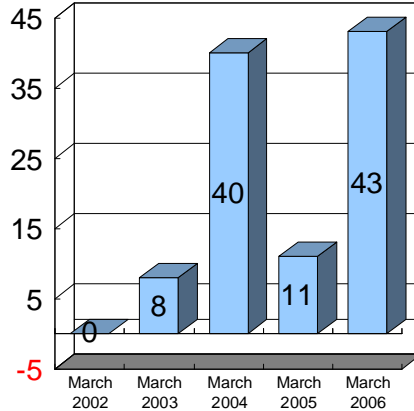
3rd quarter Consolidated results-1



Sales



Operating income



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

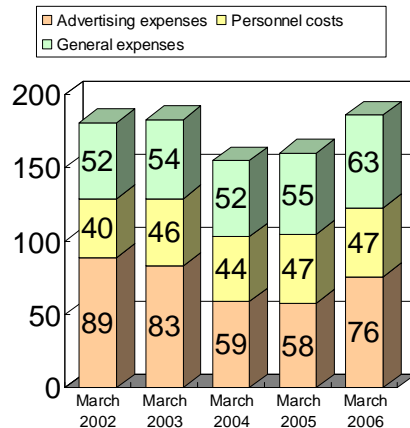
AVEX GROUP HOLDINGS INC.
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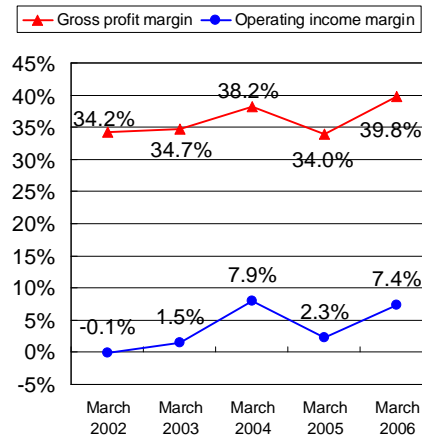
3rd quarter Consolidated results-2



SG&A expenses



Profit margins



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PC Business (Package Communication)



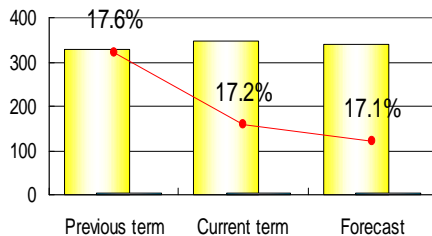
3rd quarter of financial year ending
March 2006

3rd quarter Digest of PC business



	Previous term	Current term	Change	Forecast	Variance
Sales	327	349	+22	339	+10
Operating income	4	3	-0	3	+0
Operating income margin	1.3%	1.1%	-0.2%	0.9%	+0.2%

■ Sales ■ Operating income ● Gross profit margin



- Packaged music sales including Koda's "BEST, O-ZONE's "Koi no Maiahi (Dragostea Din Tei)," and Ai Otsuka's "LOVE COOK" were high. As a result, sales increased by 2.2 billion yen, which contributed to an increase of 300 million yen in profit. On the other hand, cost rate increased by 0.5%, which contributed to a decrease of 100 million yen in profit. These developments altogether contributed to an increase of 200 million yen in profit.
- Because SG&A expenses also increased by 200 million yen, operating income remained flat.

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

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results

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PC business 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	293	222	16	139	175	22	69	46	2
Volume (thousand)	6,330	7,642	206	6,146	8,744	319	881	1,058	7
	21	34	12	44	49	14	12	23	3
Value (million yen)	11,478	14,072	349	4,287	6,436	232	2,928	2,484	21
	39	63	21	30	36	10	42	54	10
Unit price (yen)	1,813	1,841	1,689	697	736	726	3,321	2,348	3,032

Unit: million yen

Details shown in P.15 Music Label (1)

Sales of old titles	2,986	3,394	-	362	266	-	715	606	-
Total sales	14,465	17,467	-	4,650	6,703	-	3,644	3,091	-

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

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Third Quarter Financial Results

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PC business Breakdown of visual content label sales



New title	DVDs		CD albums		CD singles	
	Previous term	Current term	Previous term	Current term	Previous term	Current term
Number of titles	250	227	21	32	21	24
Volume (thousand)	807	657	236	146	187	161
	3	2	11	4	8	6
Value (million yen)	3,135	2,388	455	267	148	130
	12	10	21	8	7	5
Unit price (yen)	3,884	3,634	1,924	1,830	790	809

Unit: million yen

Details shown in P.15 Visual content label (2)

Sales of old titles	734	624	117	135	13	17
Total sales	3,869	3,012	573	403	161	148

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

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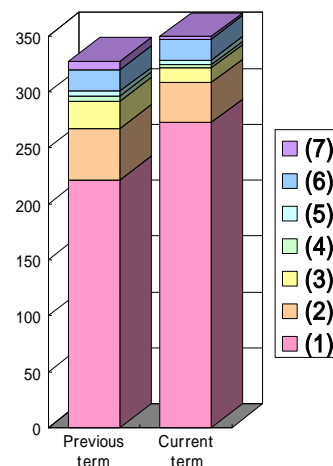
AVEX GROUP HOLDINGS INC.
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3rd quarter PC business Breakdown of sales



	Previous term	Current term	Change
Music label (1)	221	272	+50
Visual content label (2)	45	35	-10
Own label	267	308	+40
Sales on consignment (3)	23	13	-10
Sales of consignment development (4)	4	2	-2
Royalty revenue (5)	4	4	-0
Overseas sales (6)	18	18	-0
Others (7)	7	2	-5
Total sales	327	349	+22



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3rd quarter PC business Comparative income statement



2Q cumulative	Previous term	Current term	Change	Percentage change
Sales	327	349	+22	+6.8%
Cost of sales	269	289	+19	+7.4%
Gross profit	57	60	+2	+4.0%
Gross profit margin	17.6%	17.2%	-0.4%	-
Personnel costs	12	11	-1	-9.4%
Sales promotion and advertising expenses	10	12	+1	+12.4%
General expenses	17	18	+0	+5.0%
GMF	13	14	+1	+12.3%
Total SG&A expenses	53	56	+2	+4.9%
Operating income	4	3	-0	-7.3%
Operating income margin	1.3%	1.1%	-0.2%	-

