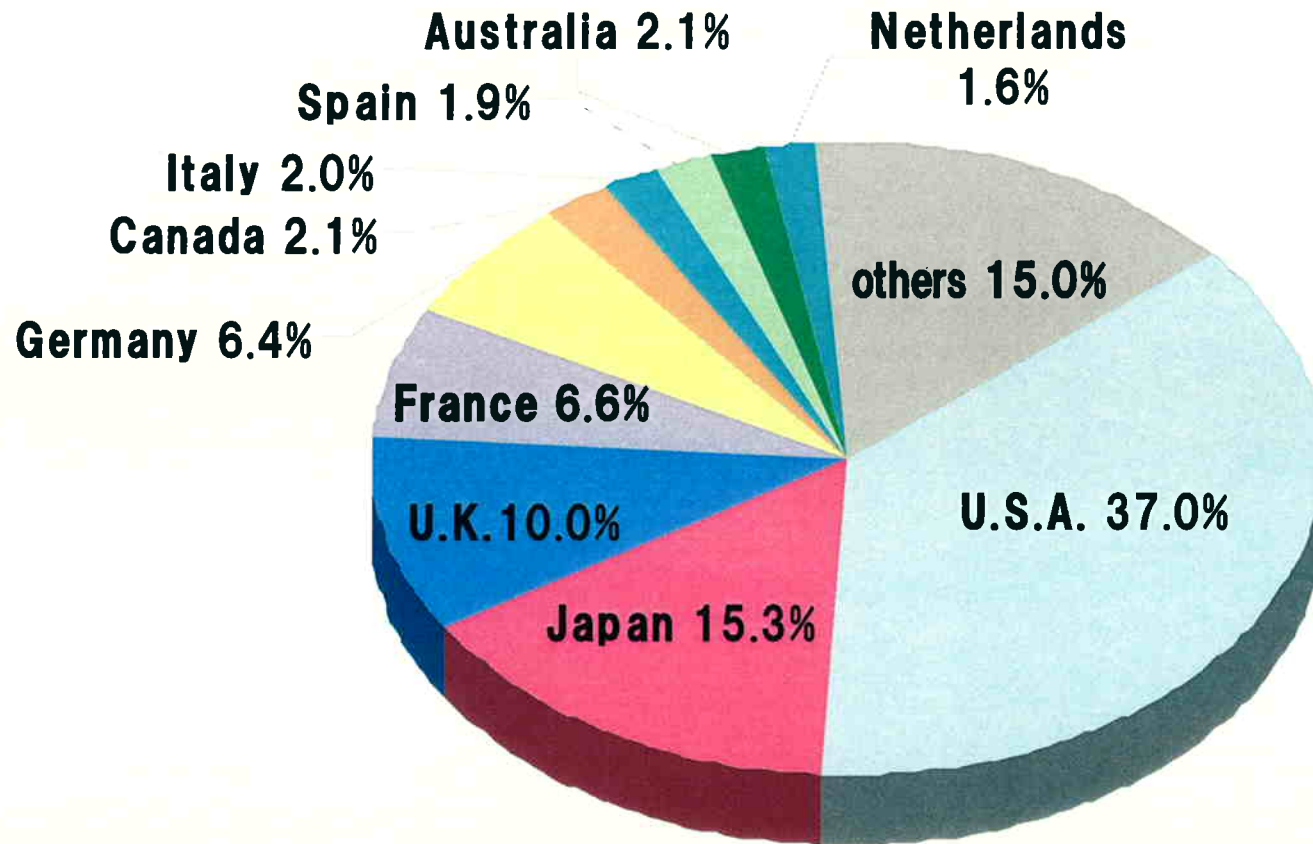


Japan Music Market Update

**Music Publishers Association of Japan
Sony Music Publishing (Japan) Inc.**

Global Sales of Recorded Music (Calendar 2003, by country. Source: IFPI)

