

Annual Securities Report

(Report under Article 24, Paragraph 1 of
the Financial Instruments and Exchange Act)

Fiscal year: From April 1, 2023
(101st term) to March 31, 2024

This is an English translation of the Annual Securities Report ("Yukashoken Hokokusho") submitted to the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' Network ("EDINET") on June 28, 2024, pursuant to the Financial Instruments and Exchange Act of Japan.

In the case of any discrepancy between Yukashoken Hokokusho and this English translation, Yukashoken Hokokusho shall prevail.

TOEI COMPANY, LTD.

3-2-17, Ginza, Chuo-ku, Tokyo

(E04585)

Annual Securities Report

1. This document is a printed output of the annual securities report under Article 24, Paragraph 1 of the Financial Instruments and Exchange Act with data provided using the Electronic Disclosure for Investors' NETwork (EDINET) as set forth in Article 27-30-2 of the said Act, with the table of contents and page numbers attached.
2. This document includes the Independent Auditors' Audit Report attached to the Annual Securities Report provided using the method described above and the Internal Control Report and the Representation from Management, both of which were provided together with the Annual Securities Report described above, at the end hereof.

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Audit Report

Internal Control Report

Representation from Management

Cover Page

Document filed:	Annual Securities Report
Applicable law:	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
Filed with:	Director, Kanto Local Finance Bureau
Filing date:	June 28, 2024
Fiscal year:	101st term (From April 1, 2023 to March 31, 2024)
Company name	TOEI COMPANY, LTD.
Name and title of representative:	Fumio Yoshimura, President & Chief Executive Officer
Address of head office:	3-2-17, Ginza, Chuo-ku, Tokyo
Phone number:	+81-3-3535-4641
Contact person:	Kei Yamauchi, Senior Executive Officer, Accounting
Contact address:	3-2-17, Ginza , Chuo-ku, Tokyo
Phone number:	+81-3-3535-4641
Contact person:	Kei Yamauchi, Senior Executive Officer, Accounting
Place for public inspection:	Tokyo Stock Exchange, Inc. (2-1 Nihonbashikabutocho, Chuo-ku, Tokyo)

Part 1. Corporate Information

I. Company Overview

1. Trends in Major Management Indicators, Etc.

(1) Consolidated management indicators, etc.

Fiscal term		97th term	98th term	99th term	100th term	101st term
Fiscal year		March 2019	March 2020	March 2021	March 2022	March 2023
Net sales	*million yen	141,376	107,648	117,539	174,358	171,345
Ordinary profit	*million yen	25,360	18,716	23,303	40,172	35,317
Profit attributable to owners of parent	*million yen	11,357	7,284	8,977	15,025	13,971
Comprehensive income	*million yen	13,954	24,771	19,299	25,989	38,816
Net assets	*million yen	223,290	244,133	261,127	283,172	316,230
Total assets	*million yen	300,379	324,197	348,561	379,889	411,406
Net assets per share	*yen	2,781.83	3,067.67	3,235.25	3,434.50	3,819.35
Basic earnings per share	*yen	180.55	116.75	144.66	242.48	225.68
Diluted earnings per share	*yen	-	-	-	-	-
Equity ratio	*%	57.9	58.7	57.6	56.0	57.5
Return on equity	*%	6.6	4.0	4.6	7.3	6.2
Price-earnings ratio	*times	15.0	40.9	23.4	14.2	16.7
Cash flows from operating activities	*million yen	23,669	1,767	14,479	27,323	22,076
Cash flows from investing activities	*million yen	(3,989)	(7,801)	(17,860)	(7,815)	(9,805)
Cash flows from financing activities	*million yen	(5,573)	5,441	(3,403)	(6,599)	(7,542)
Cash and cash equivalents at end of period	*million yen	63,680	63,364	57,390	71,315	77,929
Number of employees		1,023	1,036	1,054	1,057	1,098
< Additionally, average number of temporary employees >	*persons	< 631 >	< 616 >	< 654 >	< 576 >	< 563 >

(Notes) 1. Diluted earnings per share was not presented because there was no dilution for the fiscal year.

- The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. since the beginning of the 99th term, and the accounting standard, etc. are applied to major management indicators, etc. from the 99th term.
- The Company introduced the board incentive plan (BIP) trust in the 100th term. The shares in the Company held by the BIP trust are treated as treasury shares. Accordingly, in the calculation of net assets per share, these treasury shares have been deducted from the number of shares outstanding at the end of a fiscal year. Furthermore, the average number of these treasury shares during the period is excluded from the calculation of basic earnings per share.
- The Company conducted a 5-for-1 share split of common shares on April 1, 2024. Net assets per share and earnings per share were calculated based on the assumption that the share split was conducted at the beginning of the 97th term

(2) Management indicators, etc. of the company that has submitted the securities report

Fiscal term		97th term	98th term	98th term	100th term	101st term
Fiscal year		March 2020	March 2021	March 2022	March 2023	March 2024
Net sales	*million yen	48,276	32,313	37,754	65,871	55,846
Ordinary profit	*million yen	6,652	1,832	2,979	9,101	7,592
Profit	*million yen	5,826	1,431	2,243	6,021	6,207
Share capital	*million yen	11,707	11,707	11,707	11,707	11,707
Number of shares outstanding	*shares	14,768,909	14,768,909	14,768,909	14,768,909	14,768,909
Net assets	*million yen	78,806	85,433	88,656	92,425	101,580
Total assets	*million yen	140,540	146,608	150,812	160,079	168,551
Net assets per share	*yen	1,226.79	1,325.65	1,375.71	1,437.48	1,579.86
Dividends per share		70	60	60	130	135
< Interim dividends per share >	*yen	< 30 >	< 30 >	< 30 >	< 30 >	< 30 >
Basic earnings per share	*yen	90.40	22.22	34.81	93.57	96.54
Diluted earnings per share	*yen	-	-	-	-	-
Equity ratio	*%	56.1	58.3	58.8	57.7	60.3
Return on equity	*%	7.5	1.7	2.6	6.7	6.4
Price-earnings ratio	*times	30.0	215.1	97.4	36.7	39.0
Dividend payout ratio	*%	15.5	54.0	34.5	27.8	28.0
Number of employees		347	357	365	368	381
< Additionally, average number of temporary employees >	*persons	< 27 >	< 35 >	< 41 >	< 30 >	< 20 >
Total shareholder return	*%	92.5	163.1	116.4	118.6	130.7
< Comparison index: TOPIX including dividends >	*%	< 90.5 >	< 128.6 >	< 131.2 >	< 138.8 >	< 196.2 >
Stock price high	*yen	17,950	24,230	25,180	20,140	3,995 (21,740)
Stock price low	*yen	10,590	12,590	15,110	16,100	3,745 (16,920)

(Notes) 1. Diluted earnings per share was not presented because there was no dilution for the fiscal year.

- The dividend per share of 70 yen for the fiscal year ended March 31, 2020 includes a special dividend of 10 yen per share.
- The dividend per share of 130 yen for the fiscal year ended March 31, 2023 includes a special dividend of 70 yen per share.
- The dividend per share of 135 yen for the fiscal year ended March 31, 2024 includes a special dividend of 75 yen per share.
- The highest and lowest stock prices for dates on or prior to April 3, 2022 represent quoted prices on the First Section of the Tokyo Stock Exchange, while those on or after April 4, 2022 represent quoted prices on the Prime Market of the Tokyo Stock Exchange.
- The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. since the beginning of the 99th term, and the accounting standard, etc. are applied to major management indicators, etc. from the 99th term.
- The Company introduced the board incentive plan (BIP) trust in the 100th term. The shares in the Company held by the BIP trust are treated as treasury shares. Accordingly, in the calculation of net assets per share, these treasury shares have been deducted from the number of shares outstanding at the end of a fiscal year. Furthermore, the average number of these treasury shares during the period is excluded from the calculation of basic earnings per share.
- The Company conducted a 5-for-1 share split of common shares on April 1, 2024. Share prices for the 101st term are the highest and lowest share prices after ex-rights due to stock split, and the highest and lowest share prices before the stock split are shown in parentheses.
- The Company conducted a 5-for-1 share split of common shares on April 1, 2024. Net assets per share and earnings per share were calculated based on the assumption that the share split was conducted at the beginning of the 97th term.