Forecast	Variance	Percentage change
339	+10	+3.1%

3	+0	+31.7%
0.9%	+0.2%	-

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NC Business (Network Communication)

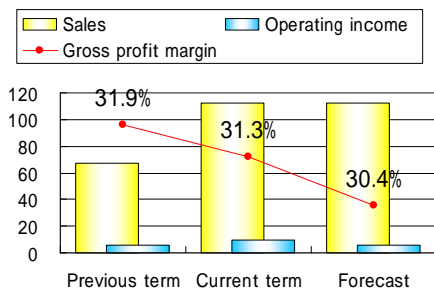


3rd quarter of financial year ending
March 2006

3rd quarter Digest of NC business



	Previous term	Current term	Change	Forecast	Variance
Sales	67	112	+45	112	+0
Operating income	6	10	+3	6	+4
Operating income margin	9.8%	8.9%	-0.9%	5.4%	+3.5%



- Downloads of music distribution service for mobile phones "Chaku-uta[®]" numbered 34.59 million (increase of 71% year-on-year), "Chaku-uta Full[™]" numbered 4.19 million, and PC music distribution numbered 1.78million (increase of 319% year-on-year). As a result, sales increased by 4.5 billion yen. Although cost rate increased 0.6%, **there was an increase of 1.4 billion yen in profit.**
- However, SG&A expenses such as personnel costs and general expenses increased by 1 billion yen, **which contributed to a decrease in profit.** As a result, operating income increased 300 million yen.

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AVEX GROUP HOLDINGS INC.
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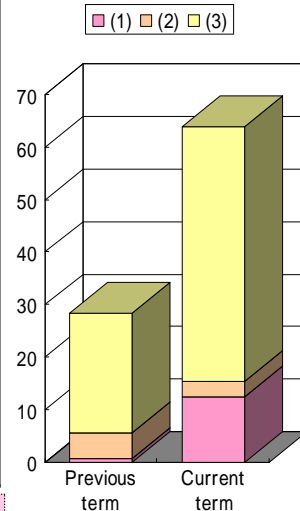
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NC business Breakdown of music distribution business



		Previous term	Current term	Change	
Total music distribution	Mobiles	Volume (thousand tunes)	235	4,199	+3,964
		Value (million yen) (1)	70	1,259	+1,189
		Unit price (yen)	301	300	-1
	Personal computers	Volume (thousand tunes)	424	1,780	+1,355
		Value (million yen) (2)	49	291	+242
		Unit price (yen)	117	164	+47
	Total		659	5,980	+5,320
	Value (million yen)		120	1,551	+1,431
	Unit price (yen)		182	259	+77
Chaku-uta	Volume (thousand tunes)	20,213	34,594	+14,381	
	Value (million yen) (3)	2,273	4,833	+2,559	
	Unit price (yen)	112	140	+27	



Details shown in P.21 **Music distribution(1)** **Chaku-uta(2)**

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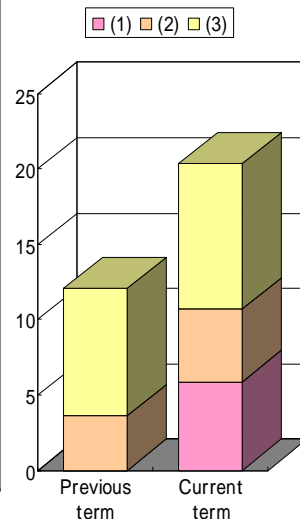
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NC business Breakdown of membership business



		Previous term	Current term	Change	
Total membership business	Mumo	Membership (thousand people)	-	436	+436
		Value (million yen) (1)	-	589	+589
		Monthly unit price (yen)	-	329	+329
	FC	Membership (thousand people)	102	191	+89
		Value (million yen) (2)	365	481	+115
		Monthly unit price (yen)	411	336	-74
	Mobiles	Membership (thousand people)	429	385	-43
		Value (million yen) (3)	845	963	+118
		Monthly unit price (yen)	230	252	+22
	Total		532	1,014	+481
	Value (million yen)		1,210	2,034	+823
	Monthly unit price (yen)		265	289	+23



Details shown in P.21 **Membership business(4)**

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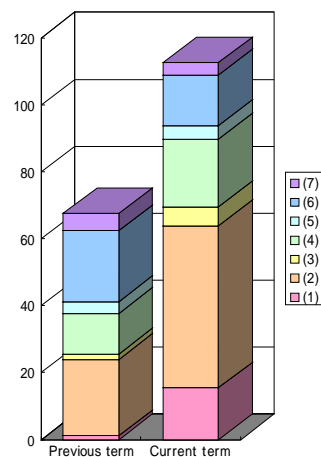
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3rd quarter NC business Breakdown of sales



	Previous term	Current term	Change
Music distribution (1)	1	15	+14
<i>Chaku-uta</i> (2)	22	48	+25
<i>Chaku-mero</i> (3)	1	5	+4
Content distribution	25	69	+43
Membership business (4)	12	20	+8
EC (5)	3	3	+0
MD (6)	21	15	-6
Others (7)	5	3	-1
Total sales	67	112	+45



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3rd quarter NC business Comparative income statement



2Q cumulative	Previous term	Current term	Change	Percentage change
Sales	67	112	+45	+66.8%
Cost of sales	45	77	+31	+68.3%
Gross profit	21	35	+13	+63.5%
Gross profit margin	31.9%	31.3%	-0.6%	-
Personnel costs	6	7	+1	+23.1%
Sales promotion and advertising expenses	0	4	+3	+467.1%
General expenses	3	8	+4	+133.9%
GMF	4	4	+0	+12.4%
Total SG&A expenses	14	25	+10	+68.4%
Operating income	6	10	+3	+52.5%
Operating income margin	9.8%	8.9%	-0.9%	-

Forecast	Variance	Percentage change
112	+0	+0.6%

6	+4	+67.5%
5.4%	+3.5%	-

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LC Business (Live Communication)

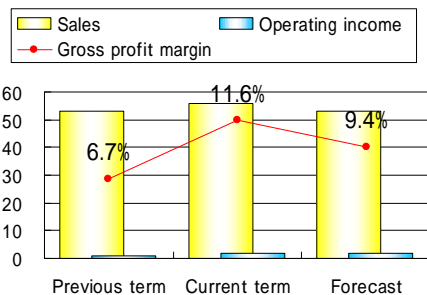


3rd quarter of financial year ending
March 2006

3rd quarter Digest of LC business



	Previous term	Current term	Change	Forecast	Variance
Sales	53	56	+2	53	+3
Operating income	1	2	+1	2	+0
Operating income margin	2.2%	5.3%	+3.1%	3.8%	+1.5%



- The number of concerts of outside artists decreased. Nevertheless, the number of AVEX artists who made concert tours increased, and attendance at each such tour also increased. In addition, AVEX received commissions to produce events. As a result, sales increased by 200 million yen. Cost rate also improved by 4.9%. These factors **altogether contributed to an increase of 200 million yen in profit.**
- Although SG&A expenses increased 100 million yen, operating income increased by 100 million yen.

