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Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (Japanese GAAP)

August 9, 2024

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 Scheduled date of commencement of dividend payment: -
 Supplementary documents for financial results: Yes
 Holding of financial results meeting: No

(Figures are rounded down to the nearest one million yen.)

1. Consolidated financial results for the first quarter ended June 30, 2024 (April 1, 2024 – June 30, 2024)

(1) Consolidated results of operations

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	42,353	(1.6)	8,045	43.4	9,515	12.1	4,039	(3.8)
June 30, 2023	43,063	26.3	5,608	21.3	8,489	18.8	4,199	33.6

Note: Comprehensive income

Three months ended June 30, 2024: 11,419 million yen [-16.2%]

Three months ended June 30, 2023: 13,632 million yen [115.8%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	65.24	-
June 30, 2023	67.84	-

Note: The Company conducted a 5-for-1 stock split of common shares on April 1, 2024. Earnings per share was calculated assuming that the share split was implemented at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	418,610	322,704	57.9
As of March 31, 2024	411,406	316,230	57.5

Reference: Equity

As of June 30, 2024: 242,373 million yen

As of March 31, 2024: 236,449 million yen

2. Dividends

	Annual dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	30.00	-	105.00	135.00
Fiscal year ending March 31, 2025	-	-	-	-	-
Fiscal year ending March 31, 2025 (forecast)	-	6.00	-	6.00	12.00

Notes: 1. Revisions to dividend forecasts published most recently: No

2. The year-end dividend of 105.00 yen per share for the fiscal year ended March 31, 2024 includes a special dividend of 75.00 yen per share.

3. The Company conducted a 5-for-1 share split of common shares on April 1, 2024. Dividends per share for the fiscal year ended March 31, 2024, are actual dividends per share before the share split was executed.

3. Forecast for consolidated financial results for the fiscal year ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	156,000	(9.0)	24,400	(16.8)	27,700	(21.6)	10,800	(22.7)	174.45

Note: Revisions to consolidated business performance forecasts published most recently: No

* Notes

(1) Significant changes in the scope of consolidation during the period: No

New: – Exclusion: –

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies and accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards, etc.: Yes

(ii) Changes in accounting policies due to other reasons: No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(4) Number of shares issued (common shares)

(i) Number of shares issued at the end of the period (including treasury shares)

As of June 30, 2024	73,844,545 shares	As of March 31, 2024	73,844,545 shares
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(ii) Number of treasury shares at the end of the period

As of June 30, 2024	11,935,000 shares	As of March 31, 2024	11,936,070 shares
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(iii) Average number of shares during the period

Three months ended June 30, 2024	61,908,730 shares	Three months ended June 30, 2023	61,907,966 shares
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Notes: 1 The Company introduced the board incentive plan (BIP) trust. The number of shares in the Company held by the BIP trust is included in the number of the treasury shares that are excluded from the calculation of the number (ii) hereinabove and the number (iii) hereinabove .

2 The Company conducted a 5-for-1 share split of common shares on April 1, 2024. The number (i), the number (ii) , and the number (iii) hereinabove were calculated assuming that the share split was implemented at the beginning of the previous consolidated fiscal year.

* Review by a certified public accountant or an auditing firm of the attached quarterly consolidated financial statements: No

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document, including business outlooks, are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. These statements are not a promise that the Company will achieve them. Actual results may differ materially, depending on a range of factors. For the conditions on which financial results forecasts are based and the notes on the use of these forecasts, please refer to “1. Overview of operating results and financial position

(3) Overview of consolidated earnings forecast and other forward-looking statements” on page 3.

Attached Materials Index

1. Overview of operating results and financial position	2
(1) Overview of operating results for the first three months ended June 30, 2024.....	2
(2) Overview of financial position for the first three months ended June 30, 2024	3
(3) Overview of consolidated earnings forecast and other forward-looking statements	3
2. Quarterly consolidated financial statements and notes on important matters	4
(1) Quarterly consolidated balance sheet	4
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income.....	6
(3) Notes on quarterly consolidated financial statements.....	8
(Notes on changes in accounting policies)	8
(Notes on segment information).....	9
(Notes in the case of significant changes in shareholders' equity)	10
(Note on going concern assumptions)	10
(Notes on quarterly consolidated statement of cash flows)	10

1. Overview of operating results and financial position

(1) Overview of operating results for the first three months ended June 30, 2024

During the first quarter of the fiscal year under review, the economy in Japan showed a trend of moderate recovery, reflecting the return of economic activities to normal and an improvement in employment and income. However, the outlook of the economy remained uncertain, given the instability in Europe and the Middle East and fluctuations in financial and capital markets, in addition to the impact of monetary tightening around the world and steep rises in consumer prices.