2. Corporate History

- October 1949 Established Tokyo Film Distribution Co., Ltd. (paid-in capital of 20 million yen) in Gotanda, Shinagawa-ku, Tokyo mainly for the purpose of distributing films for movie theaters produced by Toyoko Eiga Co., Ltd. and Oizumi Studios Corporation (changed trade name to Oizumi Film Corporation in March 1950).
Opened branch offices in Tokyo, Osaka, Nagoya and Fukuoka.
- March 1951 Acquired Toyoko Eiga Co., Ltd. and Oizumi Film Corporation by way of absorption-type merger and changed trade name to Toei Company, Ltd.
Acquired Tokyo Movie Studios, Kyoto Movie Studios and five theaters and made a fresh start with film production, import and export of films and various types of entertainment added to business objectives.
- October 1952 Relocated head office to Kyobashi, Chuo-ku, Tokyo.
- November 1952 Listed on the Tokyo Stock Exchange.
- February 1953 Acquired Olympia Film Co. by way of absorption-type merger.
- July 1954 Listed on the Osaka Stock Exchange.
- December 1954 Began independent production of educational films.
- April 1955 Opened branch office in Sapporo.
- July 1956 Acquired NICHIDO FILM CO. (now Toei Animation Co., Ltd.) (now a consolidated subsidiary).
- August 1957 Listed on the Nagoya Stock Exchange.
- November 1957 Became a stakeholder of Nihon Educational Television Corporation (now TV Asahi Holdings Corporation) (now an associate accounted for by the equity-method).
- July 1958 Began production of television programs.
- March 1959 Opened Osaka Toei Kaikan (closed in April 2002).
Nihon Shikisai Eiga Co., Ltd. (now Toei Labo Tech Co., Ltd.) became associated with Toei (now a consolidated subsidiary).
- September 1960 Opened Toei Hall in Ginza, Chuo-ku, Tokyo, and relocated head office to this hall.
- October 1961 Toei Chemical Industry Co., Ltd. (now Toei Labo Tech Co., Ltd.) listed its shares on the Second Section of the Tokyo Stock Exchange (delisted in March 2007).
- June 1970 Established Toei Video Co., Ltd. (now a consolidated subsidiary) and entered the video business. (This company merged, in August 1977, with the predecessor company of the current Toei Video Co., Ltd. (now a consolidated subsidiary) that was established in November 1972)
- October 1970 Added the bowling business and the hotel business to business objectives.
- October 1972 Added real estate sale, purchase and rental, live entertainment and event production and provision, and copyright business to business objectives.
- November 1975 Toei Kyoto Studio Park was completed and went into operation.
- October 1978 Hiroshima Toei Country Club was completed and went into operation. (In January 2022, all the shares of the subsidiary operating the golf club were transferred to a third party outside the Group)
- November 1978 Added new activities such as the production and sale of film-related merchandise, the production and sale of television programs, and construction work subcontracting to business objectives, and deleted the bowling business.
- April 1983 Platz Oizumi was completed and went into operation.
- February 1993 Shibuya Toei Plaza (housing two movie theaters and rental store properties) was completed and went into operation. (Closed two movie theaters in December 2022)
- June 1994 Fukuoka Toei Plaza (housing rental store properties) and Sendai Toei Plaza (housing rental store properties) were completed and went into operation.
- October 1995 Hiroshima Toei Plaza (housing rental store properties) was completed and went into operation.
- April 1997 Closed Kanto branch office and transferred its operations to the head office film sales department.
- August 2000 Established T-Joy Co., Ltd. (now a consolidated subsidiary) as a joint venture engaged mainly in the planning, development and management of cinema complexes.
- October 2000 Asahi National Broadcasting Co., Ltd. (now TV Asahi Holdings Corporation) listed its shares on the First Section of the Tokyo Stock Exchange. (Currently listed on the Prime Market)
- December 2000 Toei Animation Co., Ltd. registered with the Japan Securities Dealers Association for over-the-counter trading.
- December 2001 OZ Studio City (housing a cinema complex, rental store properties and an indoor parking facility) was completed and went into operation in Nerima-ku, Tokyo.
- April 2002 E~ma Building was completed in Kita-ku, Osaka, and the cinema complex Umeda Burg 7, located within the building and sectionally owned by the Company, went into operation.
- October 2002 Closed Chubu branch office and transferred its operations to the Kansai branch office.
- May 2003 Closed Hokkaido branch office and transferred its operations to the head office film sales department.
- December 2004 Toei Animation Co., Ltd. listed its shares on the JASDAQ Securities Exchange.
- November 2006 Acquired Toei Kogyo Fudosan KK (consolidated subsidiary) by way of absorption-type merger.

- February 2007 Shinjuku 3-Chome East Building was completed in Shinjuku-ku, Tokyo and the cinema complex Shinjuku Wald 9, located within the building and sectionally owned by the Company, was opened.
- April 2007 Made Toei Labo Tech Co., Ltd. into a wholly owned subsidiary through a stock swap.
- December 2008 The Company's stock was delisted from the Nagoya Stock Exchange.
- June 2010 The Digital Center (Nerima-ku, Tokyo) was completed and went into operation.
- January 2018 The new Toei Animation Oizumi Studio (Nerima-ku, Tokyo) of Toei Animation Co., Ltd. was completed and went into operation.
- April 2022 Transferred to the Prime Market, a new market segment in the Tokyo Stock Exchange. Toei Animation Co., Ltd. transferred to the Standard Market.
- June 2022 Integrated the Kansai branch office and the Kyushu branch office to establish the Nishinohon branch office.
- June 2022 Changed from a Company with a Board of Company Auditors to a Company with an Audit and Supervisory Committee.

3. Business Summary

The Group (the Company and its subsidiaries and associates) consists of 36 companies: the Company (TOEI COMPANY, LTD.) and its 31 subsidiaries and 4 associates.

The film and video-related business consists of the movie business, television content business, content business, and other business. In the movie business, the Group is involved in the production and distribution of theatrical films, the post-production of theatrical films, and the film archives business, while in the television content business, the Group is engaged in the production and distribution of TV programs and the merchandizing and licensing of the characters that appear in these TV programs. In the content business, the Group is mainly involved in film copyright licensing, the production and sales of DVDs and Blu-Ray discs, the import and export of theatrical films, and the production and distribution of educational films. Other activities include the contract production of various types of films and videos, the advertising agency business, and the production of TV commercials.

In the entertainment-related business, the Group manages directly-managed theaters and cinema complexes. In the event-related business, the Group plans and holds shows featuring characters from films and videos it has produced, holds cultural events, and operates Toei Kyoto Studio Park. In the tourism real estate-related business is engaged in the leasing of real estate and the operation of hotels.

In the architectural interior design business, the Group mainly undertakes construction work and interior decoration, while other business includes other activities such as the sale of goods.

With these as their main components, the Group's businesses are positioned as follows.

Film and video-related business: 30 companies in total

Movie business Within the production of films, theatrical films are produced mainly by the Company, while animation titles are produced mainly by Toei Animation Co., Ltd., which is a consolidated subsidiary of the Company. The Company is mainly responsible for the distribution of theatrical films. Toei Labo Tech Co., Ltd., which is a consolidated subsidiary of the Company, is engaged in the post-production of theatrical films and the film archive business.

Television content business

The Company is responsible for the production of TV programs but subcontracts the production of certain titles out to Toei TV Production Co., Ltd., which is a consolidated subsidiary of the Company. Animation titles are produced by Toei Animation Co., Ltd., which is a consolidated subsidiary of the Company. Content is distributed to various parties including TV Asahi Corporation, a subsidiary of TV Asahi Holdings Corporation, which is an associate accounted for by the equity method and an other associated company of the Company.

Content business The Company and its consolidated subsidiary Toei Animation Co., Ltd. are mostly responsible for film copyright licensing as the copyright owners. Toei Video Co., Ltd. which is a consolidated subsidiary of the Company, is mainly responsible for the production of DVDs and Blu-Ray discs, and the Company sells them to distributors nationwide. The import and export of theatrical films is mainly undertaken by the Company. The Company is also responsible for the production and distribution of educational films.

(Note) Effective April 1, 2024, the Company transferred the homevideo business that sold DVDs, Blu-ray discs, etc. to Toei Video Co., Ltd. through an absorption-type company split.

Other business The Company is responsible for the contract production of various types of films and videos at its film studios. Meanwhile, Toei Advertising, Ltd., which is a consolidated subsidiary of the Company, is engaged in the advertising business, while Toei Commercial Film Co., Ltd., also a subsidiary of the Company, is engaged in the production of TV commercials.

Entertainment-related business: 3 companies in total

T-Joy Co., Ltd., which is a consolidated subsidiary of the Company, is mainly responsible for the management of cinema complexes.

Event-related business: 2 companies in total

The Company is mainly responsible for conducting event-related business. Toei Kyoto Studio Co., Ltd., which is a consolidated subsidiary of the Company, leases Toei Kyoto Studio Park, which is owned by the Company, and manages this theme park.

Tourism real estate-related business: 3 companies in total

The real estate leasing business is primarily conducted by the Company. The Company outsources the operation of the hotels it manages to its consolidated subsidiary Toei Hotel Chain Co., Ltd.

Architectural interior design-related business: 1 company in total

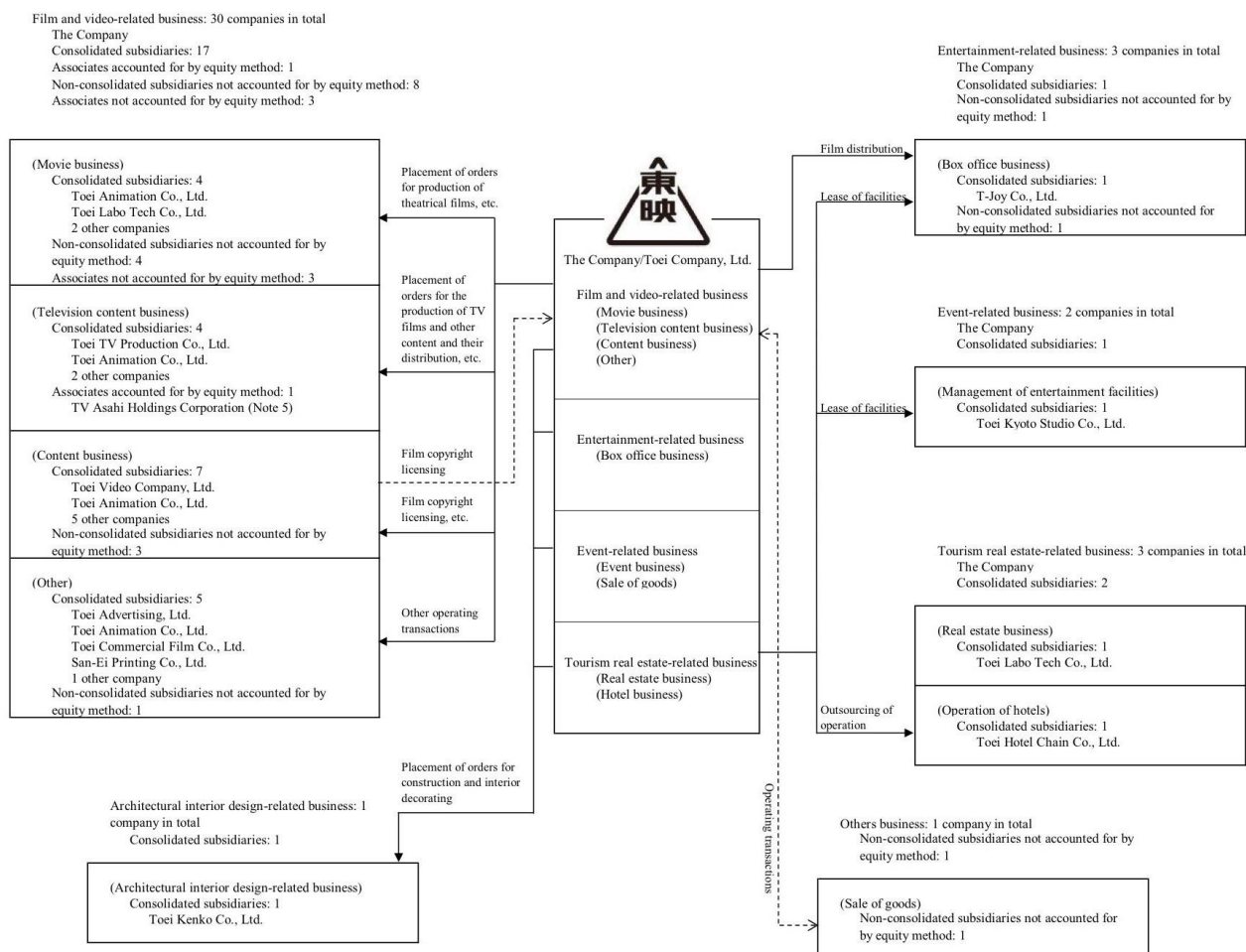
Toei Kenko Co., Ltd., which is a consolidated subsidiary of the Company, undertakes construction work and contract interior decoration.