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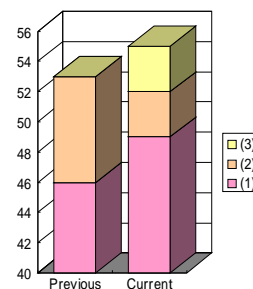
LC business Breakdown of sales



	Within the group			Outside the group		
	Previous term	Current term	Change	Previous term	Current term	Change
Number of tickets (thousand)	-	501	-	-	21	-
Value (million yen)	-	3,468	-	-	191	-
Unit price	-	6,922	-	-	9,095	-

Other sales such as sponsor fees are added to the amounts shown below.

	Previous term	Current term	Change
Within the group (1)	46	49	+3
Outside the group (2)	7	3	-3
Concerts (independent production)	53	53	-0
Events (contracted-out production) (3)	-	3	+3
Total sales	53	56	+2



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LC business Comparative income statement



2Q cumulative	Previous term	Current term	Change	Percentage change	Forecast	Variance	Percentage change
Sales	53	56	+2	+5.5%	53	+3	+6.0%
Cost of sales	49	49	+0	+0.0%			
Gross profit	3	6	+2	+81.9%			
Gross profit margin	6.7%	11.6%	+4.9%	-			
Personnel costs	0	1	+0	+67.4%			
Sales promotion and advertising expenses	-	-	-	-			
General expenses	0	1	+0	+65.6%			
GMF	0	0	+0	+12.8%			
Total SG&A expenses	2	3	+1	+47.1%			
Operating income	1	2	+1	+153.4%	2	+0	+49.5%
Operating income margin	2.2%	5.3%	+3.1%	-	3.8%	+1.5%	-

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CC Business (Content Creative)

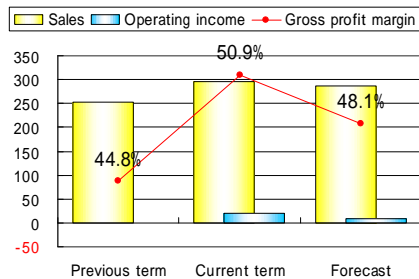


3rd quarter of financial year ending
March 2006

3rd quarter Digest of CC business



	Previous term	Current term	Change	Forecast	Variance
Sales	252	296	+43	287	+9
Operating income	-1	21	+22	9	+12
Operating income margin	-0.5%	7.3%	+7.8%	3.1%	+4.2%



- Sales increased by 4.3 billion yen due to increased content royalty revenue from PC business's packages and NC business's music distribution, which contributed to an increase of 1.9 billion yen in profit. Cost rate also improved by 6.1%, which contributed to an increase of 1.8 billion yen in profit.
- Increased advertising expenses caused SG&A expenses to increase, which contributed to a decrease of 1.5 billion yen in profit.
- As a result, an increase in operating income was 2.2 billion yen year-on-year.

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AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results

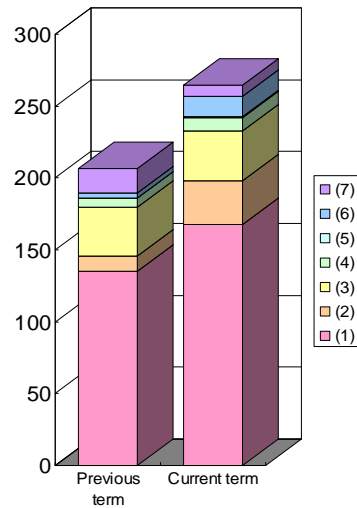
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CC business Breakdown of music-related sales



Music-related	Previous term	Current term	Change
Package (1)	135	167	+32
Music distribution (2)	10	30	+20
Copyright royalty (3)	33	34	+0
Other royalties (4)	6	9	+2
Royalty revenue	185	242	+56
Package sales (5)	-	0	+0
Artist-related (6)	4	14	+10
Production and others (7)	16	7	-9
Total sales	206	264	+57



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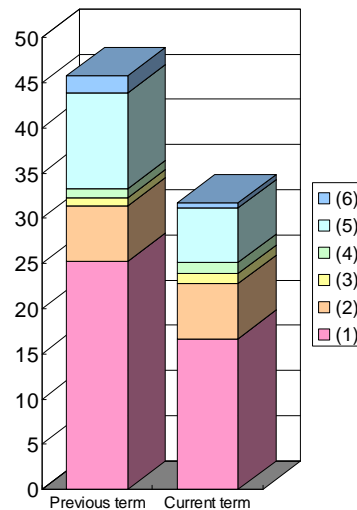
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CC business Breakdown of visual content-related sales



Visual content-related	Previous term	Current term	Change
Animation packages (1)	25	16	-8
Movies and other packages (2)	6	6	-0
Multi-use (3)	0	1	+0
Royalty revenue	32	23	-8
Distribution revenue (4)	1	1	+0
Package sales (5)	10	6	-4
Others (6)	1	0	-1
Total sales	45	31	-13



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CC business Comparative income statement



2Q cumulative	Previous term	Current term	Change	Percentage change	Forecast	Variance	Percentage change
Sales	252	296	+43	+17.4%	287	+9	+3.2%
Cost of sales	139	145	+6	+4.4%			
Gross profit	113	150	+37	+33.4%			
Gross profit margin	44.8%	50.9%	+6.1%	-			
Personnel costs	19	22	+2	+13.3%			
Sales promotion and advertising expenses	52	60	+8	+15.5%			
General expenses	17	18	+1	+5.9%			
GMF	25	28	+3	+13.2%			
Total SG&A expenses	114	129	+15	+13.1%			
Operating income	-1	21	+22	-	9	+12	+139.6%
Operating income margin	-0.5%	7.3%	+7.8%	-	3.1%	+4.2%	-

