

# 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) “Three Core Areas of Focus”

**Aiding  
Environmental  
Health,  
Sustainability**

Green Practices

for environment

**Benefit to  
External  
Community**

Fair Business Practice  
Consumer Agenda  
Community Involvement  
Community Development

for society

**Responsibility  
to Internal  
Avex Staff**

Human Rights  
Labor Practice  
Organizational Governance

for staff

## Disaster Area Reconstruction Efforts Bringing Smiles to Quake-Ravaged Community via Professional Dancers



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

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 a 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.

**In fiscal 2016, Avex provided instruction at the following 16 schools:**

Jun. Oomika, Odaka, Fukuura, Kanabusa, and Hatohara Elementary School	Oct. Haramachi Daiichi and Ishigami Junior High Schools
Jul. Haramachi Daiichi and Haramachi Daisan Elementary Schools	Dec. Oota and Ishigami Daiichi Elementary Schools
Aug. Haramachi Daiichi and Kashima Junior High Schools	Jan. Takahira Elementary School, Haramachi Daisan Junior High School
Sep. Haramachi Daini Elementary School, Haramachi Daiichi Junior High School	Feb. Takahira, Odaka, Fukuura, Kanabusa, Hatohara, and Ishigami Daini Elementary Schools

## Students and Teachers All Join in for a Dance Lesson

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

### Dance Lessons as a “New School Tradition”

Avex has been giving dance lessons here for over the last three years, and they are now an annual tradition at our school. They are popular not only among students but also parents, who eagerly await the exciting lessons along with the teachers, who also look forward to learning new dance moves. In 2016, all about 300 students got the chance to show off the skills they had mastered during three months of lessons in a moving performance at the school festival that brought the house down.

### Surprise Guest Finishes Festival on a High Note

The kids gave their teachers, KO-TANG, ma-ya, and RYOTA-RO, everything they had. When there was no class, the students would still get together and, with the help from KO-TANG via email, they came up with dance moves on their own. On the day of the school festival, KO-TANG paid a secret visit to the school. After spying on the students' performance, he made a surprise guest appearance at the closing ceremony where he demonstrated some amazing Michael Jackson dance moves. It was a stirring finale that moved some students to tears.

### Hoping to Spread the Joy of Dancing

Now that dance is a required subject in Japanese junior high schools, students are showing greater interest in exercising

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.



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

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.



“Sora Niwa Itsumo Hora Taiyou!” CD

ふくしま元気UP  
プロジェクト2016



Dance event

## Embracing Para-Sports Activities Avex Supports Challenged Athletes



Avex Challenged Athletes*	Yuji Takada	Keiichi Sato	Yui Kamiji	Yuka Kiyama	Kento Masaki	Hiroki Saegusa	Saki Takakuwa
	Shizuka Hangai	Yoshikazu Kanaji	Shiori Funamizu	Mari Amimoto	Momoko Ohtani	Minemura Para-Swim Squad	

\*As of May 2017

### Recognized by Ministry of Education as Top Paralympian Sponsor

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, wheelchair racing, judo, swimming, and skiing. Sponsoring a whopping six athletes in four sports at the 2016 Rio Paralympics earned Avex its first special Minister's Award from Japan's Ministry of Education, Culture, Sports, Science and Technology (MEXT). Today Avex is continuing to move forward with various activities in the hope of bringing excitement and dreams to life.



Achievements at the Rio Paralympics				
Kento Masaki	Judo	+100 kg Bronze		
Yui Kamiji	Wheelchair tennis	Singles Bronze	Doubles 4th place	
Yuka Kiyama	Wheelchair racing	100m 4th place	400m 4th place	
Shizuka Hangai	Judo	48kg 5th place		
Saki Takakuwa	Track and field	100m 8th place	200m 7th place	Long jump 6th place
Keiichi Sato	Paratriathlon	PT4 11th place		

### Committed to Promoting Para-Sports

Saki Takakuwa, Para Track and Field Athlete



Twenty five-year-old Saitama Prefecture native, Saki Takakuwa, was in junior high school when she was first diagnosed with bone cancer (osteosarcoma) and had the lower part of her left leg amputated. Starting track and field training in senior high school, her athletic talent quickly blossomed and at the age of 20, she qualified for the London Paralympics. In 2015 she took home the bronze medal in the long jump at the IPC Athletics 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.

#### Able to Go Further as an Athlete and Employee

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.

