



Société anonyme/Naamloze vennootschap

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RLE n° 0.866.015.010

Columbia Music Entertainment Issues Notice of Consolidated Business Results Full Fiscal Year Ending March 2007

Brussels – May 15, 2007 - RHJ International (the “Company”), a limited liability company organized under the laws of Belgium, having its registered office at Avenue Louise 326, 1050 Brussels, announces that Columbia Music Entertainment Inc. (CME), has today issued its consolidated business results indicating its overall performance for the fiscal year ending March 31, 2007 (April 1, 2006 ~ March 31, 2007).

A translation of the announcement published by CME, in Tokyo on August 11, 2006 is attached. Figures are expressed in Japanese accounting standards (Japanese GAAP).

CME is one of the current six consolidated portfolio companies of the Company. CME, established in 1910, is engaged primarily in music production and entertainment in Japan. Music production and entertainment is the production, manufacturing, marketing and distribution of music.

CME is listed on the first section of the Tokyo Stock Exchange under the ticker 6791.

The Company currently holds approximately 25.5% of CME issued and outstanding shares (not including the exercise of any stock acquisition rights).

DISCLAIMER

This announcement does not constitute an offer or invitation to purchase any securities.

FORWARD-LOOKING STATEMENTS

The attached announcement contains forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. These statements are based on the current plans, estimates and projections of Columbia Music Entertainment Inc. as well as on its expectations of external conditions and events. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Neither the Company nor Columbia Music Entertainment Inc. undertake to update any of the statements in light of new information or future events, except to the extent required by applicable law.

For further information, please contact :

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Press Release

Columbia Music Entertainment, Inc.

Columbia Music Entertainment Issues Notice of Consolidated Business Results Full Fiscal Year Ending March 2007

~ Record high operating profit, ordinary profit, and current term net profit since ownership changed and corporate revitalization began in 2001. ~

Columbia Music Entertainment Inc. (hereinafter CME; Head Office: Minato-ku, Tokyo; Chief Executive Officer (CEO): Sadahiko Hirose, Chairman: Strauss Zelnick) has today issued its consolidated business results indicating its overall performance for the fiscal year ending March 31, 2007 (April 1, 2006 ~ March 31, 2007).

During the fiscal year under review, as a result of strong revenue performance, CME was able to achieve the highest levels of operating profit, ordinary profit, and current term net profit since ownership changed and corporate revitalization began in October, 2001.

CME's consolidated sales totaled 29,336 million yen (an increase of 1.5% compared with the previous fiscal year)., While the Japanese CD market as a whole recorded negative growth, sales in CME's in-house Music Production business expanded significantly, recording a 26% increase compared with fiscal year ending March 2003. During the fiscal year under review, Kiyoshi Hikawa received the 48th Japan Record Award for the song *Ikken*, and Kaela Kimura's third album *Scratch* went straight into the weekly Oricon Chart at No.1 and stayed there for two successive weeks, marking a breakthrough for this artist. In addition, Yo Hitoto's first best-of album *BESTYO* has achieved sales of almost a million copies. Sales of in-house produced titles sold briskly due to the popularity of our hit artists and the use of outside producers. Sales in CME's digital music business increased by 65% year-over-year.

In addition, we have started up two new projects with the aim of making even greater use of our rich sound source catalogue. The first, entitled the LP Project, revived CME's practice of producing vinyl LP records after an 18-year hiatus. We have already released a total of 15 titles ranging from Showa Kayokyoku to Jazz and Classical albums, and an additional slate of releases is scheduled for this coming October. The second project is Japan's first-ever music distribution service to allow customers to customize the music they wish to purchase on CR-R using a special order terminal installed in music stores.

As for the profit and loss situation, increases in income from CME's in-house music entertainment business and our digital business made significant contributions to profitability. CME's custom sales business and music publication subsidiaries also performed favorably.. As a result, CME recorded a consolidated ordinary profit of 619 million yen for the fiscal year under review, an increase of 28.6% compared with the previous fiscal year, and a consolidated net profit for the fiscal year under review of 561 million yen, compared with a net loss of 2,054 million yen for the previous fiscal year.

Meanwhile, cash reserves, which stood at about 2 billion yen three years ago, rose to over 5 billion yen at the end of the fiscal year under review. Over this period we have also paid back all our bank loans, CME is now operating debt-free.

<Full Year Business Result Forecast for Fiscal Year Ending March 31, 2008>

As announced earlier, the company will change its method of accounting for sales in its Pressing & Distribution Business, resulting in lower reported revenue, but higher profit margins. Although we are expecting an increase in revenue from the Digital Business, the change in the method of reporting sales in the P&D Business will result in a decrease in total sales figures. Although CME has delivered major hits in the recent past, we have conservatively not forecast any million-seller hits in the upcoming year. In addition, CME is planning to make significant investments in new digital-related projects that continue to help fuel our growth. Accordingly, CME's consolidated performance forecast for the fiscal year ending March 31, 2008 (April 1, 2007 ~ March 31, 2008) is for total sales of 20 billion yen, an operating profit of 500 million yen, an ordinary profit of 450 million yen, and net income for the term in question of JPY 400 million yen.