Other business: 1 company in total

A non-consolidated subsidiary which is not accounted for by the equity method is engaged in the sale of goods and other businesses.

The above business classification is the same as the business classification in the section, V. Financial Information, 1. Consolidated Financial Statements, Etc., (1) Consolidated Financial Statements, Notes (Segment information, etc.)

The following is a schematic depicting the businesses of the Company explained above.



- (Notes)
1. The schematic shows the positioning of major subsidiaries and associates and major transactions within the Group.
 2. Toei Company, Ltd. (the Company) is counted more than once (included in the total number of companies in the film and video-related business, the entertainment-related business, the event-related business, and the tourism real estate-related business).
 3. Toei Labo Tech Co., Ltd., which is a consolidated subsidiary of the Company, is counted more than once (included in the total number of companies in the film and video-related business and the tourism real estate-related business).
 4. Toei Animation Co., Ltd., which is a consolidated subsidiary of the Company, is counted more than once (included in the total number of companies in the movie business, the television content business, the content business, and other business).
 5. TV Asahi Holdings Corporation is an associate accounted for by the equity method and an other associated company of the Company. The Company also distributes TV programs to TV Asahi Corporation, which is a subsidiary of TV Asahi Holdings Corporation.

4. Subsidiaries and Associates

Name	Address	Stated capital or contribution (million yen)	Main business	Percentage of owned voting rights (%)	Relationship
(Consolidated subsidiaries)					
Toei Video Company, Ltd. (Notes) 3,10	Chuo-ku, Tokyo	27	Film and video-related business	100.0 (63.0)	Supplier of the Company's DVD products Licensee of film DVD exploitation rights from the Company Lender of funds to the Company Officers serving concurrent positions: 4
Toei Animation Co., Ltd. (Notes) 3, 4, 6, 7	Nakano-ku, Tokyo	2,867	Film and video-related business	41.0 (6.8) [20.0]	Recipient of orders for the production of animation titles from the Company Lender of funds to the Company Officers serving concurrent positions: 3
Toei Advertising, Ltd.	Chuo-ku, Tokyo	30	Film and video-related business	100.0 (50.0)	Acting as the Company's advertising agency Officers serving concurrent positions: 4
Toei Kyoto Studio Co., Ltd.	Kyoto-shi, Kyoto	50	Event-related business	100.0 (35.0)	Tenant of Toei Kyoto Studio park facilities owned by the Company Officers serving concurrent positions: 6
Toei TV Production Co., Ltd. (Notes) 3	Nerima-ku, Tokyo	20	Film and video-related business	100.0 (0.0)	Contracted producer of the Company's films Officers serving concurrent positions: 4
Toei Commercial Film Co., Ltd.	Chuo-ku, Tokyo	50	Film and video-related business	100.0 (21.6)	Recipient of orders for commercials from the Company Officers serving concurrent positions: 4
Toei Labo Tech Co., Ltd.	Chofu-shi, Tokyo	100	Film and video-related business	100.0 (0.0)	Recipient of orders for post-production and archive operations associated with movies, television, streaming content and other works from the Company Lender of funds to the Company Officers serving concurrent positions: 4
San-Ei Printing Co., Ltd.	Nerima-ku, Tokyo	45	Film and video-related business	100.0 (0.0)	Recipient of orders for the printing of posters, pamphlets, and other material from the Company Lender of funds to the Company Officers serving concurrent positions: 4
T-Joy Co., Ltd. (Notes) 3, 8	Chuo-ku, Tokyo	3,000	Entertainment-related business	58.7 (8.0)	Box office for the Company's films Tenant of facilities owned by the Company Officers serving concurrent positions: 2
Toei Hotel Chain Co., Ltd.	Chuo-ku, Tokyo	10	Tourism real estate business	100.0 (0.0)	Outsourcing company for hotel operations by the Company Officers serving concurrent positions: 5
Toei Kenko Co., Ltd.	Chuo-ku, Tokyo	20	Architectural interior design business	100.0 (0.0)	Contracted constructor and architectural interior designer for the Company Officers serving concurrent positions: 5
Ten other companies					
(Associate accounted for using the equity method)					
TV Asahi Holdings Corporation (Notes) 5, 7, 9	Minato-ku, Tokyo	36,699	Film and video-related business	19.7 (2.1)	Officers serving concurrent positions: 2

- (Notes)
- The names used in the "Main business" column are segment names from the Segment Information section.
 - The numbers in parentheses () in the "Percentage of owned voting rights" column are indirect ownership ratios and are included in the percentage of owned voting rights. The numbers in square brackets [] are the ownership ratios of persons close to and agreeing with the Group and are not included in the percentage of owned voting rights.
 - Specified subsidiary.
 - Effectively controlled by the Company and therefore deemed to be a subsidiary even though the Company's equity interest is not more than 50%.
 - Listed as an associate due to its substantial influence even though the Company's equity interest is less than 20%.
 - Net sales account for over 10% of consolidated net sales (excluding intercompany net sales between consolidated companies); however, this consolidated subsidiary is a company submitting annual securities reports and thus major items of profits and losses and other information are not provided.
 - Company submitting annual securities reports.
 - The ratio of its net sales (excluding intercompany net sales between consolidated companies) to the consolidated net sales exceeds 10%; however, the ratio of this consolidated subsidiary's net sales to the net sales of the entertainment-related business shown in the segment information exceeds 90%, and thus major items of profits and losses and other information are not provided.
 - An associate accounted for by the equity method and an other associated company
 - Effective April 1, 2024, the Company transferred the homevideo business that sold DVDs, blue-ray discs, etc. to Toei Video Co., Ltd. through an absorption-type company split.

5. Employees

(1) On a consolidated basis

As of March 31, 2024

Segment	Number of employees	
Film and video-related business	831	(17)
Entertainment-related business	38	(494)
Event-related business	61	(14)
Tourism real estate-related business	49	(30)
Architectural interior design-related business	26	(0)
Group-wide (not belonging to any specific segment)	93	(8)
Total	1,098	(563)

- (Notes)
1. The number of employees is the number of full-time employees.
 2. Officers, part-time employees, contract employees, etc. are not included.
 3. The figures in parentheses in the “Number of employees” column is the annual average number of temporary employees and are not included in the total.
 4. The figures for “Group-wide (not belonging to any specific segment)” represent employees in the administrative division such as general affairs and accounting.

(2) Company submitting the securities report

As of March 31, 2024

Number of employees	Average age	Average length of service (years)	Average annual salary (yen)
381 (20)	42.7	15.4	8,574,954

Segment	Number of employees	
Film and video-related business	234	(3)
Entertainment-related business	4	(9)
Event-related business	38	(1)
Tourism real estate-related business	9	(0)
Architectural interior design-related business	0	(0)
Company-wide (not belonging to any specific segment)	96	(7)
Total	381	(20)

- (Notes)
1. The number of employees is the number of full-time employees.
 2. Officers, part-time employees, contract employees, etc. are not included.
 3. Bonuses and non-standard wages are included in the calculation of the average annual salary.
 4. The figures in parentheses in the “Number of employees” column is the annual average of temporary employees and are not included in the total.
 5. The figures for “Company-wide (not belonging to any specific segment)” represent employees in the administrative division such as general affairs and accounting.

(3) Labor union

The Company has two labor unions: Toei New Labor Union Confederation (3 union members) and Unified Toei Labor Union (96 union members).

Labor relations are smooth and there is nothing of note to report.

(4) Percentage of female employees in management positions, percentage of eligible male employees taking childcare leave, and wage gap between male and female employees

1) Company submitting the securities report

Fiscal year under review				
Percentage of female employees in management positions (%) (Notes) 1	Percentage of eligible male employees taking childcare leave (%) (Notes) 2	Wage gap between male and female employees (%) (Notes) 1		
		All employees	Regular full-time employees	Part-time and fixed-term employees
20.1	50.0	76.6	79.7	89.6

2) Consolidated subsidiaries

Fiscal year under review					
Company	Percentage of female employees in management positions (%) (Notes) 1	Percentage of eligible male employees taking childcare leave (%) (Notes) 2	Wage gap between male and female employees (%) (Notes) 1		
			All employees	Regular full-time employees	Part-time and fixed-term employees
Toei Animation Co., Ltd.	23.2	44.4	86.2	86.4	91.7
T-Joy Co., Ltd.	0.0	100.0	83.2	78.0	96.3

(Notes) 1. Calculated based on the provisions of the Act on the Promotion of Female Participation and Career Advancement in the Workplace (Act No. 64 of 2015)

2. Percentage of eligible male employees taking childcare leave under Article 71-4 (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor, No. 25 of 1991) based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

II. Business Overview

1. Management Policy, Management Environment and Challenges to Address

Management Policy, Management Environment and Challenges to Address of the Group are as follows.

Matters concerning the future stated below are based on the Group’s assessments as of the end of the fiscal year under review.

(1) The Company’s basic management policy

With stable management centered around Toei, the Group will continue to provide high-quality entertainment including visual content to the world, in line with its mission “Fill the world with stories that bring people joy”.