In this environment, the Group strove to implement solid sales initiatives in each of its businesses: the film and video-related business, entertainment-related business, event-related business, tourism real estate-related business and the architectural interior design-related business.

As a result, net sales for the first quarter of the fiscal year under review stood at 42,353 million yen (down 1.6% year on year), ordinary profit came to 9,515 million yen (up 12.1% year on year), and profit attributable to owners of parent was 4,039 million yen (down 3.8% year on year).

Operating results by business segment are as follows:

(i) Film and video-related business

In the movie business, we distributed nine films including films produced in collaboration with other production companies. *Dangerous Cops -Home coming-* was a box-office hit. *BELIEVE*, and *IDOLiSH7 the Movie; LIVE 4bit BEYOND THE PERIOD*, which was released in the preceding fiscal year and re-released in the fiscal year under review, were well received.

In the TV production business, we produced *Special Agent Unit 9, With you I bloom, KAMENRIDER GOTCHARD, BOONBOOMGER, Wonderful Precure!*, and *BLACK JACK*, among other titles. We sought to enhance content to receive orders. Domestic sales of merchandise rights for special effect content remained firm as consumer preferences for toys continue to diversify.

In the domestic content business, we sold terrestrial, BS and CS broadcasting rights for old and new theatrical films and television films, streaming rights to streaming providers and DVD/Blu-ray rights. Sales of the streaming rights to *THE FIRST SLAM DUNK, The Birth of KITARO: The Mystery of GeGeGe*, and other titles were strong. In addition, sales for *Land of Tanabata*, a streaming drama, contributed to sales. In the homevideo business, we transferred our homevideo sales business to Toei Video Co., Ltd., a consolidated subsidiary, to consolidate management resources and enhance management efficiency. We also sold old and new theatrical and television films overseas and sold the merchandising rights of these films. *ZYUOHGER, ONE PIECE, the Dragon Ball series, and the DIGIMON series* sold well.

In the studio business, we were engaged in contract production and partial production of theatrical and television content.

In the film and video-related business, net sales came to 31,327 million yen (up 0.9% year on year), and operating profit was 7,455 million yen (up 63.8% year on year).

(ii) Entertainment-related business

The management of cinema complexes by T-JOY Co., Ltd., a consolidated subsidiary, is the core business in the box office business. T-JOY has 218 screens at 22 sites, including those jointly managed with partners. *Detective Conan: The Million-dollar Pentagon*, and *The Floor Plan* became blockbusters and significantly contributed to results, but sales and profit fell from the year-ago period when the results were well.

In the entertainment-related business, net sales came to 4,590 million yen (down 21.8% year on year) and operating profit was 202 million yen (down 74.7% year on year).

(iii) Event-related business

In the event-related business, events, such as *OHSAMA SENTAI KING-OHGER FINAL LIVE TOUR2024* and popular character shows, performed well. Sales of film-related merchandise, event merchandise, and online sales were strong. At Toei Kyoto Studio Park, using part of the site was limited due to renovation, but results were driven by inbound tourism demand and group tourists.

In the event-related business, net sales came to 3,208 million yen (up 27.0% year on year) and operating profit was 580

million yen (up 50.3% year on year).

(iv) Tourism real estate-related business

In the real estate leasing business, the management of rental facilities that we own nationwide, including retail complexes, such as Toei Plazas (Shibuya, Fukuoka, Hiroshima and Sendai) and Shinjuku 3-chome East Building, and condominiums, performed well. In the hotel business, inbound tourism demand and tour group use have recovered. However, on the downside, hotels were affected by rising prices, including utility costs. Under such conditions, we sought to generate profit through efforts such as the revision of prices and thorough cost control.