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

AVEX GROUP HOLDINGS INC.
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[Reference]

Income statement of Music-related&Visual content- related (extracted from CC and PC business)



	Music-related			Video-related		
	Previous term	Current term	Change	Previous term	Current term	Change
Sales	342	407	+65	64	45	-19
Cost of sales	194	208	+13	41	33	-7
Gross profit	147	198	+51	23	11	-11
Gross profit margin	43.1%	48.8%	+5.7%	35.8%	26.0%	-9.8%
Personnel costs	29	28	-0	2	5	+2
Sales promotion and advertising expenses	55	62	+7	7	9	+2
General expenses	32	33	+0	2	3	+1
GMF	35	38	+2	2	4	+1
Total SG&A expenses	152	162	+10	15	22	+7
Operating income	-4	36	+40	8	-10	-18
Operating income margin	-1.5%	8.9%	+10.4%	12.4%	-23.3%	-35.7%

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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Third Quarter Financial Results 32

Main Works and Topics



3rd quarter of financial year ending
March 2006

Main contributors to sales in each music business

<ul style="list-style-type: none"> ■ Main CD singles <ul style="list-style-type: none"> □ EXILE "Tada aitakute" 671,000copies □ GLAY x EXILE "SCREAM" 590,000copies □ Ayumi Hamasaki "STEP you / is this LOVE?" 403,000copies ■ Main CD albums <ul style="list-style-type: none"> □ Kumi Koda "BEST ~ first things ~" 1,687,000copies □ O-ZONE "DISCO-ZONE" 868,000copies □ Ai Otsuka "LOVE COOK" 868,000copies ■ Main music DVDs <ul style="list-style-type: none"> □ Kumi Koda "secret ~ FIRST CLASS LIMITED LIVE ~" 243,000copies □ Ai Otsuka "JAM PUNCH Tour 2005 ~" 180,000copies □ Namie Amuro "FILMOGRAPHY 2001-2005" 105,000copies ■ Main DVDs <ul style="list-style-type: none"> □ "Initial D Fourth Stage" 176,000copies □ "Ski Jumping Pairs 8 Official DVD" 71,000copies □ "Tokyo Friends" 55,000copies ■ Main contracted-out products <ul style="list-style-type: none"> □ Boyz 2 Men "Winter/Reflections" 53,000copies □ HY "TRUNK" 48,000copies □ Hitomi Yaida "Sound drop ~ MTV Unplugged+Acoustic live 2005 ~" 40,000copies 	<ul style="list-style-type: none"> ■ Artists who debuted during the period from April to December 2005 <ul style="list-style-type: none"> □ BAZRA □ Take 6 □ Masaya Wada □ O's □ RAM RIDER □ Buzz72+ □ Amasia Landscape □ Kirito □ Akiko Shihou □ Dt. □ Delicatessen □ Missile Innovation □ m:n k □ Anna Tsuchiya □ AAA □ Natchan PEAK □ BACK-ON □ Caravan □ J □ Nanase Hoshii □ SEED □ Z Trip □ JOSH KELLEY
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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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Main contributors to sales in each music business-2



Main works distributed by the music distribution service

- *Chaku-uta*
 - O-ZONE "Dragostea din tei (chorus)" 1,850,000downloads
 - Ayumi Hamasaki "HEAVEN" 1,080,000downloads
 - Ai Otsuka "Planetarium" 1,070,000downloads
 - Ai Otsuka "SMILEY" 970,000downloads
 - O-ZONE "Dragostea din tei (verse)" 920,000downloads
- *Chaku-uta Full*
 - O-ZONE "Dragostea din tei" 310,000downloads
 - Ai Otsuka "Planetarium" 300,000downloads
 - Ayumi Hamasaki "HEAVEN" 160,000downloads
 - Ai Otsuka "SMILEY" 150,000downloads
 - Ayumi Hamasaki "STEP you" 110,000downloads
- *Chaku-movie*
 - EXILE "Tada aitakute" 740,000downloads
 - Kumi Koda "you" 350,000downloads
 - EXILE "Tada aitakute(last chorus)" 220,000downloads
 - Ai Otsuka "Planetarium" 200,000downloads
 - Ayumi Hamasaki "Bold&Delicious" 130,000downloads

Main concert tours

- a-nation '05
 - 7performances at 5 locations for a total of 240,000 people
- Ayumi Hamasaki
 - 9performances at 4 locations for a total of 70,000 people
- BoA
 - 8performances at 4 locations for a total of 60,000 people
- Do As Infinity
 - 22performances at 22 locations for a total of 50,000 people
- Ai Otsuka
 - 16 performances at 12 locations for a total of 30,000 people

Movies distributed by avex

- The miracle of Bern
- Nomi song
- Clara et moi
- Liquiper
- As it is in Heaven
- *Tantei Jimusyo 5*

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

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results 35

Full-year Forecast of Consolidated Financial Results



3rd quarter of financial year ending
March 2006

Full-year forecast

Digest of consolidated financial results



Following its record half-year sales,
AVEX also expects to achieve record full-year sales.
 Sales will increase by 15% (+11.6 billion yen).

Sales in PC business will increase 14% year-on-year (+7.3 billion yen);
 sales in NC business will also increase 65% (+6.3 billion yen); however,
 sales in LC business will decrease 14% (-900 million yen).

Full year	Previous term actual	Revised forecast	Change	Previous forecast	Variance
Sales	754	871	+116	863	+8
Operating income	42	73	+30	65	+8
Operating income margin	5.7%	8.4%	+2.7%	7.5%	+0.9%
Ordinary income	44	75	+30	67	+8
Net income	8	41	+32	35	+6

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

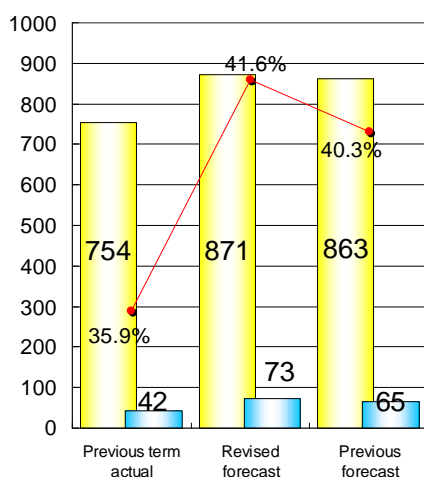
AVEX GROUP HOLDINGS INC.
 Third Quarter Financial Results **37**