### 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 family, 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.



### Activities and Achievements in Fiscal

June 2016	Yoshikazu Kanaji recognized by MEXT for outstanding contribution to sports. Yuka Kiyama, Saki Takakuwa, and their coach, Fumiyo Minemura, commended by MEXT for excellent performance in international sports competitions.
August 2016	Avex cosponsors the first Boccia Koshien.
September 2016	Kento Masaki, Yui Kamiji, Yuka Kiyama, Saki Takakuwa, Shizuka Hangai, and Keiichi Sato represent Japan at the Rio 2016 Paralympics.
October 2016	Avex becomes an official partner of the Japan Inclusive Football Federation (JIFF).
December 2016	Yui Kamiji wins the Sports Hochi Special Pro Sports Award.
January 2017	Yui Kamiji claims her first Australian Open singles title.
March 2017	Avex receives Special Commendation from the Minister of Education, Culture, Sports, Science and Technology for its contribution to the Rio 2016 Paralympics.

## Avex Helping to Raise Awareness 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 Day." Raising awareness about the health issue is being promoted by renowned Japanese actor and singer, Ryotaro

Sugi, who was selected by the Ministry of Health, Labor and Welfare to serve as the executive chairman of The Shitte Kan-en executive committee, along with a host of other celebrities acting as ambassadors and special supporters. Working to help make the project a success, Avex produced its theme song as well as an accompanying music video. Entitled "Egao no Ashita (A smiling future)," the tune is one everyone, both young and old, can sing along to. Avex is also lending a hand to the project by hosting promotional events, paying courtesy calls on officials, and organizing public relations campaigns featuring special supporters.



### Fiscal 2016 activities

4/28/2016	Tetsuya Komuro appointed as a special ambassador	9/4/2016	AKB48 (Shizuka Oya, Yuria Kizaki, Nako Yabuki), and Yohei Toyoda (Sagan Tosu player) visit Kogakukan High School and Junior High School in Saga Prefecture to attend its school festival.
7/26/2016	The Shitte Kan-en Project Meeting 2016 held Project theme song, "Egao No Ashita (A smiling future)," released.	9/17/2016	Ryotaro Sugi, Executive Chairman of The Shitte Kan-en Executive Committee, and w-inds. attend J1 soccer match between Sagan Tosu and Sanfrecce Hiroshima.
7/31/2016	Hanawa and special supporter, Hiroyasu Shimizu, make appearance at public lecture in Saga Prefecture	2/22/2017	FY 2016 The Shitte Kan-en Project Corporate and Institutional Partners Meeting held.
7/29-8/4/2016	The Shitte Kan-en Project booth is set up at "a-nation island."		
8/27-8/28/2016	The Shitte Kan-en Project booth is set up at "a-nation stadium."		

## It's Hip to be Aware of "Hepatitis" at any Age

Dr. Yuichiro Eguchi, Doctor of Medical Science, Research Professor, Saga University Hospital Liver Center

### Industry-government-academia Awareness-raising Project

This project is designed to promote awareness and understanding about hepatitis, how it spreads, who is at risk, and how it can be prevented and treated. In Japan's Saga Prefecture, where the number of deaths due to liver cancer has been the highest in the nation for the last 16 years in a row, the project has been working with Saga University to implement a wide array of awareness-raising activities since 2012. Minami Takahashi from AKB48 paid a courtesy call on the Saga prefectural governor and the president of Saga University in 2015 and since then we have been working with Avex on a number of initiatives.

### Spreading the word to 10,000 fans

In September 2016, Ryotaro 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 cloud-bursts could dampen the spirits of the ten thousand-strong crowd whose thunderous roar filled the stadium with an air of excitement. These kind of promotional 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, advocacy 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.



At an event in Saga

## 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 better 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 2016 bringing all the special supporters together under one roof.

## 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.



The Shitte Kan-en hepatitis awareness booth



Promoting awareness about hepatitis at a-nation

## Eco-Friendly Internal Practices

### Promotion of Eco-Conscious Innovations

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 depository for discarded confidential documents awaiting 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 workspace, the company has provided Avex-original eco-bags to staff as part of a conservation policy encouraging exclusive use of these rubbish-reducing bags.



Avex-original eco-bag

#### Energy Conservation through Office-Space Efficiency

The soon-to-be-completed new Avex building is designed to maximize energy savings. Even construction is not excluded from our goal to keep impact as close as possible to zero-emissions. Rubbish segregation is one hundred percent, and environment impact on construction vicinity is considered.



Avex new office building (2017 estimated date of completion)

#### Chilling with Cool Biz

At Avex, summertime is “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 reuse the give-away paper fans that are left over from concerts and other events and are reminded to use them via office PA announcements and internal newsletters. These efforts not only maximize the use of resources but also help save energy.

attributes of Google Drive technology, encouraging use of electronic documents in place of hard-copy printouts. We strive to achieve something as close to a “paperless” workplace as possible.