In the tourism real estate-related business, net sales came to 1,598 million yen (up 6.4% year on year), and operating profit was 622 million yen (up 0.1% year on year).

(v) Architectural interior design-related business

In the architectural interior design-related business, management remained challenging due to persistently high construction materials costs and an increase in labor expenses. Despite the situation, we conducted intensivesales activities to retain existing customers and expand orders, and were involved in the construction of cinema complexes.

In the architectural interior design-related business, net sales came to 1,627 million yen (down 23.1% year on year), and operating profit was 94 million yen (up 134.3% year on year).

(2) Overview of financial position for the first three months ended June 30, 2024

(Assets)

Total assets amounted to 418,610 million yen at the end of the first quarter of the fiscal year under review, which was an increase of 7,203 million yen from the end of the previous fiscal year. This was mainly due to increases of 2,137 million yen in cash and deposits, 1,530 million yen in other current assets, 1,291 million yen in buildings and structures, 1,562 million yen in land, and 3,019 million yen in investment securities, which were partially offset by decreases of 1,605 million yen in notes and accounts receivable – trade, and contract assets and 1,097 million yen in work in process.

(Liabilities)

Total liabilities amounted to 95,906 million yen at the end of the first quarter of the fiscal year under review, which was an increase of 730 million yen from the end of the previous fiscal year. This was largely due to increases of 2,085 million yen in short-term borrowings and 3,000 million yen in the current portion of long-term borrowings, which more than offset decreases of 1,609 million yen in notes and accounts payable – trade, 1,253 million yen in taxes payable, and 1,814 million yen in long-term borrowings.

(Net assets)

Total net assets amounted to 322,704 million yen at the end of the first quarter of the fiscal year under review, which was an increase of 6,473 million yen from the end of the previous fiscal year. This was a result, in large part, of increases of 2,685 million yen in retained earnings and 2,401 million yen in valuation difference on available-for-sale securities.

(3) Overview of consolidated earnings forecast and other forward-looking statements

At this time, there are no changes with regard to the financial results forecast for the fiscal year ending March 31, 2025, which was announced on May 15, 2024. Please note that actual results may differ materially from the financial results forecast due to a variety of factors such as the economic environment surrounding the Group's businesses and market trends.

2. Quarterly consolidated financial statements and notes on important matters

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	105,182	107,319
Notes and accounts receivable - trade, and contract assets	38,939	37,334
Merchandise and finished goods	2,209	2,625
Work in process	14,467	13,370
Raw materials and supplies	656	547
Other	8,296	9,827
Allowance for doubtful accounts	(90)	(88)
Total current assets	169,661	170,937
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,136	35,428
Land	51,963	53,526
Other, net	5,475	5,525
Total property, plant and equipment	91,576	94,480
Intangible assets	1,973	1,916
Investments and other assets		
Investment securities	126,319	129,339
Other	21,984	22,047
Allowance for doubtful accounts	(108)	(111)
Total investments and other assets	148,195	151,275
Total non-current assets	241,744	247,673
Total assets	411,406	418,610
Liabilities		
Current liabilities		
Notes and accounts payable - trade	33,538	31,929
Short-term borrowings	240	2,325
Current portion of long-term borrowings	1,207	4,207
Income taxes payable	3,628	2,374
Provision for bonuses	1,437	754
Other	13,875	13,871
Total current liabilities	53,927	55,462
Non-current liabilities		
Long-term borrowings	12,779	10,965
Provision for retirement benefits for directors (and other officers)	228	238
Provision for share awards for directors (and other officers)	366	391
Defined benefit liability	4,706	4,709
Other	23,166	24,139
Total non-current liabilities	41,248	40,443
Total liabilities	95,175	95,906

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	11,707	11,707
Capital surplus	22,760	22,771
Retained earnings	169,065	171,750
Treasury shares	(11,594)	(11,590)
Total shareholders' equity	191,937	194,639
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,644	31,045
Deferred gains or losses on hedges	(5)	(5)
Revaluation reserve for land	11,449	11,449
Foreign currency translation adjustment	2,469	3,320
Remeasurements of defined benefit plans	1,954	1,923
Total accumulated other comprehensive income	44,512	47,734
Non-controlling interests	79,780	80,330
Total net assets	316,230	322,704
Total liabilities and net assets	411,406	418,610