Full-year forecast

Summary of consolidated financial results



■ Sales ■ Operating income ● Gross profit margin



- Due to the effect of a sales increase of 11.6 billion yen, profit **increased by 6.6 billion yen**. Further, as a result of a 5.7% drop in cost rate which accompanied the sales increase, **a profit increase of 2.5 billion yen** was secured. These factors altogether contributed to an increase of 9.1 billion yen in profit.
- However, taking into consideration the situations of the third quarter and the effect of future investment, etc., SG&A expenses are increased by 700 million yen on top of the previous forecast, which contributed to a decrease of **6.1 billion yen in profit in total (1.7 billion yen for personnel costs, 3.1 billion yen for sales promotion and advertising expenses, and 1.2 billion yen for general expenses)**.
- Therefore, operating income is expected to increase by 71% year-on-year to 7.3 billion yen (an increase of 3.0 billion yen).

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

AVEX GROUP HOLDINGS INC.
 Third Quarter Financial Results **38**

Full-year forecast

Summary of components of our consolidated segments



	Current term		Previous term				Previous forecast			
	Sales	O.P.	Sales	O.P.	Change in Sales	Change in O.P.	Sales	O.P.	Variance in Sales	Variance in O.P.
CC	459	48	382	14	+76	+33	454	42	+5	+6
PC	577	14	503	15	+73	-1	564	15	+13	-1
NC	160	7	96	9	+63	-2	165	6	-5	+1
LC	64	1	73	2	-9	-1	61	1	+3	0
Other	22	0	27	-0	-5	+0	22	0	+0	0
Total	1,284	73	1,084	40	-	-	1,267	66	-	-
Elimination	-412	0	-330	2	-	-	-404	-1	-	-
Consolidated	871	73	754	42	+116	+30	863	65	+8	+8

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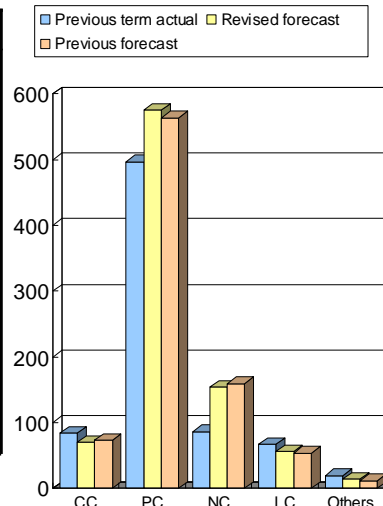
AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results 39

Full-year forecast

Sales to customers outside the group by business segment



	Sales to customers outside the group				
	Current term	Previous term	Change	Previous forecast	Variance
CC	70	84	-14	73	-3
PC	575	497	+77	563	+12
NC	154	86	+67	159	-5
LC	56	67	-11	54	+2
Other	14	19	-5	12	+2
Total	871	754	+116	863	+8

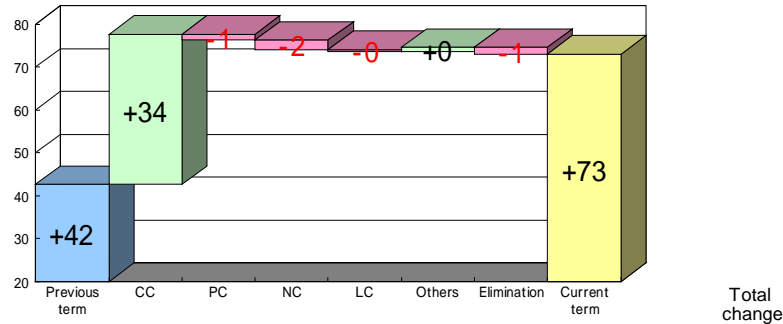


All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results 40

Full-year forecast

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



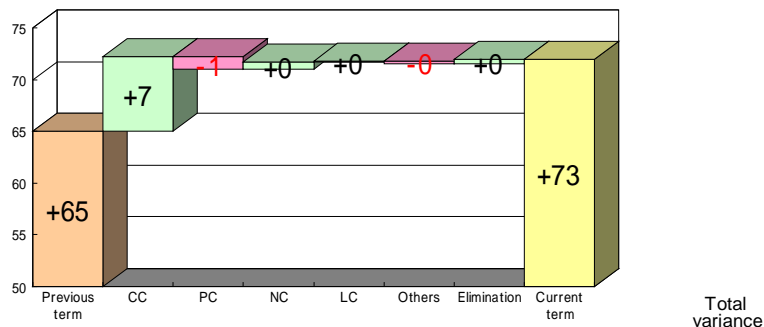
Effect of changes in sales		+35	+13	+20	-0	-1			+66
Effect of changes in cost rates		+27	-6	-3	+1	+2	+3		+25
Effect of changes in SG&A expenses		-27	-7	-19	-1	+0	-5		-61
Total	+42	+34	-1	-2	-0	+0	-1	+73	+30

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

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results **41**

Full-year forecast

Variance factors of consolidated operating income
(vs. previous forecast)



Effect of variances in sales		+2	+2	-1	+0	0			+3
Effect of variances in cost rates		+10	-3	+2	+0	-0	+0		+10
Effect of variances in SG&A expenses		-6	0	0	-1	0	0		-7
Total	+65	+7	-1	+0	+0	-0	+0	+73	+8

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

AVEX GROUP HOLDINGS INC.
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Full-year forecast

Consolidated comparative income statement



Full year	Previous term actual	Revised forecast	Change	Percentage change	Previous forecast	Change	Percentage change
Sales	754	871	+117	+15.6%	863	+8	+0.9%
Cost of sales	483	509	+25	+5.3%	514	-5	-1.0%
Gross profit	270	362	+91	+33.8%	348	+14	+4.0%
Gross profit margin	35.9%	41.6%	+5.7%	-	40.3%	+1.3%	-
Personnel costs	70	88	+17	+24.8%	87	+1	+1.1%
Sales promotion and advertising expenses	82	114	+32	+38.9%	102	+12	+11.8%
General expenses	74	87	+12	+16.4%	92	-5	-5.4%
Total SG&A expenses	227	289	+61	+27.1%	282	+7	+2.5%
Operating income	42	73	+30	+71.0%	65	+8	+12.3%
Operating income margin	5.7%	8.4%	+2.7%	-	7.5%	+0.9%	-