We continue to make adjustments to our management structure to allow us to optimize profit on a sustained basis even in the absence of major hits. As always, we will seek to continuously improve the Company's ability to generate profits.

Furthermore, digital music distribution (such as music downloads, etc.) is expanding rapidly in Japan, with sales in this market now exceeding those of the CD singles. We will endeavor to continue to develop new content and improve our distribution platforms in accordance with the needs of this market.

– Artists and Titles Making Major Contributions to Sales–

< Music Software >

• Enka/Kayokyoku Dept.

Kiyoshi Hikawa—	Single: <i>Ikken/Kiyoshi no Mori no Ishimatsu</i> Album: <i>Enka Meikyoku Collection 6 ~ Ikken ~</i>
Eisaku Okawa—	<i>Saikai/Inochi Hateru Made</i>
Toshimi Tagawa—	<i>Yuki ga Furu/Kosame no Jokamachi</i>
Harumi Miyako—	<i>Hana wa Anata no Kata ni Saku/Onna Zaka</i>

• J-Pop, J-Rock, Dept.

Yo Hitoto—	<i>BESTYO</i>
Kaela Kimura—	Singles: <i>Snow Dome, TREE CLIMBERS, Magic Music</i> Albums: <i>Scratch, Circle</i>
Sadistic Mika Band—	<i>NARKISSOS</i> (produced by Kazuhiko Kato)
Chiharu Matsuyama—	<i>Saisei, Genjitsu</i>
Ryuichi Kawamura—	<i>Evergreen ~ Anata no Wasuremono ~</i>

• International Dept.

Bloc Party—	<i>A Weekend in the City</i>
The Raconteurs—	<i>Broken Boy Soldiers</i>
Rinôçérôse—	<i>Rinôçérôse</i>
Jim O'Rourke—	<i>Corona Tokyo Realization</i>

• Educational Dept.

Fuuka, Wanwan, Uutan—	<i>Inai Inai Baa! ~Uta ☆ Uta ☆ Daisuki! ~</i> <i>2006 Pop Hit March</i> <i>Kodomo no Uta Zakkuzaku! Takarabako</i>
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• Animation Dept.

Takayoshi Tanimoto	Theme song from <i>Juken Sentai Gekiranger</i> <i>Roko Roko no Uta</i> <i>Idol Master Series</i>
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• Hogaku Dept.

2007 Columbia Zenkoku Ginei Concour
Tatekawa Danshi, Danshi Hyakuseki Koten Rakugo CD-BOX

• Classic Dept.

Minako Honda—	<i>Kokoro wo komete</i>
Chisako Takashima—	<i>12 nin no Violinist</i>

• Catalogue Products

Hibari Misora— *Misora Hibari Special Best*
CD *Twin Miina Doyo*
Yasuharu Konishi, etc.— *Punch the Monkey! DJ Megamix Best*

<Visual Software>

Kiyoshi Hikawa— *Hikawa Kiyoshi Special Concerts 2005, 2006*
Fuuka, Wanwan, Uutan— Several titles in the *Inai Inai Baa!* series
Chiharu Matsuyama— *Live DVD Saisei*
Yo Hitoto— *Yo & U Tour '06*
Genki Genki Nontan Series

<Mail Order Business>

Misora Hibari Showa o Utau
Natsukashi no Hibi—Yumiko Samejima Jojokashu
Funamura Toru ga Utau—Akiseki no fu Gojunen

<PC/Mobile Phone Incoming Call Melodies>

Kaela Kimura— *TREECLIMBERS, Magic Music, Snowdome*
Yo Hitoto— *Hanamizuki, Morainaki, Sayonara Arigato*
Sadistic Mika Band Revisited— *Time Machine ni Onegai ('06 version)*

<P&D (Production & Distribution) Business>

◇ R and C Ltd.

Downtown— *Downtown no Gaki no Tsukai ya Arahende!!* series
Gorie— *Ai no Pecori Lesson*

◇ DREAMUSIC Inc.

Funky Monkey Babies— *Lovin' Life, Funky Monkey Babies*

■ Columbia Music Entertainment Inc.

Company Name: Columbia Music Entertainment Inc.
Address: Roppongi 21 Mori Bldg., 1-4-33 Roppongi, Minato-ku, Tokyo
Representative: Representative Director and CEO Sadahiko Hirose
Business contents: Production, manufacturing, advertising and sales of music audio and video software, etc., and music artist management
Paid-in capital: ¥1,000,000,000
URL: www.columbia.co.jp

■ For further information concerning this subject please contact:

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