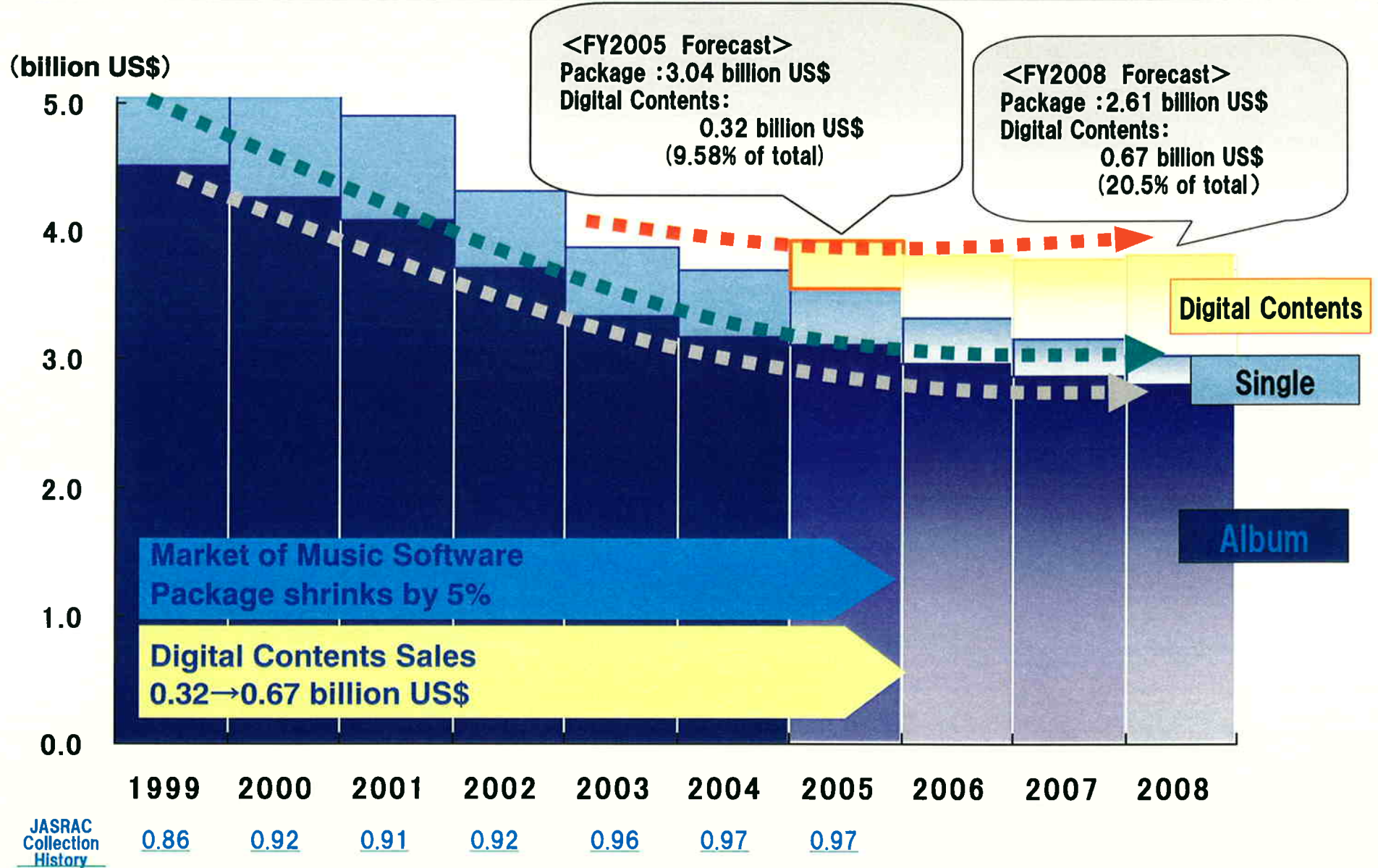


Best Selling Album Top 30 / 2005 <from Oricon>

explanatory: Major Label Non Major Label Japanese Artist Non Japanese Artist

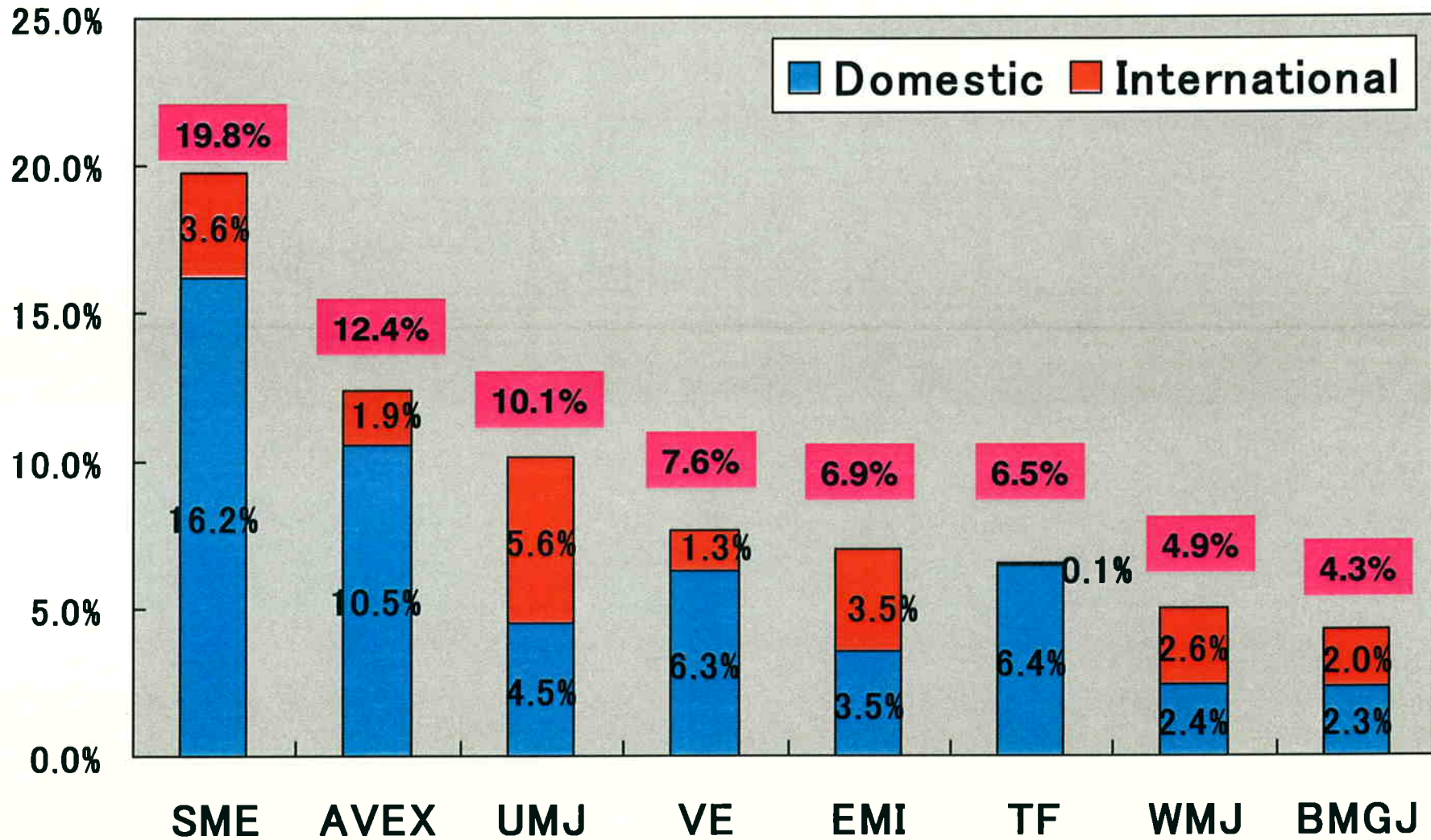
Ranking	Album Title	Artist	Record Label	Sales Unit	Release Date
1	musiQ	ORANGE RANGE	Sony Records	2,630,763	2004.12.01
2	Ketsunopolls4	Ketsumeishi	Toys Factory	1,915,233	2005.06.29
3	SENTIMENTALovers	Ken Hirai	DefSTAR Records	1,660,885	2004.11.24
4	Def Tech	Def Tech	Ilchill	1,657,631	2005.01.22
5	PERFECT BEST	EXILE	rhythm zone / Avex	1,438,889	2005.01.01
6	Best-first things-	Kumi Kouda	rhythm zone / Avex	1,207,793	2005.09.21
7	MY STORY	Ayumi Hamasaki	Avex Trax	1,131,776	2004.12.15