All figures, if not otherwise indicated, are expressed in units of 100 million yen.
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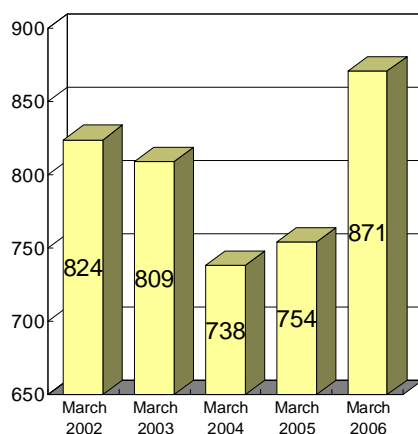
AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results **43**

Full-year forecast

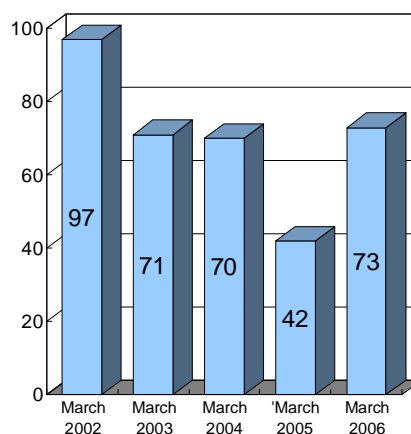
Consolidated results-1



Sales



Operating income



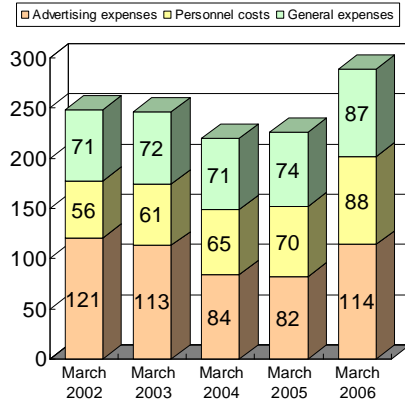
All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results **44**

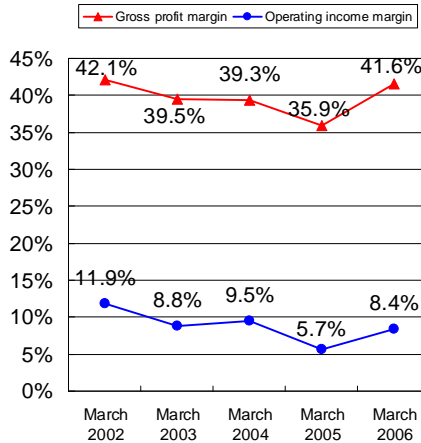
Full-year forecast Consolidated results-2



Selling, general & administrative expenses



Profit margins



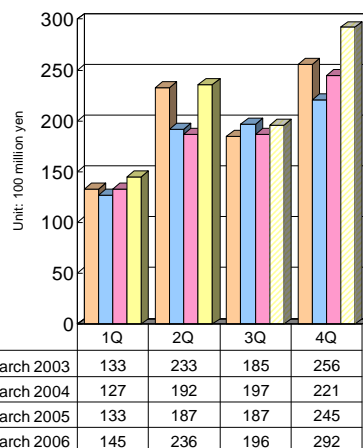
All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results **45**

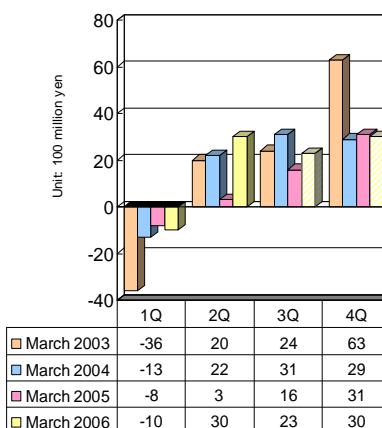
Full-year forecast Quarterly consolidated sales and profits



Consolidated sales (quarterly)



Consolidated operating income (quarterly)



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

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results **46**

4th quarter plan

New releases in each music business



■ Main CD albums

- Released in Jan.
Ayumi Hamasaki "(miss)understood"
- Released in Feb. BoA "OUTGROW"
- TBR in Mar. EXILE
- TBR in Mar. Kumi Koda
"BEST ~ second session ~"

■ Main CD singles

- Released in Jan. Kumi Koda "No Regret"
- TBR in Mar. EXILE "YES!"
- TBR in Mar. Ayumi Hamasaki
"Startin'/Born To Be..."

■ Main music DVDs

- TBR in Mar. EXILE
"LIVE TOUR 2005 PERFECT LIVE"ASIA" ~ "
- TBR in Mar. Namie Amuro
"181920films+filmography"
- TBR in Mar. Ayumi Hamasaki
"ayumi hamasaki
COUNTDOWN LIVE 2005-2006 A"

■ Main contracted-out products

- Released in Jan.
black COFFEEZ "SUGAR FREE"
- Released in Jan. Sasuke "Sotsugyo no Hi"
- TBR in Mar. Hitomi "Go my way"

■ Main DVDs

- Released in Feb. "Initial D THE MOVIE"
- TBR in Mar.
"Korean stars summit 2005" DVD-BOX

■ Main movies

- Released in Jan.
"Ski Jumping Pairs Road To Torino"
- Released in Jan. "RISE"
- TBR in Mar. "Last Days"
- TBR in Mar. "WATERS!"

