CSR report 2017
Avex’s Priorities

In a rapidly changing society, we recognize our unique capacity as a comprehensive entertainment provider to contribute responsibly to the society and environment.

We at Avex have considered this distinctive potential of ours from the beginning.

Evidently, Avex group takes part in valuable activities on a daily basis such as charitable donation and volunteer efforts. Such contributions are deemed a matter of course, a familiar custom practiced by businesses of all types, not restricted to just entertainment firms.

Unlike other industries, however, is the inspirational nature of our product:

Our core competency and fundamental purpose, is to excite and move an audience, encouraging empathy, hope, life, and to dream for the future.

Our principal objective to inspire can, in itself, be considered a form of CSR.

Avex creates an environment to nurture and support creative artists. Today our company remains true to the vision its creators imagined from the start: An institution of integrity within which every employee can work with passion. This quality of principled integrity can, in itself, be considered as a form of CSR.

Taking advantage of all of the knowledge and expertise gained through experience, Avex aims to stir emotions – for the sake of progress as well as for amusement, continuing to engage in a unique form of CSR that only we at Avex Group are in a position to pursue.

Avex Group: Entertainment for the ages.
Entertainment for one and all.
Entertainment as Inspiration!

Avex Group Commitment to Social Responsibility

In accordance with ISO 26000 international guidelines setting a high global standard for voluntary CSR excellence, Avex is expanding its commitment to socially responsible action.

In doing so, we have defined three (3) core areas of focus:

Avex Corporate Social Responsibility (CSR)

“The Three Core Areas of Focus”

<table>
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<tr>
<th>Aiding Environmental Health, Sustainability</th>
<th>Benefit to External Community</th>
<th>Responsibility to Internal Avex Staff</th>
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<td>Green Practices</td>
<td>Fair Business Practice Consumer Agenda Community Involvement Community Development</td>
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</tbody>
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for environment for society for staff
Driven by our corporate mission to “bring excitement and dreams to life via entertainment,” we are making an ongoing effort to help out in areas afflicted by the Great East Japan Earthquake. In 2014, we started sending professional dancers to elementary and junior high schools in Minami-Soma, Fukushima Prefecture where lack of exercise had been a problem for children in the area ever since the nuclear accident occurred. Fiscal 2016 marked the third year of this initiative, as we sent professional dancers affiliated with the Japan Street Dance Association (JSDA) to 16 different schools with an objective of not only “providing dance lessons” but also “working together with the community to create something special.” Through dance, we would like to address the lack of any formal structured exercise and introduce students to the fascinating world of entertainment.

Avex’s primary goal is to add a spark of joy to the students’ everyday lives. We will continue to work hard on this initiative with an eye to deliver cheerfulness and vitality to an increasing number of schools.

Continuing to Bring Professional Dancers to Elementary and Junior High Schools in Disaster-hit Areas in 2016

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Disaster Area Reconstruction Efforts

Bringing Smiles to Quake-Ravaged Community via Professional Dancers

Since March 2015 Avex has provided support for the Fukushima “Genki-Up” (Liven-Up) Project organized by the Fukushima Minyu Newspaper. In fiscal 2016 we hosted a seminar for nursery school and kindergarten teachers. Each seminar participant received a copy of a CD/DVD featuring a brand new song and dance, “Sora Niwa Itsumo Hora Taiyou (The sun is always shining in the sky).” Dedicated to the children of Fukushima, the song’s lyrics were written by Tanizou (Kunihiro Taniguchi) while the dance moves were choreographed by SAM. In addition to the seminar, a dance event was held where preschoolers and early elementary school children along with their parents got to take part in a dance lesson.

Students and Teachers All Join in for a Dance Lesson

Tatsuke Kikuchi, Physical Education Teacher, Minami-Soma Municipal Haramachi First Junior High School

Fukushima “Genki-Up” (Liven-Up) Project CD and DVD Released

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as well as aspiring to become better dancers. The professional dancers’ insightful instructions have fomented a real love for dancing among the students. Watching the professional dancers’ live performance was a stimulating experience for the kids. We hope to continue working with Avex to teach them the importance of exercise and the sheer joy of expressing themselves through dance.
Embracing Para-Sports Activities
Avex Supports Challenged Athletes