(2) Medium- to long-term business strategies

Upon carrying out the first major restructuring since our foundation, the Group established the Toei Group Medium- to Long-term Vision TOEI NEW WAVE 2033 as its medium- to long-term growth strategy in February 2023 and is implementing this strategy.

TOEI NEW WAVE 2033

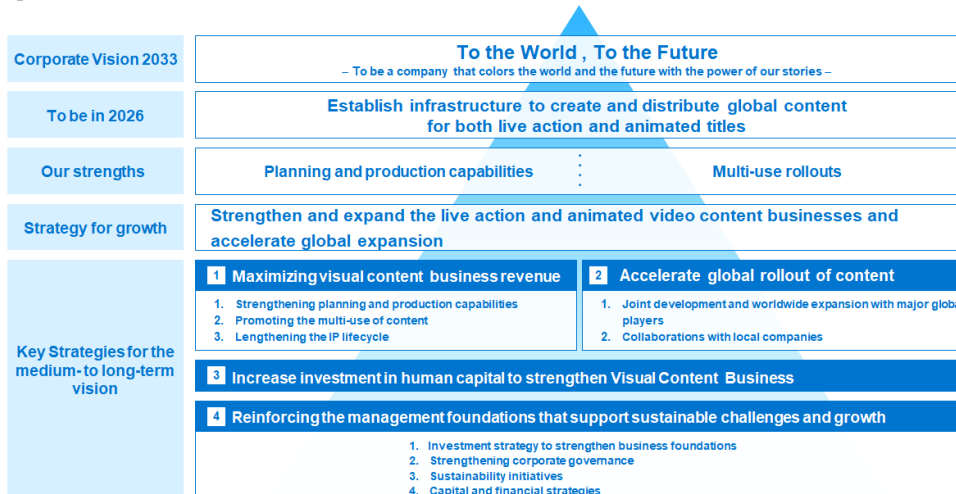
The Toei Group's Medium-to Long-Term Vision

Outline

- ◆ Mission: Fill the world with stories that bring people joy
- ◆ Slogan:

To the World, To the Future
 – To be a company that colors the world and the future
 with the power of our stories –

- ◆ Vision in Ten Years: Create and distribute a wide range of content loved all over the world
- ◆ Growth Strategy: Strengthen and expand the live action and animated video businesses and accelerate global expansion
- ◆ Overall picture:



Priority Measures

The Group recognizes that its strengths lie in its planning and production capabilities that are the engine for creating a diverse and appealing catalogue of titles, and in its multi-use rollout capability that maximizes revenue as an IP holder. The Group is focusing on the following as priority measures leveraging these strengths.

- 1) Maximizing video business revenue
 Strengthening planning and production capabilities, promoting the multi-use of contents, lengthening the IP lifecycle
- 2) Taking on the challenge of developing global content
 Collaborations with local companies (creation of localized and original titles), cultivating fans overseas, joint development and worldwide expansion with major global players, building a worldwide network
- 3) Expanding investment in human resources to strengthen the video business

2. Approach to Sustainability and Sustainability Initiatives

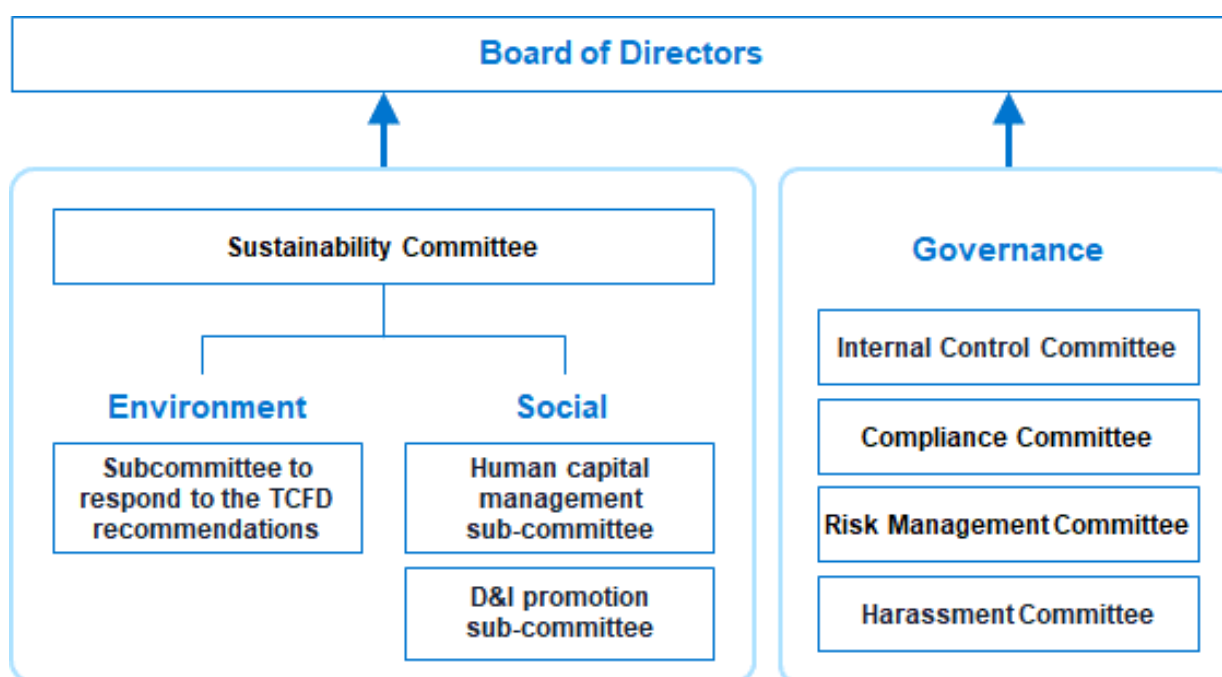
With “Fill the world with stories that bring people joy” as its mission, the Group aims to achieve sustainable growth itself while contributing to a sustainable society.

The Group will disclose information about its sustainability initiatives based on the four pillars of the TCFD framework, which is widely used for sustainability-related disclosures both in Japan and overseas.

(1) Governance

The Company transitioned to a Company with an Audit and Supervisory Committee on June 2022. The Audit and Supervisory Committee, of which the majority of members are Outside Directors, is responsible for auditing and supervising the legality and appropriateness of business execution, thereby promoting more transparent management. Moreover, in January 2023 the Company established the voluntary Nomination and Compensation Committee which ensures the transparency and objectivity of the process for nominating Directors and assessing and determining the remuneration, etc. of Directors and Executive Officers to strengthen the supervisory functions of the Board of Directors and the corporate governance system.

The Company has established an Internal Control Committee, Compliance Committee, Risk Management Committee, Harassment Committee and Sustainability Committee under the Board of Directors and has established within the Sustainability Committee a Human Capital Management Subcommittee, a D&I Promotion Subcommittee and a TCFD Response Subcommittee. Each of these committees reports regularly to the Board of Directors and these reports are reflected in management decisions.



(2) Risk management

The Company draws on the expertise of outside professionals to identify risks in each business, create a heatmap based on likelihood and impact, determine the order of priority, and implement countermeasures.

The Company also endeavors to prevent recurrence by aggregating risk events and conducting factor analysis.

(3) Strategy

To achieve the sustained growth of the group which operates in the content industry, the Group recognizes the importance of actively hiring personnel mid-career, respecting employee diversity, and promoting the growth of individuals in its effort to secure highly skilled professionals, and create new value.

- Human resource development policy

The Company will work to enhance skills development programs that encourage individual growth, and provide employees with opportunities to take on challenges, in order to flexibly adapt to changes in the media environment and preferences, continue creating worthwhile content, and make such content available all over the world.

(i) Support for recurring education and reskilling

The Group works to enhance its framework supporting employees' autonomous learning and growth. Specifically, its efforts include the introduction of online learning tools for self-directed learning, the improvement of aid for obtaining qualifications and the provision of support through courses at the Visual Industry Promotion Organization (VIPO) academy. In addition, the Company is focusing on initiatives to cultivate producers, including Toei Juku (academy) seminars given by internal and external lecturers to increase employees' knowledge in connection with the Company's medium- to long-term vision and providing training, etc. on the preparation of presentations and proposals with an eye on entering the market for planning overseas film festivals.

(ii) Level-specific training to improve participants' understanding of their expected roles and management capabilities

Based on newly established human resources cultivation systems, level-specific training is provided to managerial staff to prove them portable skills that are required in their roles. The training will be expanded to general employees on an ongoing basis in the future. A 360 degree survey is also used to enable participants to understand their own current status and set new challenges for the future.

(iii) Enhancement of autonomous career development support system

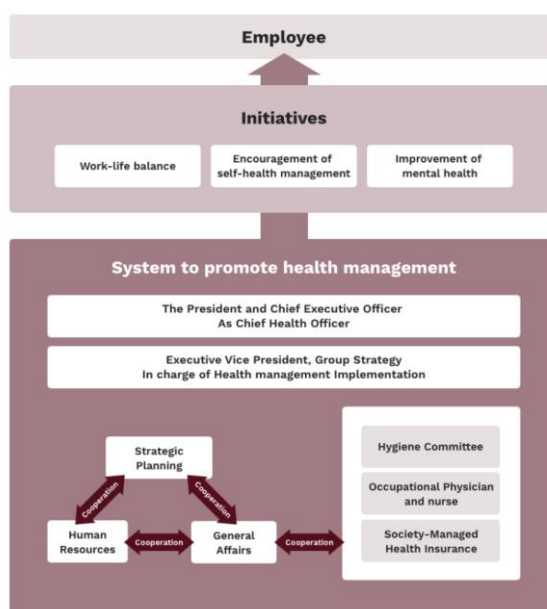
Toei Career Action Program was newly introduced as a framework for supporting those who are voluntarily developing their own career paths. (1) The JobTry System (job transfer application system) that enables employees experience various tasks and the Toei Multiplayer System (which enables employees engage in tasks for another department without transferring) (2) The Career Challenge System (internal job application system) creates opportunities for employees to challenge themselves and move toward self-fulfillment (3) Career Design Sheet, Career Training, etc. for career path planning and the development of skills to progress along career paths. The Company aims to increase every employee's interest in the realization of their career path to strengthen and improve the organization's capabilities.