8	I LOVE YOU	Mr. Children	Toys Factory	1,068,773	2005.09.21
9	BEST OF SOUL-PERFECT EDITION-	BoA	Avex Trax	1,060,039	2005.02.02
10	KILLER STREET	SOUTHERN ALL STARS	Victor Entertainment	1,025,091	2005.10.05
11	NATURAL	ORANGE RANGE	Sony Records	848,776	2005.10.21
12	Disco Zone - Malahi	Ozone	Avex Trax	809,739	2005.10.12
13	Home	Yuzu	Senha & Co.	635,336	2005.06.08
14	Lokahi Lani	Def Tech	Tensabaka Records	624,506	2005.06.29
15	THE CIRCLE	B'z	Vermillion Records	557,783	2005.04.06
16	MUSIC	Mika Nakashima	Sony Music Associated Records	545,820	2005.03.09
17	Kinki Single Selection II	Kinki Kids	Johnny's Entertainment	544,594	2004.12.22
18	Going [2001-2005]	Yuzu	Senha & Co.	541,627	2005.06.08
19	Never gone	Back Street Boys	BMG Funhouse	528,360	2005.06.08
20	Good Job!	Rip Slyme	Warner Music Japan	522,800	2005.08.31
21	DIAMOND 15	DREAMS COME TRUE	Universal / DCT	514,746	2004.12.08
22	secret	Kumi Koda	rhythm zone / Avex	505,607	2005.02.09
23	Sokana	Kazumasa Oda	BMG Funhouse	495,298	2005.06.15
24	Destiny Fulfilled	Destiny's Child	Sony Music Japan International	487,051	2004.11.10
25	Early Times	LOVE PSYCHEDELICO	Victor Entertainment	467,569	2005.02.09
26	Yumeno Nakano Massuguna Michi	Alko	Pony Canyon	466,899	2005.03.02
27	Queen of Hip Hop	Namie Amuro	Avex Trax	466,899	2005.07.13
28	Best Classics 100 6CD	Various	Toshiba EMI	423,734	2005.04.13
29	THUMPx	PORNO GRAFFITI	SME Records	416,655	2005.04.20
30	LOVE JAM	AI Otsuka	Avex Trax	414,513	2004.11.17