Avex has been actively recruiting and supporting top athletes who compete outstandingly despite their special challenges. There are currently twelve individual Avex Challenged Athletes and one team competing in nine different sports, including wheelchair tennis, wheelchair basketball, track and field training in senior high school, her athletic talent quickly blossomed and at the age of 23, she qualified for the London Paralympics in 2012. She later achieved her dream of making it to the World Championships. At the Rio Paralympics, she broke her own record as well as the Asian record in the 100-meter and 200-meter sprints. Making it to the top eight in all the Rio Paralympics events I participated in, including the long jump as well as the 100-meter and 200-meter sprints, was a great confidence booster. At the same time it revealed some hurdles I still have to overcome, so I will use the lessons I learned to deliver results at the world championships and Tokyo Paralympics. In addition to being an athlete, I’m also an Avex employee and it’s my job to advertise and promote other Avex Challenged Athletes as well as the Challenged Athletes initiative. Although it can be hard to switch from work mode to athlete mode in the course of a day, it’s great to be able to incorporate my feelings and experiences as an athlete into my work.

Bright Ideas Shed New Light on Para-Sports
After gaining attention little by little, para-sports has finally come into its own. Yet, I still hear people say that they don’t know how to run these kind of competitions. I hope to get more feedback from people working in the field in order to bridge the gap between our athletes and the larger society as I look for optimal ways to run competitive events and games. Avex offers a unique content platform for music, video, and live event production that I can leverage to deliver information to the public in a totally new way. When I walk around a stadium wearing a uniform bearing the Avex logo, I feel a positive vibe from the crowd. The particular pediatric cancer I was diagnosed with when I was a junior high school student often strikes children in their teens. I will continue to move forward and demonstrate my athletic ability across the media landscape with an eye to inspiring those who find themselves standing in the same shoes.

Activities and Achievements in Fiscal 2016
June 2016 Yoshikazu Kanie, recognized by MEXT for outstanding contribution to sports, Yuka Kiyama, Saki Takakuwa, and their coach, Fumiyuki Minemura, commended by MEXT for demonstrating the potential performance in international sports competitions.
August 2016 Avex co-sponsor Hiroki Saegusa in the Tokyo Paralympics
October 2016 Avex becomes an official partner of the Japan Inclusive Football Federation (JIFF)
December 2016 Yui Kamiji wins the Sports Inclusion Special Pro Sports Award.
January 2017 Yui Kamiji claims her 1st Australian Open singles title.

Recognized by Ministry of Education as Top Paralympian Sponsor

Avex has been supporting Challenged Athletes and one team competing in nine different sports, including wheelchair tennis, wheelchair basketball, track and field racing, judo, swimming, and skiing. Sponsoring a whopping six athletes in four sports at the 2016 Rio Paralympics earned Avex its first special Ministry of Education, Culture, Sports, Science and Technology (MEXT) Award from Japan’s Ministry of Education, Culture, Sports, Science and Technology (MEXT). Today Avex is continuing to bring excitement and activities in the hope of helping to bring success to the athletes.

Promoting Para-Sports Awareness and Enthusiasm
Avex has been hosting para-sports events at various Aeon Mall locations since fiscal 2015. Events for fiscal 2016 included wheelchair basketball demonstrations by some of the sport’s top players that gave spectators an opportunity to try out the game for themselves and take photos with the sports stars. Drawing the attention of shoppers who happened to be at the mall with their families, the events brought the world of para-sports up close and personal to a broad new audience. We look forward to building on our ongoing initiatives to bring awareness of para-sports to even greater heights.
The Shitte Kan-en Project

What is The Shitte Kan-en Project?

The Shitte Kan-en (Hepatitis Awareness) Project is designed to provide the public with an accurate understanding of hepatitis and spread the word about the importance of hepatitis virus screening with an eye to promoting early detection and treatment. Even though hepatitis can trigger serious diseases like cirrhosis of the liver or liver cancer, there is a lack of awareness about hepatitis, and the disease remains under-diagnosed and under-treated. In 2010 the World Health Organization (WHO) designated July 28 as “World Hepatitis Day” to prevent the spread of viral hepatitis and tackle discrimination and stereotypes against patient / people infected by hepatitis across the globe. July 28 is designated as “Japan Hepatitis Awareness Day.” Raising awareness about the health issue is being spread the word about hepatitis and its importance of getting tested.