- Policy for internal environment development

The Group aims to attract human resources by developing an environment in which all those working for the Toei Group can fulfill their potential through the promotion of diversity and inclusion, working to achieve a work-life balance and prevent harassment, and by creating a safe and secure working environment.

(Implement health management)

The Company's President & Chief Executive Officer is the Chief Health Program Officer in charge of the internal system for maintaining and improving the physical and mental health of employees and a comfortable working environment.



(i) Efforts to reduce work hours

The Group monitors working hours in an appropriate and prompt manner and strengthens initiatives, supervision and guidance to prevent overwork and ensure that employees can adequately demonstrate their creativity. The Health Committee meets every month and discusses and implements measures to prevent employee health disorders caused by long working hours, among other matters.

(ii) Implementation of health-oriented management events

A number of events, including TOEI Walking Week in which each participant competes to walk a number of steps in a ranked format, are held to support employee wellness.

(Establishment of a comfortable work environment)

The Group aims to attract human resources by developing an environment in which everyone working for Toei can fulfill their potential through the promotion of diversity and inclusion and achieve a healthy work-life balance and it is working to prevent harassment and create a safe and secure working environment.

(i) Promoting Diversity and Inclusion

Aiming to be an enterprise in which all of the officers and employees are aware of diversity and inclusion (D&I), respect each other and innovate, the Group works to promote D&I. Moreover, a bottom-up project was implemented by employees with diverse experience. This project included the identification of the current situation and the issues with the Group's D&I, employee questionnaires, research into examples of efforts by other companies, lectures by guests from other companies that are promoting D&I, and the exchange of opinions with the management team. Consequently, the project internally announced a D&I slogan, Toei BRAVE Declaration, marking a new step toward the promotion of D&I within the Group. The Group will continue to foster a corporate culture in which employees respect each other's individuality and continue to innovate.

Diversity and inclusion slogan



(ii) Promotion of support for balancing work, healthcare and personal needs

The Group is committed to supporting employees who need to balance work and child- or nursing-care or medical treatment and conducts activities with the goal of building an organization where employees feel safe and have long-term careers. In the current fiscal year, initiatives on the theme of childcare included interviews with employees who are balancing work and childcare as fathers and mothers and the revision of childcare support guidebook.

(iii) Implementation of training on preventing harassment and respecting others

All the officers and employees of the Group strive to increase the Groups awareness of harassment prevention by regularly attending harassment prevention training. At all filming locations, respect in the workplace training is conducted, and the Group appropriately observes the guidelines created by the Japan Film Production Optimization Organization in the previous fiscal year.

(iv) Provision of environment that enables teleworking and other flexible working arrangements

To ensure that all employees can perform at their top level, the Group promotes the reform of working practices, including flexible work hours and teleworking systems, and it has firmly established other diverse and flexible working arrangements. It will continue to work to improve its worker-friendly workplace environment and productivity using information and communication technology (ICT) and promoting digital transformation (DX).

(4) Metrics and targets

- Engagement score: 63 (as of April 2024) The Company's target when submitting this annual report: 69

The Company will continue the cycle of identifying issues through engagement surveys, implementing improvement measures and verifying their efficacy.

*Engagement score is an indicator that visualizes the link between employees and an organization and assesses the current status of the organization.

Percentage of mid-career hires: 22.1% Target: 30.0% (submitting company)

The Group actively promotes the hiring of individuals with diverse backgrounds and skills to actively encourage innovation, new market development and technology utilization.

- Training hours per employee per year: 9.2 hours Target: 17 hours (submitting company)

The Group works to enable employees to develop skills by supporting their participation in external training to increase their expertise regarding visual content and other topics, organizing seminars given by professionals in various fields and conducting level-specific training, in addition to the enhancement of its own training programs. The Group will also encourage creating ambitious titles in order to provide opportunities to young employees to take on the challenge of a responsible position in content production early in their career.

(5) Response to TCFD

- Governance

The Group has established a system under which the TCFD Response Subcommittee reports to the Board of Directors via

the Sustainability Committee on the status of greenhouse gas emissions, and management makes decisions in a timely manner based on an understanding of the facts.

- Risk management

The TCFD Response Subcommittee monitors the greenhouse gas emissions of the Group companies on a regular basis, quickly investigates the cause of any concerns, and considers action to be taken.

- Strategy

The Group will seek to reduce its emissions by utilizing new filming technologies such as virtual production, updating equipment, and installing environmentally friendly equipment when investing in real estate and equipment.

- Metrics and targets

Scope 1&2: 20,165t-CO₂

*Scope 1: Direct CO₂ emissions by the reporting company itself (direct emissions)

*Scope 2: CO₂ emissions from the use of electricity, heat, or steam supplied by others (indirect emissions)

*Total actual emissions of consolidated subsidiaries for the fiscal year ended March 31, 2024

3. Business Risks

Matters recognized as risks that may have an impact on the Group’s situation, including its performance and financial position, are as follows. The statements below describe the main risks faced by the Group, and the Group may be impacted by risks in the future that cannot be foreseen or are not perceived to be material risks at the present time.

Having recognized these risks, the Group is committed to working to prevent them from materializing and take appropriate action in the event of materialization, mainly through the methods described in 1. Management Policy, Management Environment and Challenges to Address above.

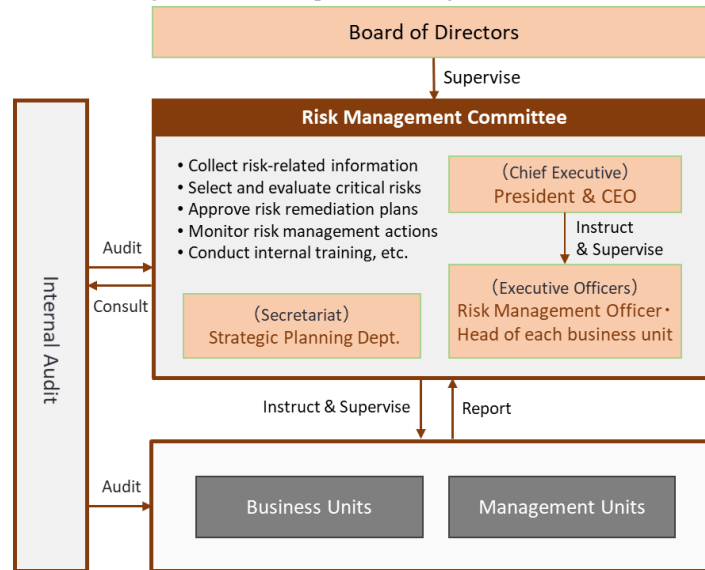
Please note that forward-looking statements in this section are based on judgments made by the Company as of the date of submission of the securities report.

(1) Risk management implementation structure

The Group established the Risk Management Committee as an organization that oversees risk management, for the purpose of responsibly focusing on risk management as an important management theme in terms of maximization of corporate value and sustainable business operations, and to gain an understanding of the status of risk management across the Group and improving it.

Within the Risk Management Committee, the President holds the ultimate position of responsibility. The committee consists of officers in charge of risk management and persons responsible from each business division. The Risk Management Committee gathers and analyzes information about risks surrounding the Group, determines policies for addressing risks and targets, identifies and evaluates important risks for Group management, and regularly monitors the status of action to address risks.

Diagram of the Group’s risk management structure

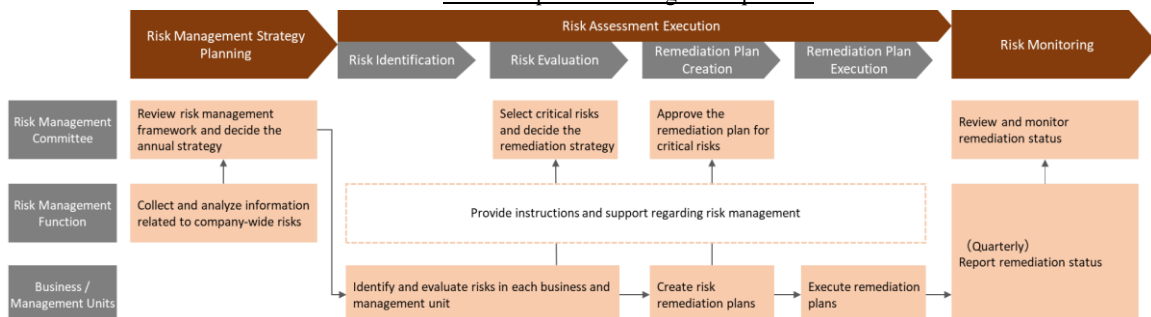


(2) Risk management process

The Group conducts a review of its risk management structure and policies every year to ensure that the risk management structure fulfills its role properly and soundly. The Group evaluates the risks related to its businesses and classifies them into hazard risks, business strategy risks and governance risks based on their nature. It then identifies the risks it should address as a priority. The relevant business unit for each risk considers and implements countermeasures.

In addition, the business unit responsible for overseeing risks supports and monitors action to address risks, and regularly reports implementation status and confirmed outcomes to the Risk Management Committee. Based on the report, the Risk Management Committee deliberates on structures that need strengthening or improving and optimizes initiatives through the exchange of opinions. It also reports in a timely manner on risks which might impact the Group’s management to the President, who holds the ultimate position of responsibility, and to the Board of Directors.

The Group’s risk management process



(3) Identification of risks

The risk identification process is as follows.

- Identification of risks

Both top-down and bottom-up approaches are used to identify each risk faced by the Group, through analysis of the Group's business strategies and interviews with persons responsible in each business division and administrative division.

- Evaluation of risks

The quantitative and qualitative business impact and likelihood of the identified risks and the status of existing action to address the risks are evaluated.

- Prioritization based on risk heatmap

A risk heatmap is prepared based on the results of the two-tiered risk evaluation described above, and the identified risks are divided into three levels (low, medium and high). The risks classified as high or medium are identified as risks that should be addressed as a priority.