Japanese Music Market Forecast



Market Share Comparison at Retail <Audio>

2005FY[April 1 – December 31]



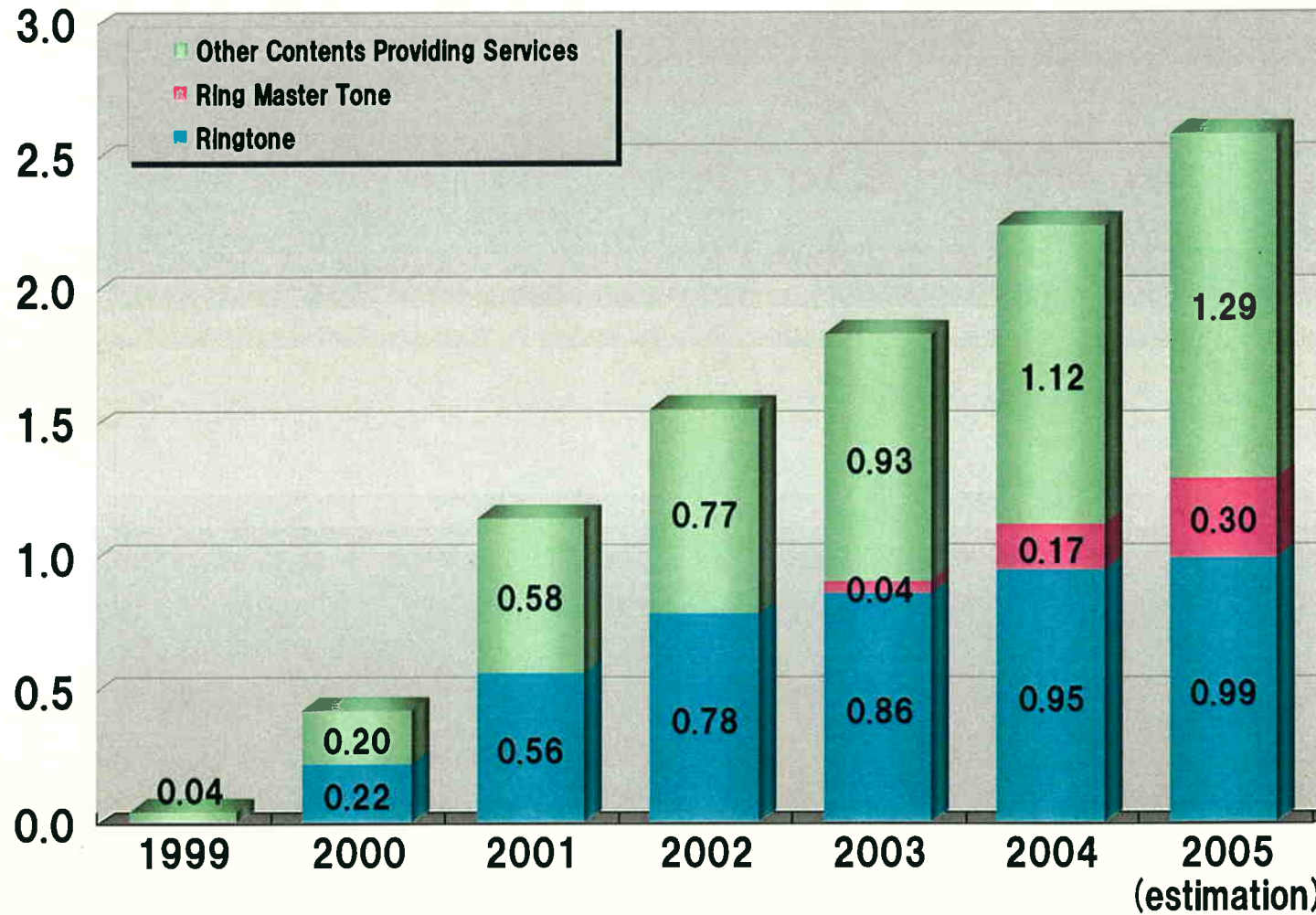
TF...Toys Factory VE...Victor Entertainment