Spreading the word to 10,000 fans

In September 2016, Ryoita Sugi and w-inds., serving as a special supporter, attended a J1 soccer match between Sagan Tosu and Sanfrecce Hiroshima where they led an awareness-raising activity during the pre-match ceremony. Not even intermittent cloudbursts could dampen the spirits of the ten thousand-strong crowd whose thunderous roar filled the stadium with an air of excitement. The kind of promotion and events conducted over the last several years have helped spread the word about hepatitis across every age group and led to an increasing number of people opting for hepatitis virus screenings.

From Awareness to Understanding and Action

In September 2016, members of AKB48 and Sagan Tosu soccer star, Yohei Toyoda, made a surprise visit to a local high school and a junior high school to attend school festivals to help students gain a better understanding about hepatitis. The aim is that the students who participated in the event will not have only gained a better understanding about hepatitis but will become agents of change. They in turn may talk about hepatitis with their parents and friends, as a “special supporter”, paving the way to a better understanding of the hepatitis as well as increased awareness about the importance of getting tested for the hepatitis virus.

Getting More to Know More

Despite its serious health implications, awareness about hepatitis is still low and the disease is still under-diagnosed and under-treated. Early detection and early treatment can save lives and if, in addition to the project logo mark and messages, advo- cacy by celebrities can make hepatitis a common household word, then the half of the battle is won. I’m looking forward to implementing more projects that will get more people to know more about hepatitis. This includes projects where participants act as a special supporter who spread the word about hepatitis, events held in cooperation with various companies, and joint awareness-raising activities in cooperation with 70 regional core centers for the treatment of liver disease across Japan.

Theme Song Written by Tetsuya Komuro

Tetsuya Komuro, who was appointed as a special ambassador, launched a project to produce a theme song for The Shitte Kan-en Project in the hope of “fostering a greater understanding about hepatitis.” Over the course of the two-month production period, the members of 26 special support groups participated in the making of a music video. The theme song entitled “Egao No Ashita,” which was written, arranged, and edited under Komuro’s supervision, debuted at The Shitte Kan-en Project Meeting and gained widespread coverage on social networks.

Hepatitis Awareness Booth at “a-nation 2016”

A hepatitis awareness booth was set up at “a-nation island fes. 2016 powered by dTV,” one of the largest outdoor music events in Japan. The booth, featuring messages from special supporters and their autographs, helped promote understanding about hepatitis and the importance of getting tested.
Eco-Friendly Internal Practices

Not only do we at Avex strive to provide a healthy office environment for our staff, we always consider our responsibility to the greater global environment as well. Avex actively encourages employees to share their ideas on new eco-friendly workplace innovations, making our company as “green” as possible through continual improvement. Our in-house newsletters and morning assembly broadcasts disseminate information and raise awareness. In the end, the attitudes and actions of each individual employee contribute to the collective whole of our large-scale company-wide green campaign.

Increased Recycling Capacity via Mamoru-kun

Installation of a protective tool called “Mamoru-kun” has resulted in eco-friendly benefits in addition to enhancing information security. A secure depositary for documents awaiting confidential disposal, this container also increases recycling capacity, allowing Avex to reduce consumption of trees by 398 in 2016.

Waste-Reducing Use of Eco-Bags

In order to minimize unnecessary waste within the workplace, the company has provided Avex original eco-bags to all employees. Our innovation policy encouraging exclusive use of these rubbish-reducing bags.

Energy Conservation through Office-Space Efficiency

The soon-to-be-completed new Avex building is designed to maximize energy savings. From construction materials to our green HVAC system, the building is designed to decrease its environmental impact on the construction vicinity.

Chilling with Cool Biz

At Avex, summer’s “Cool Biz” time. That means, while the air conditioner may only be set to 28 degrees Celsius, a more relaxed dress code helps employees keep cool. Employees also conditioner may only be set to 28 degrees Celsius, a more relaxed dress code helps employees keep cool. Employees also

Strict Separation of Rubbish Promotes Full Recycling

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Environmental Initiatives

Green Initiatives on CD Packaging

The Avex recordlabel Commmons initiated a project “Commmons for GREEN” dedicated to minimizing the label’s own “carbon footprint” via carbon-offset measures. For example, since 2008 offsets have made the process of producing and packaging Commmons audio CDs carbon-neutral. Furthermore, Commmons headquarters is powered by eco-friendly “green energy” out of consideration for environmental protection.