From the results of its most recent risk evaluation, the Group identified 40 risks, categorized them into the 11 risk items shown in (4) Risks to be addressed as a priority within the Group, and considered and implemented countermeasures. To respond to an ever-changing business environment, the Group reviews its risk evaluation based on monitoring results and in the event of identification of a new risk and updates the risks to be addressed as a priority where necessary.

(4) Risks to be addressed as a priority within the Group

This section describes major risks among the risks positioned to be addressed as a priority in the fiscal year under review; however, the Group also takes action to address other risks.

Since the following risks are based on the Group's judgment as of the date of submission of the annual securities report, these are not the only risks and uncertainties that could impact the Group's performance and financial position in the future.

Classification	Risk item	Degree of priority
Hazard risks	1) Disaster risks	High
	2) Infectious disease risks	Medium
Business strategy risks	3) Risks related to business partner management	High
	4) Reputational risks	High
	5) Risks related to workplace safety and hygiene	High
	6) Risks related to securing human resources	High
	7) Risks related to business environment	Medium
Governance risks	8) Risks related to the handling of confidential information including personal information	High
	9) Risks related to information security	High
	10) Risks related to intellectual property including copyright	High
	11) Compliance violation risks	Medium

Hazard risks

1) Disaster risks		Degree of priority	High
Risk scenario	The Group conducts business at commercial facilities that can accommodate large numbers of customers such as movie theaters, theme parks and hotels, as well as film sets and other important work facilities. In the event of a natural disaster such as an earthquake, typhoon, or tsunami, or a man-made disaster such as a fire, power outage, or unexpected accident, injury to customers or the Group's employees or damage to facilities and equipment could affect the Group's service provision and business operations and impact the Group's performance and financial position.		
Countermeasures	To mitigate the damage caused by a natural or manmade disaster, the Group has developed a structure and plans for the continuation of important business. The Group also implements countermeasures to ensure the safety of customers and employees, including introducing a safety confirmation system, creating a disaster response procedure document, and implementing regular drills.		
2) Infectious disease risks		Degree of priority	Medium
Risk scenario	The following events could occur as a result of the requests by national and local governments to restrict activities, the changes in consumer behavior and the changes in business models caused by the COVID-19 pandemic, and impact the Group's business activities and earnings. <ul style="list-style-type: none"> • Decreased use of commercial facilities due to rising cases, economic recession or other factors • Increased production costs due to inflation, cases of infection among film crews or other factors • Decline in the value of real estate due to a slump in the real estate market • Holdups in business operations due to cases among employees 		

Countermeasures	To prevent the spread of COVID-19, the Group thoroughly implements appropriate infection control measures in accordance with industry-specific guidelines and actively implements a variety of infection control measures, such as hygiene management of employees and facilities including temperature checks and disinfection, and the introduction of remote work.
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Business strategy risks

3) Risks related to business partner management		Degree of priority	High
Risk scenario	<p>The Group outsources operations related to movie production and other activities to self-employed persons and small and medium-sized enterprises. If such outsourcing contractors cease operating due to their own financial situation or other factors, this may disrupt the Group's operations. Additionally, any flaws in contracts with such outsourcing contractors may make it impossible to maintain the level of quality of the services provided by the Company or the titles produced by the Company and may undermine public trust in the Group or damage the Group's brand image.</p> <p>Furthermore, the Group does business with a wide variety of enterprises both in Japan and overseas. Failure to conclude contracts with reasonable terms and conditions may put the Group at a disadvantage or affect its business activities and earnings.</p>		
Countermeasures	The Group puts efforts into establishing a structure for the selection and management of business partners, including outsourcing contractors, in order to develop fair transactions and sound partnerships. The Group also endeavors to ensure the conclusion of contracts and negotiation of contract content to protect its rights and interests.		
4) Reputational risks		Degree of priority	High
Risk scenario	<p>The Group actively disseminates information about the services offered by its various businesses and films through various forms of social media, for the purpose of publicity, social interaction and so forth. The posting of inappropriate content by the Group's employees may undermine public trust in the Group and damage the Group's brand image.</p> <p>Moreover, any impropriety by an outside party related to a film, etc. of the Group or any defamation by a third party may cause reputational damage to the Group or its film, etc. and may affect the Group's performance.</p>		
Countermeasures	The Group endeavors to ensure a system of checks enabling management of posts on social media and the appropriate operation of such structure. And also, to reduce the possibility of damage from harmful rumors, the Group periodically holds internal seminars to provide reminders and works to establish an internal crisis management system to enable the Group to immediately respond to any damage due to harmful rumors.		
5) Risks related to workplace safety and hygiene		Degree of priority	High
Risk scenario	Working long hours can be damaging to the health of employees, making them physically and mentally unwell, and could interfere with the smooth execution of operations. It could also lead to an accident at work or other serious accident, which may lead to compensation of damages or other financial losses and a loss of public confidence.		
Countermeasures	To protect the physical and mental wellbeing of its employees, the Group is implementing work style reforms that will reduce long working hours. It ensures labor management within every business unit and also actively implements measures for the establishment of a comfortable working environment, including promoting remote work and encouraging employees to take leave. Additionally, the Group regularly conducts an engagement survey to monitor the status of long working hours and other data.		

6) Risks related to securing human resources		Degree of priority	High
Risk scenario	A shrinking working population due to worsening population aging and birthrate decline, or the Group's failure to develop positive work environments with diverse human resources or flexible work environments for employees which include remote work, may prevent the Group from gaining a competitive edge when it comes to attracting human resources, and may make it difficult for the Group to hire and retain employees. Labor costs including hiring costs may rise and labor shortages may cause holdups in business operations, affecting business continuity.		
Countermeasures	The Group continuously puts effort into cultivating specialist human resources and conducts a regular engagement survey. By considering and implementing improvements to work environments based on the survey results, the Group endeavors to be able to create a comfortable work environment for its employees and to improve systems that support their autonomous efforts to develop their careers. In addition, the Group actively hires diverse human resources from a diversity standpoint.		
7) Risks related to business environment		Degree of priority	Medium
Risk scenario	Changes in the competitive environment or business environment surrounding the Group's businesses may affect the Group's business activities and its performance by causing events such as the following. <ul style="list-style-type: none"> • Higher costs due to the research and development of relevant technologies • Loss of competitive advantage due to a delayed response to, or the late adoption of, technological innovations • Decline in earnings due to the end of original titles on which existing IPs are based or loss of the rights to original titles on which to base new IPs • Decline in earnings due to difficulty of prediction of box office success of theatrical films 		
Countermeasures	In 2010, the Group established Zukun Laboratory, which conducts research focused on the implementation of digital technologies in film and video production and is continuously working to utilize imaging technologies in its films. In addition, the Group is implementing initiatives aimed at utilizing brand new virtual production technologies in a wide range of films and videos. Furthermore, while it is difficult to predict the box office success of every film, we forecast box office revenue with as much rigor as possible and ensure that we plan and select films with emphasis on drawing power and degree of perfection. The Group also endeavors to plan and produce diverse high quality content for a wide range of channels and implements initiatives to ensure that it earns well-balanced box office revenues throughout the year.		

Governance risks

8) Risks related to the handling of confidential information including personal information		Degree of priority	High
Risk scenario	The Group holds a large amount of personal information collected from customers and others. Any leak or unauthorized use of such personal information due to its improper handling by employees or outsourcing contractors of the Group may result in the Group being issued a business suspension order, fine or other penalty by regulatory authorities, lead to the Group being sued by customers or affected enterprises, undermine public confidence in the Group, or damage the Group's brand image.		
Countermeasures	To manage personal information it holds in an appropriate manner, the Group endeavors to establish and thoroughly apply rules and guidelines on the handling of personal information. It also regularly provides training on the handling of personal information to Group employees, has developed an internal management framework, and pays utmost care to the handling of personal information.		
9) Risks related to information security		Degree of priority	High
Risk scenario	The Group utilizes various information systems and networks when providing services in its various businesses and executing business operations. Any system outage or delay due to disaster, accident or large-scale system failure, or any cyber attack or unauthorized access by a third party, may result in the Group suspending its services or its execution of operations. Important data such as personal data held by the Group and visual content may also be leaked, falsified or used improperly, and the Group's business activities, public confidence in the Group, and the Group's performance may be affected.		
Countermeasures	The Group implements various measures to prevent information security incidents, including developing a structure for promoting information security, raising awareness about information security among employees, strengthening internal network monitoring functions, and restricting access to information. The Group has in place a structure whereby, in the event of materialization of such risk, the Group immediately takes appropriate action, then analyzes the cause and investigates the extent of the impact, seeks to prevent a recurrence, and optimizes its defenses.		

10) Risks related to intellectual property including copyright		Degree of priority	High
Risk scenario	The Group's intellectual property has already been infringed upon by pirate editions and counterfeits. While the Group has been working to take appropriate action in each case, its intellectual property may not be fully protected overseas or online due to legislation and other issues. The Group's inability to prevent infringements may affect the Group's situation, including its performance and financial position. On the other hand, the Group may be obliged to compensate damages or may be prevented from using intellectual property as a result of being sued by a third party in connection with the intellectual property		

	it owns or uses.		
Countermeasures	<p>The Group endeavors to strengthen countermeasures for the protection of copyright, trademarks and other intellectual property. The Group resolutely deals with any infringement by a third party, thoroughly implementing countermeasures, including taking legal action.</p> <p>The Group also regularly raises awareness about the handling of intellectual property to prevent infringement of third-party intellectual property by its employees.</p>		
11) Compliance violation risks			Degree of priority Medium
Risk scenario	Any harassment or fraudulent activity by the Group's officers or employees, or any legal action taken against the Group by employees or others in relation to the Group's employment environment, may result in a loss of public confidence in the Group or damage to the Group's brand image.		
Countermeasures	The Group has established the Compliance Committee and raises awareness about the Toei Compliance Guidelines. It is working to enhance the structure for raising awareness and providing training about compliance in general and is developing and applying an appropriate compliance structure. In addition, the Group has established the Toei Group Hotline Regulations, and utilizes a whistleblowing hotline to gather information about fraud and impropriety and takes necessary action immediately. The Group also works to share information to prevent compliance violations and recurrences.		