Reference:Planet

Internet/Mobile Market Sales History

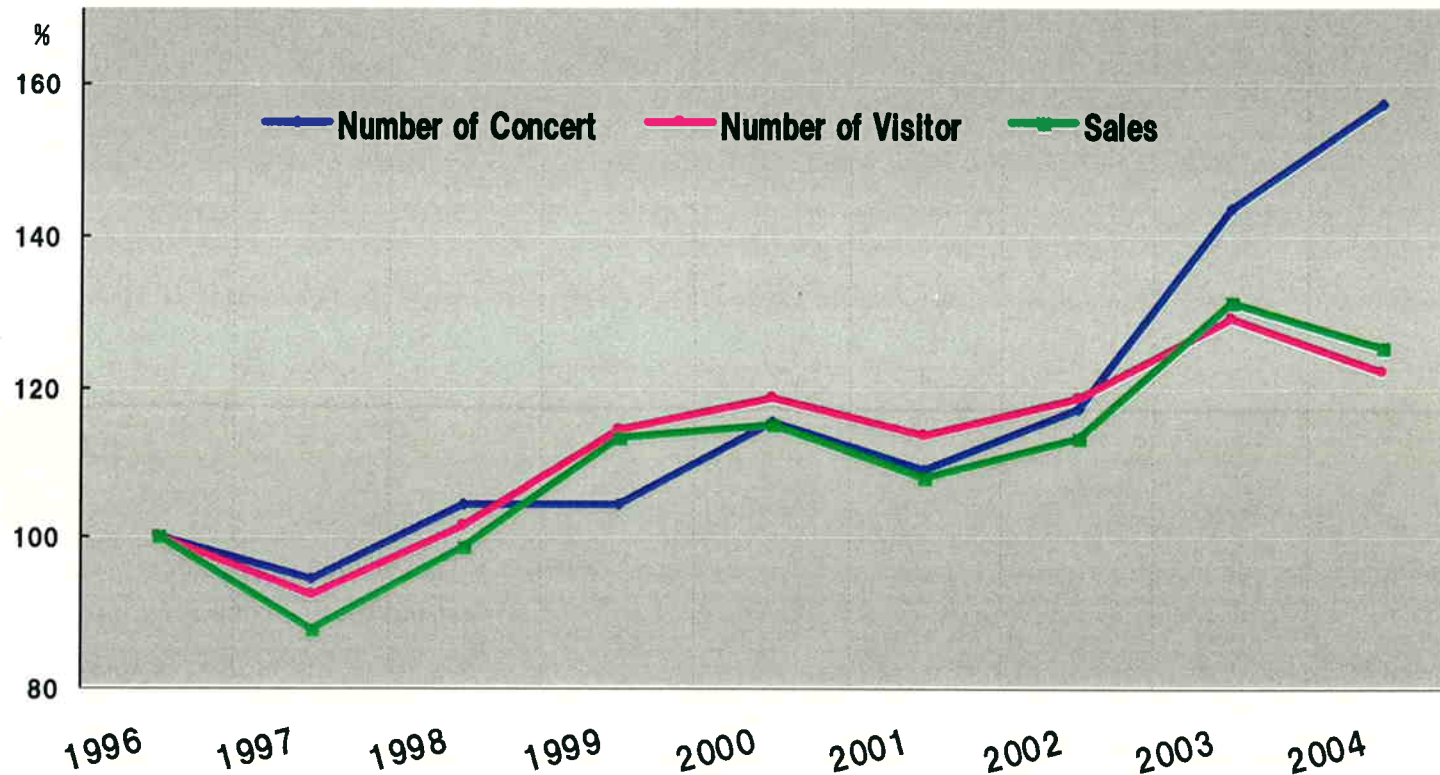
Music Publishers Association of Japan
Sony Music Publishing (Japan) Inc.

(billion US\$)



Reference: "Copyright 2005 11" issued by Copyright Research and Information Center

Concert Market



The figures of 1996 are set as 100%. The above shows the changes of the ratio.

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Number of Concert	9,100	8,600	9,500	9,500	10,500	9,910	10,650	13,050	14,323
Number of Visitors (million)	14.10	13.00	14.30	16.10	16.70	16.01	16.70	18.18	17.18
Sales (million Yen)	71,901	63,096	71,074	81,407	82,592	77,650	81,489	94,282	90,092

Points to Remember

Short sales period. A poor start is very difficult to recover. Advance music, artist info, artwork, and photos are key.

Image-oriented market. Music is fashion, putting great emphasis on photos, press, an artist's story, and artwork.

Artist presence. Artist promo/tour should be timed around album release.

Importance of terrestrial TV. Radio/press/cable TV are only stepping stones – major mainstream TV (i.e. in-market artist promo) is crucial to reach high sales

Tie Ins. One of the most powerful sales drivers in the market. International artist are locked out of most TV drama opportunities due to the leveraging power of local management companies. The going master license fee rate for local artists is substantially lower than for international.

The End