■ Main concert tours

- Scheduled from Mar. to Jul.
Ayumi Hamasaki 6 performances at 3 locations

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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Third Quarter Financial Results **47**

Industry Environment Statistical Data



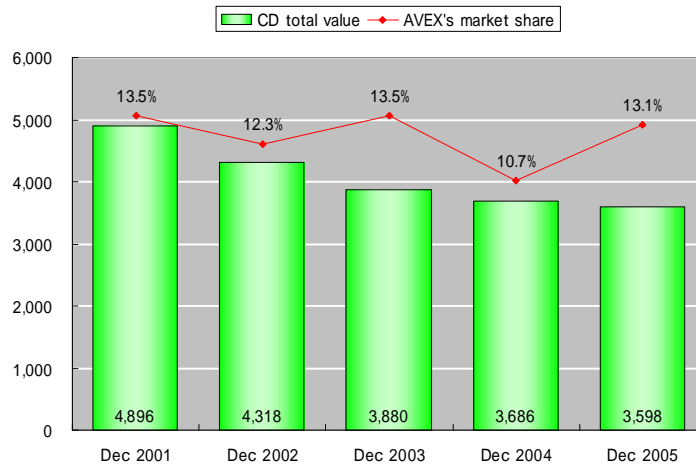
3rd quarter of financial year ending
March 2006

* 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 for the last 12 months



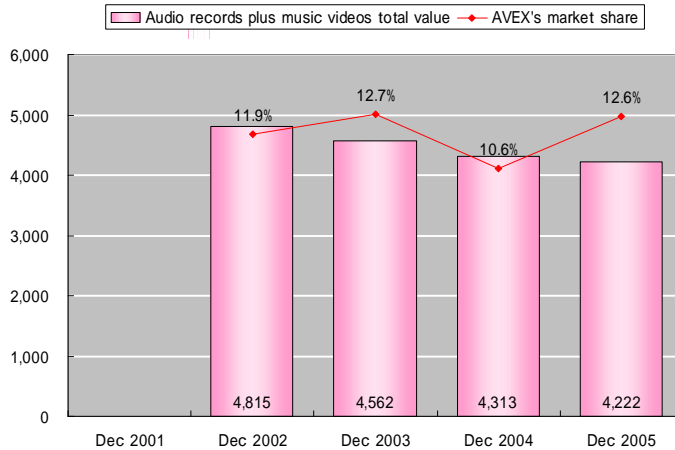
All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
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Statistical data published by RIAJ: Music record output



Audio record plus music video (value): Cumulative total for the last 12 months



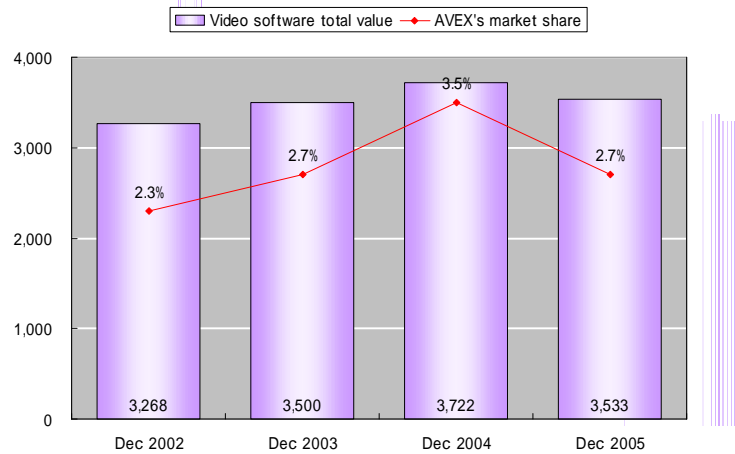
All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
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Statistical data published by the Japan Video Software Association (JVA): Preliminary video software sales



Video software total (value): Cumulative total for the last 12 months



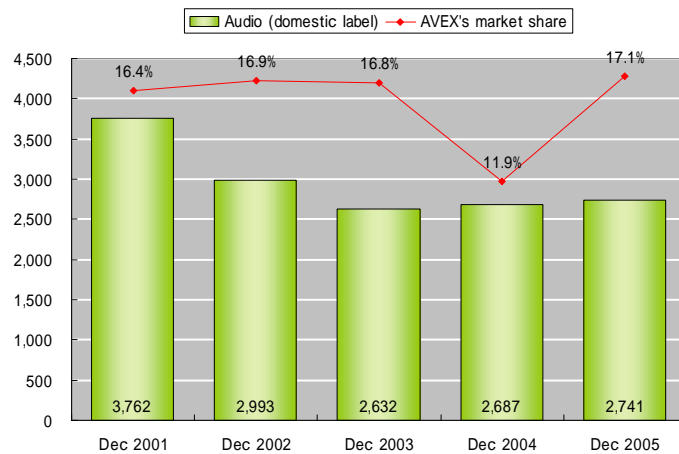
All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
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Statistical data published by Oricon: Sales by music production company



Audio [domestic label]: Cumulative total for the last 12 months



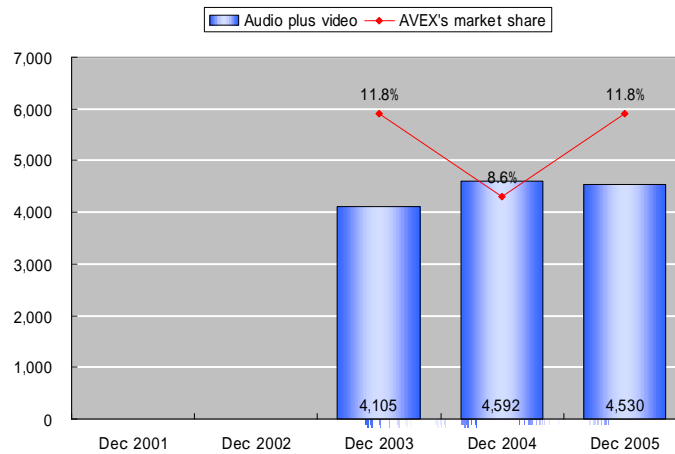
All figures, if not otherwise indicated, are expressed in units of 100 million yen. (Amounts of less than 100 million yen are truncated.)

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Statistical data published by Oricon: Sales by music production company



Audio plus video: Cumulative total for the last 12 months



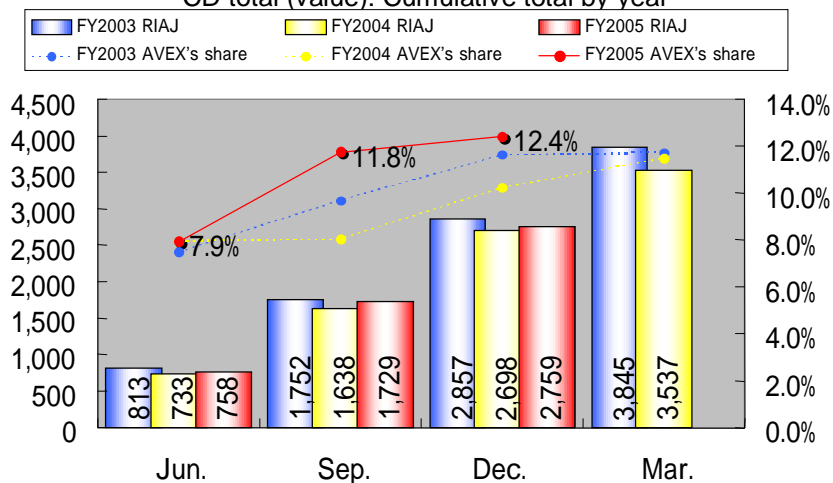
All figures, if not otherwise indicated, are expressed in units of 100 million yen.
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AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results **53**