4. Management's Analysis of Financial Position, Operating Results and Cash Flows

(1) Overview of operating results, etc.

An overview of the financial position, operating results and cash flows (hereinafter "operating results, etc.") of the Toei Group (Toei Company, Ltd. and its consolidated subsidiaries and associates accounted for by the equity method) during the consolidated fiscal year under review is as follows.

1) Operating results

In the fiscal year under review, the economy in Japan showed an overall trend of moderate recovery, with the lifting of COVID-19-related restrictions on activities, the return of economic activities to normal, an increase in the number of international visitors to Japan, and a recovery in consumer spending. However, the future outlook 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 stood at 171,345 million yen, operating profit came to 29,342 million yen, and ordinary profit reached 35,317 million yen. A gain on sale of investment securities and other extraordinary income were posted, and impairment losses and other extraordinary losses were posted, which resulted in a profit attributable to owners of parent of 13,971 million yen.

	Net sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit attributable to owners of parent (million yen)	Basic earnings per share (yen)
Fiscal year under review	171,345	29,342	35,317	13,971	225.68
Previous fiscal year	174,358	36,339	40,172	15,025	242.48
Change (%)	(1.7)	(19.3)	(12.1)	(7.0)	(6.9)

(Note) The Company conducted a 5-for-1 share split of common shares on April 1, 2024. Earnings per share were calculated based on the assumption that the share split was conducted at the beginning of previous fiscal year.

2) Financial position

The financial position at the end of the fiscal year under review is as follows.

	Total assets (million yen)	Total liabilities (million yen)	Total net assets (million yen)	Equity ratio (%)	Earnings per share (yen)
At the end of fiscal year under review	411,406	95,175	316,230	57.5	3,819.35
At the end of previous fiscal year	379,889	96,716	283,172	56.0	3,434.50
Change (%)	8.3	(1.6)	11.7	-	11.2

3) Cash flows

Cash flows in each cash flow category in the fiscal year under review are as follows.

	Cash flows from operating activities (million yen)	Cash flows from investing activities (million yen)	Cash flows from financing activities (million yen)	Cash and cash equivalents at end of period (million yen)
Fiscal year under review	22,076	(9,805)	(7,542)	77,929
Previous fiscal year	27,323	(7,815)	(6,599)	71,315
Change (million yen)	(5,246)	(1,989)	(942)	6,614

4) Results for production, orders received and sales

The scale of production and the scale of orders received are not shown in terms of value or volume for each segment because the items produced and sold by the Group are wide ranging and diverse, and there are also few items which are made to order.

Accordingly, results for production, orders received and sales are presented in association with operating results for each segment in "(2) Details of analysis and examination concerning the state of operating results, etc. from the perspective of the management 1) Analysis of operating results."

(2) Details of analysis and examination concerning the state of operating results, etc. from the perspective of the management

The details of understanding, analysis and examination concerning the state of operating results, etc. for the Group from the perspective of the management are as follows. Matters concerning the future stated below are based on assessments as of the end of the fiscal year under review.

1) Analysis of operating results

Operating results by segment for the fiscal year under review are as follows.

	Net sales			Operating profit		
	Previous fiscal year (million yen)	Fiscal year under review (million yen)	Change (%)	Previous fiscal year (million yen)	Fiscal year under review (million yen)	Change (%)
Film and video-related business	135,179	125,980	(6.8)	35,167	26,333	(25.1)
Entertainment-related business	18,449	20,174	9.3	900	1,907	112.0
Event-related business	10,015	10,085	0.7	1,276	1,422	11.4
Tourism real estate-related business	5,967	6,494	8.8	2,168	2,569	18.5
Architectural interior design-related business	4,746	8,610	81.4	48	397	723.9
Company-wide/eliminations	-	-	-	(3,222)	(3,288)	-
Consolidated	174,358	171,345	(1.7)	36,339	29,342	(19.3.0)

Film and video-related business

In the movie business, we distributed 40 films, including films produced in collaboration with other production companies. *IDOLiSH7 the Movie*; *LIVE 4bit BEYOND THE PERIOD*, *The Birth of KITARO: The Mystery of GeGeGe*, and *Fly Me to The Saitama: From Biwa Lake With Love* became major hits, and *G-MEN*, *Precure All Stars F The Movie*, and other films were box-office hits. Meanwhile, among the films released in the preceding fiscal year, *ONE PIECE FILM RED*, *THE FIRST SLAM DUNK* and *SHIN KAMEN RIDER* continued to be well received.

In the TV drama business, TV programs have become more diverse, reflecting broadcasters' fierce competition for ratings for TV films, and we sought to enhance content to receive orders in a tough market. In the fiscal year under review, we produced a total of 363 programs, including 49 60-minute programs such as *AIBOU (Partners)* and *The Woman of S.R.I.*, 295 30-minute programs such as *KAMEN RIDER GEATS* and *Soaring Sky Precure*, and 19 telefeature such as *Matsumoto Seicho Drama Premium "The Face"* and *"Glass Castle"*, maintaining our market share. Sales of character merchandising rights for TV shows such as *OHSAMA SENTAI KING-OHGER*, *KAMEN RIDER GEATS*, and *KAMEN RIDER GOTCHARD* remained strong.

In the content business, in addition to selling terrestrial, BS and CS broadcasting rights and DVD/Blu-ray rights for theatrical films, etc., we supplied visual content to online video distribution services. Sales of broadcasting rights for old TV period dramas and *the AIBOU (Partners)* television film series and sales of streaming rights for *THE LEGEND & BUTTERFLY*, *SHIN KAMEN RIDER* were strong. The Toei Tokusatsu Fan Club gained more members, which contributed to sales. We strengthened collaboration with Toei Video Co., Ltd. which is our subsidiary to sell visual content and sold a total of 251 DVD and Blu-ray titles. *THE FIRST SLAM DUNK* and *ONE PIECE FILM RED*, in particular, sold well.

In the international business, we sold theatrical films and TV shows overseas as well as the overseas merchandising rights for *AVATARO SENTAI DONBROTHERS* and other TV shows. We also imported and sold the television broadcasting rights for foreign films, such as *BOHEMIAN RHAPSODY* and *THE REVENANT*. In the animation business, in addition to the overseas screening rights for *THE FIRST SLAM DUNK* and the overseas distribution (streaming) rights for *ONE PIECE*, sales of merchandising rights for *ONE PIECE* were also strong in Japan and overseas.

In the educational video business, we produced and distributed educational videos, with *Birthday* winning the grand prize at the Japan Audio-Visual Education Association's educational film festival in 2023.

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 125,980 million yen (down 6.8% year on year) and operating profit was 26,333 million yen (down 25.1% year on year).

Entertainment-related business

The mainstay of the box office business is the operation of the cinema complexes (22 sites and 218 screens including joint management and operation) of T-Joy Co., Ltd, the Company's subsidiary, and huge hits *The Super Mario Bros. Movie* and *Detective Conan: Black Iron Submarine* led the growth of sales. Moreover, at the directly managed Toei Theater (2 screens), *THE FIRST SLAM DUNK*, *Idolish7 the Movie Live 4Bit Beyond the Period*, etc. were well received.

In the entertainment-related business, net sales came to 20,174 million yen (up 9.3% year on year) and operating profit was

1,907 million yen (up 112.0% year on year).Event-related business

Event-related Business

In the event-related business, we held events such as *Fist of the North Star 40th Anniversary Original Art Exhibition* and *AVATARO SENTAI DONBROTHERS FINAL LIVE TOUR2023*, together with other exhibitions and live events, theatrical performances, and popular character shows in various genres. We also operated active sales activities such as the sale of film-related merchandise, the online sale of event merchandise, and the sale of character merchandise at *KAMEN RIDER* Stores and other outlets. Toei Kyoto Studio Park performed well while undertaking development construction.

In the event-related business, net sales came to 10,085 million yen (up 0.7% year on year), and operating profit was 1,422 million yen (up 11.4% year on year).

Tourism real estate-related business

In the real estate leasing business, rent levels did not trend upward despite the rising consumer prices, and overall conditions remained difficult, particularly in regional areas. In the fiscal year under review, Platz Oizumi, Oz Studio City, Shibuya Toei Plaza, Shinjuku 3-chome East Bldg., Hiroshima Toei Plaza and other rental facilities performed well.

In the hotel business, demand for domestic travel recovered rapidly due to the lifting of restrictions on activities to control COVID-19 and an increase in the number of international visitors to Japan as an effect of the weak yen. Meanwhile, the business continues to be affected by high consumer prices. We took measures to address the situation, including the revision of prices and thorough cost control.

In the tourism real estate related-business, net sales came to 6,494 million yen (up 8.8% year on year), and operating profit was 2,569 million yen (up 18.5% year on year).

Architectural interior design-related business

In the architectural interior design related-business, private-sector capital expenditure somewhat recovered; however, management remained challenging due to persistently high construction costs, including construction materials and energy, and an increase in labor expenses. In these circumstances, the Group conducted active sales activities to retain existing customers and increase the number of contracts. As a result, orders for high-spec theaters increased in the film and video-related facility segment, in addition to engineering work for the construction of rehabilitation facilities for the elderly, medical facilities, employment support centers for people with disabilities and condominiums.

In the architectural interior design related-business, net sales came to 8,610 million yen (up 81.4% year on year), and operating profit was 397 million yen (up 723.9% year on year).

In the film and video-related business, the core business of the Group, it is difficult to predict whether the theatrical films that are the core of the business will be successful, and their box-office sales affect a range of businesses related to films and video, including the television content business and the content business. Stabilizing earnings is thus a key issue. Consequently, we will step up our sales efforts, building strong partnerships with companies in the industry and focusing on profitability in the planning stage. Meanwhile, we will strive to effectively use the rental assets we have in the real estate leasing business to achieve stable earnings.

Under these circumstances, the Group will focus on the film and video-related business and concentrate efforts on further strengthening the content business and efficiently utilizing content. We will also strive to effectively use assets and will continue working to strengthen the earnings base through a review of unprofitable divisions and other measures.

Details of our medium-to-long-term management strategies are provided in “1. Management Policy, Management Environment and Challenges to Address” and details of factors that will significantly affect the Group’s performance are described in “2. Business Risks.”