#### Expanding Commitment to Recycled Paper

Avex business cards as well as all documents emitting from our in-office copy machines are printed on recycled paper exclusively.

#### Strict Separation of Rubbish Promotes Full Recycling

We thoroughly separate paper, glass, plastic and metallic cans in order to make the recycle process fully efficient.

#### Encouraging Paperless Culture

Our periodic induction courses promote the paper-saving

## Environmental Initiatives

### Green Initiatives on CD Packaging

The Avex record label Commons initiated a project “Commons for GREEN”<sup>\*1</sup> dedicated to minimizing the label’s own “carbon footprint” via carbon-offset measures.<sup>\*2</sup> For example, since 2008 offsets have made the process of producing and packaging Commons audio CDs carbon-neutral. Furthermore, Commons headquarters is powered by eco-friendly “green energy” out of consideration for environmental protection.

<sup>\*1</sup> Focused on social and ecological activism, “Commons for GREEN” is a project established by Avex together with visionary Ryuichi Sakamoto and other like-minded artists. The goal is to discover new transformative potential in music. The Commons label gets its name from a desire to create a “commons,” or communal space, in which artists, the music industry and consumers can interact and join forces for societal good.

<sup>\*2</sup> Carbon offsetting means taking action (like planting trees or expanding green-energy) to reduce CO2 in compensation for an emission made elsewhere.

### 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 fes.” took

place. Collected waste is separated into combustibles and non-combustibles. Once PET (polyurethane plastic) 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.

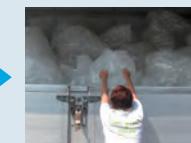
#### Flow of Eco-Station Recycling



Waste is collected from visitors at eco-stations.



Attendees who deposit waste for recycles are rewarded with Bonfim bracelets.



After sorting waste by type, PET plastic is sent to the Teijin Matsuyama recycling facility.



Recycled material is reborn into items for the following year’s festivities! - specifically Bonfim bracelets and volunteer uniforms.

### ULTRA SWEEPERS Sweep Audience off Its Feet

Taking place every September in Tokyo’s Odaiba area, “ULTRA JAPAN” is one of Japan’s largest dance music festivals. Keeping the venue clean is the job of the Avex ULTRA SWEEPERS. Entertainers dressed in camouflage uniforms patrol the venue, picking up trash “while performing along the way to promote the idea that cleaning up can be fun.”



ULTRA SWEEPERS

## Community Engagement Initiative

### 1 Connecting People through Classical Music

Avex Classics International, a global operator of classical music-related businesses, hosts music performances at receptions and international friendship events as part of its community engagement initiative. In October 2016, it organized a one-hour classroom program at a Japanese school in



Reception at the U.S. embassy in Tokyo

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.



Celebration of the 40th Anniversary of the Australia-Japan Basic Treaty

### 2 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

from vending machines installed in our headquarters, 10 yen per purchase, are donated to the WFP. Ongoing since 2010, this initiative has raised 10,659,560 yen as of the end of March 2017.

### 3 Sponsorship of Asian International Children's Film Festival

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 its aim of educating children and promoting cross-cultural exchanges.

#### 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 receives 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.



## Mentoring the Next Generation

### 1 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.

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

### 2 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 for 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.

### 3 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.

#### From Discovery to Debut

Select talent via auditions, scouting, and visits to performance academies

Sign trainee contracts with selected individuals

Provide support for period averaging two to three (2-3) years

Initiate debut projects, presentation to outside talent managers

Enter into exclusive artist management contracts or exclusive recording artist contracts

Public debut

### 4 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 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.

#### Credo for the trainees/pre-debut artists:

- Value good manners, politeness. •Be punctual; keep appointments.
- Be grateful, appreciative of blessings and support. •Be receptive to guidance; seek advice.
- Take education seriously for, professional/personal development.

## Customer Services and Copyright Protection

### Avex, Customers, and Listening as a Two-Way Communication

For Avex and its customers, listening to one another is a “two-way street.” Just as customers listen enthusiastically to Avex-produced recordings, we at Avex listen back. Care to respond to customers thoroughly and quickly is a fundamental part of our commitment to quality service. Avex receives a staggering amount of feedback from its customers, totaling about 7,000 calls and as many as 20,000 emails a month. We therefore created a system to ensure that no feedback goes unheard, a system allowing guaranteed quick response. The feedback can be shared across the entire organization so

whenever a customer indicates a problem, we act to make sure that trouble never reoccurs. Finally, over 30 phones are dedicated to fan-club hotlines, ensuring that fans of Avex-produced artists are always able to get through.