Statistical data published by RIAJ: Music record output



CD total (value): Cumulative total by year



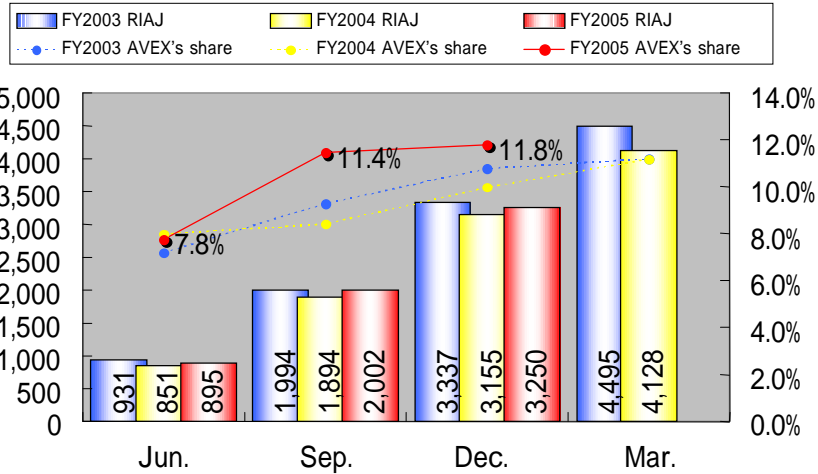
All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results **54**

Statistical data published by RIAJ: Music record output



Audio record plus music video (value): Cumulative total by year



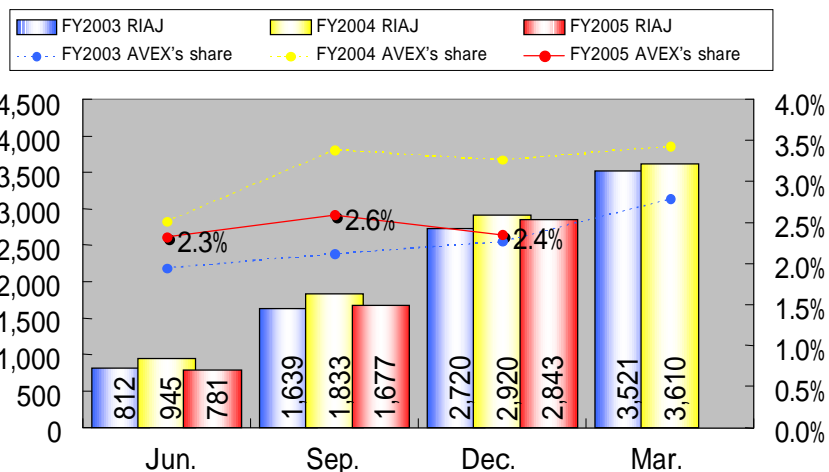
All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results **55**

Statistical data published by JVA: Preliminary video software sales



Video software total (value): Cumulative total by year



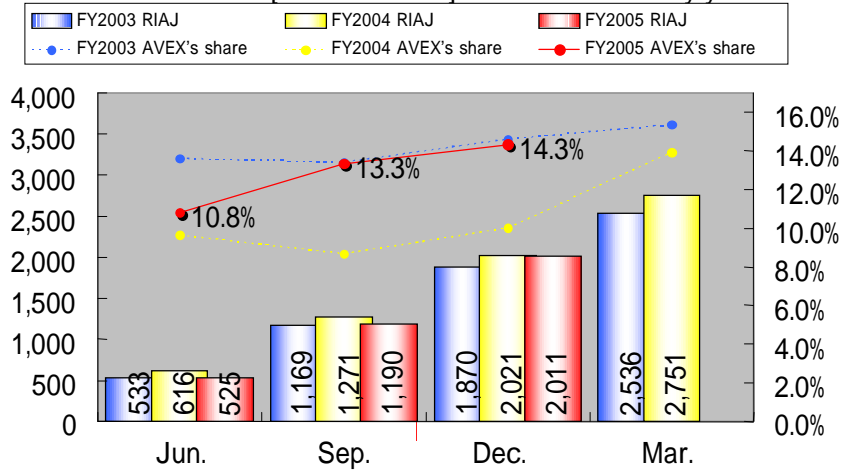
All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results **56**

Statistical data published by Oricon: Sales by music production company



Audio [domestic label]: Cumulative total by year



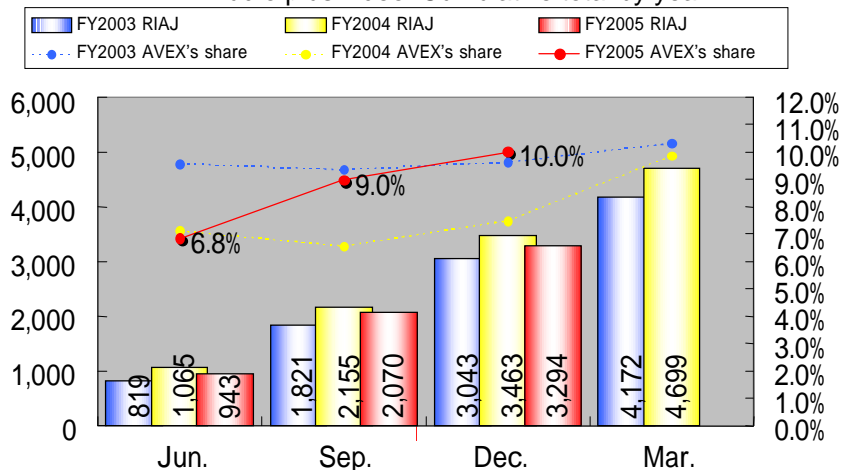
All figures, if not otherwise indicated, are expressed in units of 100 million yen.
(Amounts of less than 100 million yen are truncated.)

AVEX GROUP HOLDINGS INC.
Third Quarter Financial Results 57

Statistical data published by Oricon: Sales by music production company



Audio plus video: 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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