Rewarding Eco-Conscious Consumers at Avex “Eco-Stations”

Avex’s annual summertime outdoor concert series “a-nation” features eco-stations, stations installed in communal areas for the purpose of waste collection and recycling. Attendees who deposit waste are rewarded with Brazilian Bonfim “wish bracelets.” In past years, there were 4 “a-nation” eco-stations at Yoyogi National Stadium, where “a-nation island” was held, and 6 at Ajinomoto Stadium, where “a-nation stadium fest” took place. Collected waste is separated into combustibles and non-combustibles. Once PET (polyethylene terephthalate) bottles have been processed by the Teijin Recycling System, the resulting reusable plastic will reappear at “a-nation” the following year - because both the Bonfim bracelets and uniforms for Eco-Volunteers are made from this very same recycled material.

Flow of Eco-Station Recycling

Waste is collected from visitors at eco-stations.

After sorting waste by type, PET plastic is sent to the Teijin Recycling System. Collected waste is separated into combustibles and non-combustibles.

Collecting of discarded confidential documents

Information security maintained throughout entire process from disposal to shredding. Creation of eco-friendly result.

Collection of discarded confidential documents

Safekeeping within “Mamoru-kun”

Mamoru-kun

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Connecting People through Classical Music

Sydney featuring a live piano performance by Nobuyuki Tsujii followed by a question-and-answer session with the students. Avex Classics International will continue to harness the power of classical music to do its share in building a more equitable society and fostering international friendship.

Workplace Visits for Junior High School Students

The Avex Group is pleased to host workplace visits from junior high school students in order to introduce them to some entertainment-industry professions. Educational aids include videos, written materials, lectures and studio tours.

Sponsoring and Managing Nationwide Dance Championships

Since dance has been a required subject in Japanese junior high schools since 2012, more and more youth are gaining exposure and interest. To facilitate enjoyment and mastery of the art by our next generation of dancers, Avex organizes a Dance-Club Championship for high-school participants nationwide. Contest-entry and admission are all free of charge. The groups compete not only on pure technical skill but also on composition and creative expression of a theme based on two kanji (Chinese characters) of the participants’ own choice. At the previous championship held in August, the 36 team-finalists that had been selected via preliminary videotaped auditions came together on the “a-nation island” stage to pour out their feelings and demonstrate their enthusiasm for dance.

Support for School Lunch Program

We support the WFP (World Food Programme) in its campaign to ensure that no child suffers through a school day on an empty stomach. Specifically, we raise financial contributions through in-house beverage sales. Proceeds are used in support of food-related contributions.

About the Asian International Children’s Film Festival

With a goal of empowering Pan-Asian youth to express themselves, this film festival features 3-minute video produced entirely by child competitors. Held every year in Japan, the festival features participants from many nations. At last count, the number of nationalities represented was nearing 15 and growing. Representation of so many cultures presents a wonderful opportunity to foster international dialogue on children’s issues and society’s approach to education.

Nurturing Pre-Debut Entertainers

Avex supports the development and training of a selected group of pre-debut performers by providing support with lessons, live-events and music production, as well as general artistic instructions, free of charge. We assist budding artists every step of the way right up until the moment of “the big debut.” We take this ongoing endeavor as an investment in the future of entertainment, an investment that will pay off with a pool of outstanding performers and, as a result, a vibrant industry. At present, we are mentoring over 200 developing artists, at least 40 of whom are expected to make their public debut or sign an exclusive contract with Avex in fiscal 2016. Twice a year our talent managers travel around Japan to consult with artists-in-training, check on their progress, and touch bases with supporting family members to observe not only how trainees are progressing, but also make sure they are living healthy lifestyles - eating well, coping psychologically and so on, and provide those who are minors with special career guidance. Avex believes that a relationship of trust between the artist, family and talent manager paves the way to an ideal learning environment solidly grounded in academics as well as entertainment skills. We are committed to steering our trainees in the right direction and onto a promising career path.

Mentoring the Next Generation

The history of the Avex Group is shared along with information about department structure and its relationships to various positions. In fiscal 2016, Avex hosted 373 students from 44 schools nationwide.

Sponsoring and Managing Nationwide Dance Championships

Over the last six years, Avex has been proud to serve as a cosponsor and committee member of this annual youth-focused event where its artists have made regular appearances to help further the aim of educating children and promoting cross-cultural exchanges.