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income)

(For three-month period)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	43,063	42,353
Cost of sales	28,617	25,127
Gross profit	14,446	17,225
Selling, general and administrative expenses	8,837	9,180
Operating profit	5,608	8,045
Non-operating income		
Dividend income	647	564
Share of profit of entities accounted for using equity method	540	657
Foreign exchange gains	1,449	–
Other	279	298
Total non-operating income	2,916	1,520
Non-operating expenses		
Interest expenses	21	25
Foreign exchange losses	–	16
Other	13	9
Total non-operating expenses	35	51
Ordinary profit	8,489	9,515
Extraordinary losses		
Dismantlement expenses	–	55
Loss on sale of investment securities	–	22
Loss on retirement of non-current assets	16	4
Impairment losses	58	–
Loss on valuation of investment securities	25	–
Total extraordinary losses	100	82
Profit before income taxes	8,389	9,432
Income taxes - current	2,304	1,848
Income taxes - deferred	(147)	546
Total income taxes	2,157	2,394
Profit	6,231	7,038
Profit attributable to non-controlling interests	2,032	2,999
Profit attributable to owners of parent	4,199	4,039

(Quarterly consolidated statement of comprehensive income)

(For three-month period)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	6,231	7,038
Other comprehensive income		
Valuation difference on available-for-sale securities	5,207	1,634
Deferred gains or losses on hedges	8	0
Foreign currency translation adjustment	1,237	1,898
Remeasurements of defined benefit plans, net of tax	(12)	(35)
Share of other comprehensive income of entities accounted for using equity method	959	882
Total other comprehensive income	7,400	4,381
Comprehensive income	13,632	11,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,301	7,260
Comprehensive income attributable to non-controlling interests	3,331	4,159

(3) Notes on quarterly consolidated financial statements

(Notes on changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) effective from beginning of the first quarter of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter of the fiscal year under review. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Notes on segment information)

I. First three-month period of previous fiscal year (April 1, 2023 - June 30, 2023)

Information on amounts of net sales and profit (loss) by reportable segment

(Millions of yen)

	Film and video-related business	Entertainment-related business	Event-related business	Tourism real estate-related business	Architectural interior design-related business	Total	Adjustments (Note 1)	Amount recorded in the consolidated quarterly statements of income (Note 2)
Net sales								
Net sales to external customers	31,045	5,871	2,526	1,501	2,118	43,063	—	43,063
Inter-segment net sales or transfers	824	66	112	199	62	1,265	(1,265)	—
Total	31,870	5,938	2,638	1,701	2,180	44,328	(1,265)	43,063
Segment profit	4,550	800	386	622	40	6,400	(791)	5,608

(Notes) 1. The segment profit adjustment of (791) million yen includes the elimination of inter-segment transactions of 5 million yen and company-wide expenses of (796) million yen that are not allocated to each reportable segment. Company-wide expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

2. Segment profit is adjusted to the operating profit in quarterly consolidated statements of income.

II. First three-month period of the fiscal year under review (April 1, 2024 - June 30, 2024)

Information on amounts of net sales and profit (loss) by reportable segment

(Millions of yen)

	Film and video-related business	Entertainment-related business	Event-related business	Tourism real estate-related business	Architectural interior design-related business	Total	Adjustments (Note 1)	Amount recorded in the consolidated quarterly statements of income (Note 2)
Net sales								
Net sales to external customers	31,327	4,590	3,208	1,598	1,627	42,353	—	42,353
Inter-segment net sales or transfers	467	54	146	196	80	946	(946)	—
Total	31,795	4,644	3,355	1,795	1,708	43,299	(946)	42,353
Segment profit	7,455	202	580	622	94	8,955	(910)	8,045

(Notes) 1. The segment profit adjustment of (910) million yen includes the elimination of inter-segment transactions of (22) million yen and company-wide expenses of (887) million yen that are not allocated to each reportable segment. Company-wide expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

2. Segment profit is adjusted to the operating profit in quarterly consolidated statements of income.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Note on going concern assumptions)

Not applicable.

(Notes on quarterly consolidated statement of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the first three months under review.

Depreciation (including amortization of intangible assets) for the three months under review is as follows.

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	896 million yen	1,040 million yen