### 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 and music. Avex's approach to 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 issue formal take-down-request 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

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 product from being properly sold, there is no longer proper compen-

sation for the artists and producers including the song writers, composers, performers, record-company staff, and other support personnel. This scenario would make continued creation of new music commercially unviable and, therefore, difficult to sustain. In promoting public understanding of these consequences, the Avex Group distributes posters to raise awareness of copyright issues and conveys the importance of intellectual property to visiting students on Avex workplace tours.

#### Copyright Infringement Reduces Commercial Viability Of New Music Production

(source: Recording Industry Association of Japan)



## Supportive Environment and Welfare

### Promoting Work-Life Balance within the Company

The Avex Group takes measures to actively address the distinctive needs of its female workforce with special emphasis on providing childcare assistance. In fiscal 2013, the Ministry of Health, Labor and Welfare recognized Avex's efforts with its Kurumin\* Next-Generation Certification.



#### The Kurumin-trademark

\*Kurumin certification is awarded to corporations that support child-raising working families.

#### Promoting Work-Life Balance within the Greater Community

In fiscal 2016, 15 employees took maternity leave, and 69 employees returned to work from such leave. Upon return, many - approximately 12% - take advantage of Avex's work-schedule-flexibility and childcare offerings. In response to the serious societal problem of day-care shortage, Avex aims to assist both employee and non-employed families, providing a day care service called “Popolar.” Proud to facilitate a better balance between work and childrearing, Avex is committed to continuing supportive efforts.

### Health Screening for Welfare of Personnel

In order to facilitate maintenance of our employees' health, Avex offers regular medical checkups and other measures to make sure everyone stays healthy. In 2016, three specific exams were offered: (1) a blood testing measuring fitness, flow of red blood cells and diet, (2) a body composition test measuring body fat and muscles to screen for lifestyle-related diseases and other health problems, and (3) a dental checkup, including a thorough cleaning. Many of our employees voluntarily participated, gaining knowledge about health maintenance and their own physical conditions.

#### Employee Participation in Year 2016 Health Checkups:

Medical Exams (Type)	Offerings	Number of Participants
Dental Exam	4	192
Body Composition Test	4	128
Blood Test	4	117



Dental checkup

### Establishment of Avex's Own Health Insurance Union

In a first among music- and video-production companies in the Japanese entertainment industry, on June 1, 2012 we obtained the approval of the Minister of Health, Labor and Welfare to set up our own Avex Group Health Insurance Union. As a result, we have been able to enhance the legal content of physical check-

ups as well as health insurance premiums for personnel, enabling us to maintain and increase the health initiatives that are best suited to the needs of the Avex Group's employee population. (The percentage of Avex employees who voluntarily participated in 2016 health checkups was 96%.)

### Banquet Celebration in Appreciation of Employees and Their Families

The Avex Group held its 25th Family Banquet in February 2017. In recognition of employee dedication and supportive families, these banquets have taken place periodically since Avex's early days. As always, the celebration expressed the Company's gratitude. The event has evolved over the years as our operations have expanded. This year managers

and their families were invited to the banquet. We enjoyed speeches of executives and directors, stage performances for young attendees, and a scrumptious meal to accompany the delightful conversation of guests, which was a fun-packed event for all ages. It was a great opportunity for all participants to interact and get acquainted with each other.

## 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.

### Don't cheat.

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.
3. Do not employ dishonest means in business activities.

### Don't play around with money that isn't your own.

Do not socialize with business partners in ways that depart from sound commercial practice or common sense.

### Don't be arrogant.

Comply with laws and regulations, and respect social norms.

### Don't steal.

Protect intellectual property rights of the company, and respect that of others.

### Don't selfishly think of yourself above others.

1. Be conscious of the support received from colleagues and the need to reciprocate.
2. Refrain from insider trading.

### Take pride in the team.

1. Create a working environment where employees find it comfortable to work.
2. Actively contribute to society as a good corporate citizen.

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

### Don't bully.

1. Respect human rights and do not engage in acts of discrimination.
2. Interact with business partners in proper, honest, fair, and open manner.

### Don't lie.

1. Disclose accurate information.
2. Engage in proper promotion and advertising.

### Don't be wasteful.

Recognize the importance of environmental issues and make effective use of company assets.

### Don't rely on dubious or corrupt power.

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.

### Don't betray your colleagues.

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.

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