Cultivating Artists’ Refinement, Duty to Inspire

Thoughtfulness and deep empathy should be cultivated during the formative period in which a performer matures creatively into an individual with the ability to inspire. That’s why, rather than concentrating exclusively on technical performance skills, Avex focuses on a great deal on refinement of character. Avex instills deep respect for good manners, politeness, and above all a humble sense of gratitude. Countless parents have told us how their children have blossomed not only on a professional level but also on a personal level thanks to the guidance Avex provided.

From Discovery to Debut

Select top performers and perform pre-debut performances to promote technological, musical and creative skills. Sign contracts with selected individuals. Provide support for period averaging two to three (2-3) years. Initiate debut projects, presentation to outside talent managers. Open exclusive or semi-exclusive management contracts or exclusive contracts with Avex.

Public Debut

Select pre-debut performers who are ready to make their public debut in the moment of “the big debut.” We take this ongoing endeavor as an investment in the future of entertainment, an investment that will pay off with a pool of outstanding performers and, as a result, a vibrant industry. At present, we are mentoring over 200 developing artists, at least 40 of whom are expected to make their public debut or sign an exclusive contract with Avex in fiscal 2016. Twice a year our talent managers travel around Japan to consult with artists-in-training, check on their progress, and touch bases with supporting family members to observe not only how trainees are progressing, but also make sure they are living healthy lifestyles - eating well, coping psychologically and so on, and provide those who are minors with special career guidance. Avex believes that a relationship of trust...
The idea of maintaining a commercially viable "Cycle Of Music Creation" is a concern shared across the entire Japanese music industry which falls under the umbrella of the Recording Industry Association of Japan. In addition to policing infringement of our own copyrights, we also do our best to ensure that our own Avex Group and affiliates do not infringe, intentionally or unintentionally, upon the rights of others. If piracy prevents legitimate production, we at Avex listen back. Care to hear a system allowing guaranteed quick response. The feedback can be shared across the entire organization so that no feedback goes unheard, a system enabling us to maintain and increase the health initiatives that benefit the employees, enabling us to maintain and increase the health initiatives that benefit the employees, and that support child-raising working families.

Advocacy and Action: Equating Copyright Infringement with Stealing

The Avex Group's strict compliance policy recognizes intellectual property rights of others as well as its own, taking action to address the industry-wide threat posed by pirated video content. Criminal infringement incorporates both criminal law and civil claims. Our legal affairs office checks the Internet daily for unauthorized content, and we also act on all actionable tips received from ethically-minded fans as well as our own employees -- a vigilant Avex Staff, even those members whose job descriptions are unrelated to copyright issues. To Internet service-providers found to be distributing unlawful content, we can send cease and desist notices. If the unauthorized content remains, we then launch appropriate legal action depending on the situation, submitting requests for disclosure of personal information.

Awareness of Intellectual Property Rights as Crucial to the Music Industry

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# Compliance Policy

At Avex, the following compliance policy is positioned as the cornerstone of official guidance in taking appropriate actions and making proper judgments while conducting business activities. In order to ensure that staff understands the Avex Compliance Policy, the company administers a yearly compliance test.

<table>
<thead>
<tr>
<th>Don’t cheat.</th>
<th>Don’t bully.</th>
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| 1. Engage in fair, transparent and open competition.  
2. Do not contradict the legitimate interests of the company to promote your own or a third party’s interests.  
2. Interact with business partners in proper, honest, fair, and open manner. |

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<th>Don’t play around with money that isn’t your own.</th>
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<td>Do not socialize with business partners in ways that depart from sound commercial practice or common sense.</td>
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<th>Don’t be arrogant.</th>
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<td>Comply with laws and regulations, and respect social norms.</td>
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<th>Don’t selfishly think of yourself above others.</th>
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| 1. Be conscious of the support received from colleagues and the need to reciprocate.  
2. Refrain from insider trading. |

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<th>Don’t rely on dubious or corrupt power.</th>
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| 1. Do not associate with anti-social forces or groups that pose a threat to order and safety in civil society.  
2. Build highly transparent relationships with politics and government. |

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<th>Don’t betray your colleagues.</th>
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| 1. Do not speak or behave in ways that damage trust, credibility or honor.  
2. Manage corporate secrets and personal information appropriately, and avoid unauthorized disclosure and leakage. |

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<th>Take pride in the team.</th>
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| 1. Create a working environment where employees find it comfortable to work.  
2. Actively contribute to society as a good corporate citizen. |

| Above all, love and admire talent.  
(Never be jealous.) |
|---------------------|

* Please refer to the website for corporate governance and full text of the compliance policy.