2) Analysis of financial position

Total assets amounted to 411,406 million yen at the end of the fiscal year under review, which was an increase of 31,517 million yen from the end of the previous fiscal year. This was mainly due to increases of 11,567 million yen in cash and deposits, 1,968 million yen in work in process, 3,335 million yen in other current assets, 1,890 million yen in construction in progress, 14,452 million yen in investment securities, and 1,577 million yen in retirement benefit asset, which were partially offset by a decrease of 3,857 million yen in merchandise and finished goods.

Total liabilities stood at 95,175 million yen, a decrease of 1,541 million yen from the end of the previous fiscal year. This was largely due to increases of 1,312 million yen in notes and accounts payable - trade and 3,805 million yen in deferred tax liabilities, which were more than offset by decreases of 3,748 million yen in income taxes payable, 1,081 million yen in other current

liabilities, and 1,207 million yen in long-term borrowings.

Net assets increased 33,058 million yen from the end of the previous fiscal year, to 316,230 million yen. This was a result, in large part, of increases of 12,296 million yen in retained earnings, 8,164 million yen in valuation difference on available-for-sale securities, 2,115 million yen in remeasurements of defined benefit plans, and 9,229 million yen in non-controlling interests.

3) Analysis of cash flows

At the end of the fiscal year under review, cash and cash equivalents (“cash”) stood at 77,929 million yen (71,315 million yen a year ago), reflecting an increase of 22,076 million yen in cash flows from operating activities, a decrease of 9,805 million yen in cash flows from investing activities, and a decrease of 7,542 million yen in cash flows from financing activities.

Cash flows from operating activities

Net cash provided by operating activities stood at 22,076 million yen (27,323 million yen at the end of the previous fiscal year). This reflected cash inflows, including 35,410 million yen in profit before income taxes, 3,665 million yen in depreciation, 1,442 million yen in decrease (increase) in inventories, and 2,868 million yen in interest and dividends received, which were partially offset by cash outflows, including 1,830 million yen in interest and dividend income, 2,119 million yen in share of loss (profit) of entities accounted for using equity method, 3,556 million yen in increase (decrease) in other current liabilities, 1,408 million yen in increase (decrease) in accrued consumption taxes, and 13,413 million yen in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities reached 9,805 million yen (7,815 million yen in cash was used a year earlier). This was a result of cash inflow of 22,527 million yen in proceeds from withdrawal of time deposits, which was more than offset by cash outflows, including 26,451 million yen in payments into time deposits and 4,353 million yen in purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities came to 7,542 million yen (6,599 million yen in cash was used a year earlier). This was due to cash outflows, including 1,229 million yen in repayments of long-term borrowings, 1,675 million yen in dividends paid, and 3,584 million yen in dividends paid to non-controlling interests.

4) Information about capital resources and fund liquidity

(i) Basic approach of financial strategies

The Group believes that by maintaining healthy finances and generating cash flows from operating activities, the Group will be able to raise the working capital and funds for capital expenditure it needs to maintain growth. Furthermore, the Group believes that verification of the appropriate level of funds on hand alongside efforts to effectively use assets and strengthen the earnings base and the strategic allocation of management resources for enhancement of corporate value will lead to stable shareholder returns in the long term.

(ii) Fundraising methods and status

The Group raises working capital and funds for routine equipment repairs and maintenance either internally or by borrowing from financial institutions. The Group is also striving to reduce its fundraising costs through measures such as central management of funds within the Group and is working to reduce the interest-bearing debt of the Group as a whole to further strengthen its financial base.

Borrowing from financial institutions as of the end of the consolidated fiscal year under review is as follows.

	At the end of previous fiscal year (million yen)	At the end of fiscal year under review (million yen)	Change (million yen)
Short-term borrowings	350	240	(110)
Current portion of long-term borrowings	1,229	1,207	(22)
Long-term borrowings	13,987	12,779	(1207)
Total	15,566	14,227	(1339)

(iii) Breakdown of demand for funds

A breakdown of demand for funds within the Group is as follows. Cash outflows from operating activities include production costs for theatrical films, TV films and other content, production costs for DVDs and Blu-Ray discs, payouts related to distribution income and content business income, land rent for the operation of cinema complexes, advertising expenses for theatrical films, personnel expenses and other SG&A expenses. Cash outflows from investing activities include renovation of

film sets, cinema complexes and suchlike.

(3) Significant accounting estimates and the assumptions used for them

Of the accounting estimates used in the preparation of the consolidated financial statements and the assumptions used for the estimates, important estimates and assumptions are stated in V. Financial Information, 1. Consolidated Financial Statements, Etc., (1) Consolidated financial statements, Notes (Significant accounting estimates).

5. Important Contracts, Etc. Related to Management

(Absorption-type split agreement)

The Company resolved at a meeting of the Board of Directors held on January 22, 2024 to transfer the homevideo business of the Company that sold DVDs, Blu-ray discs, etc. to Toei Video Co., Ltd., a consolidated subsidiary of the Company, through an absorption-type company split, and concluded an absorption-type demerger agreement on the same day.

The details are stated in V. Financial Information, 2. Financial Statements Etc., (1) Financial statements, Notes (Significant subsequent events).

6. Research and Development

Not applicable.

III. Facilities

1. Overview of Capital Expenditure, Etc.

Capital expenditures in the consolidated fiscal year under review were 5,390 million yen. Capital expenditures by segment were as follows. Investment in intangible assets is included in addition to property, plant and equipment.

(1) Film and video-related business

Capital expenditures amount to 1,871 million yen. A major component of this was the acquisition of intangible assets associated with Toei Animation Co., Ltd.'s app game development.

(2) Entertainment-related business

Capital expenditures totaled 1,573 million yen. A major component of this was construction in progress associated with the newly established cinema complexes of T-Joy Co., Ltd.

(3) Event-related business

Capital expenditures were 388 million yen. A major component of this was construction in progress associated with the renovation of Toei Kyoto Studio Park.

(4) Tourism real estate-related business

Capital expenditures came to 1,363 million yen. A major component of this was construction in progress associated with the development of a rental condominium.

(5) Architectural interior design-related business

Capital expenditures were 3 million yen.

(6) Company-wide (not belonging to any specific segment)

Capital expenditures were 190 million yen.

2. Major Facilities

(1) Company submitting the securities report

As of March 31, 2024

Business site (Location)	Segment	Facilities	Book value (million yen)					Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Area (m ²))	Other	Total	
The head office and other branch offices (Chuo-ku, Tokyo, etc.)	Film and video-related business Entertainment-related business Event-related business Tourism real estate-related business Company-wide	Offices (Note 1)	636	6	6,157 (1,100)	182	6,982	318
Tokyo Studios (Nerima-ku, Tokyo)	Film and video-related business	Stages (Note 2)	1,880	90	7,605 (36,342)	623	10,199	26
Digital Center (Nerima-ku, Tokyo)	Film and video-related business	Editing facility (Note 2)	892	31	-	124	1,048	9
Kyoto Studios (Kyoto-shi, Kyoto)	Film and video-related business	Stages	1,363	125	2,682 (33,923)	38	4,209	26
Marunouchi TOEI (1) (2) (Chuo-ku, Tokyo)	Entertainment-related business	Movie theater (Note 1)	-	15	-	0	15	2
Fukuoka Toei Hotel and two other hotels (Fukuoka-shi, Fukuoka, etc.)	Tourism real estate-related business	Hotels	493	7	2,137 (12,884)	41	2,679	59 (Note 3)
Toei Kyoto Studio Park (Kyoto-shi, Kyoto)	Event-related business	Theme park (Note 4)	399	41	3,908 (40,441)	13	4,361	-

- (Notes) 1. The book values of “Buildings and structures” and “Land” of movie theaters that are within the same facility as other facilities are included in other facilities (head office).
2. The book values of “Land” of other facilities on the same site as Tokyo Studios (Digital Center and Oz Studio City) are included in Tokyo Studios.
3. The number of employees of Toei Hotel Chain Co., Ltd., which is a consolidated subsidiary to which the company submitting the securities report outsources the operation of hotels is listed.
4. The company submitting the securities report leases the park to Toei Kyoto Studio Co., Ltd., which is a consolidated subsidiary which manages the park.
5. In addition to the foregoing, major facilities leased to parties that are not consolidated subsidiaries are as follows.

Business site (Location)	Segment	Facilities	Book value (million yen)				
			Buildings and structures	Machinery, equipment and vehicles	Land (Area (m ²))	Other	Total
Shibuya Toei Plaza (Shibuya-ku, Tokyo)	Tourism real estate- related business	Rental facilities (Note 1)	2,683	5	4,245 (1,204)	6	6,940
Hiroshima Toei Plaza (Hiroshima-shi, Hiroshima)	Tourism real estate- related business	Rental facilities	1,765	-	1,995 (1,484)	2	3,762
Shinjuku Sanhome East Bldg. (Shinjuku-ku, Tokyo)	Tourism real estate- related business Entertainment-related business	Rental facilities Cinema complexes (Note 6)	2,147	-	8,177 (1,556) <243>	0	10,324
Oz Studio City (Nerima-ku, Tokyo)	Tourism real estate- related business Entertainment-related business	Rental facilities (Note 2) Cinema complexes (Note 6)	1,099	-	-	3	1,103
Platz Oizumi (Nerima-ku, Tokyo)	Tourism real estate- related business	Rental facilities	1,904	-	3,458 (26,338)	-	5,363

6. The company submitting the securities report leases the cinema complexes to a consortium in which its consolidated subsidiary T-Joy Co., Ltd. is a partner, and T-Joy Co., Ltd. manages them in collaboration with other companies.
7. The figure in angle brackets <> is the area of a portion of land (m²) leased from a party that is not a consolidated subsidiary.
8. The portion of the book value that is “Other” is the total value of “Tools, furniture and fixtures” and “Leased assets.”

(2) Domestic subsidiaries

As of March 31, 2024

Company	Business site (Location)	Segment	Facilities	Book value (million yen)					Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (Area (m ²))	Other	Total	
Toei Labo Tech Co., Ltd.	Head office, plant, etc. (Chofu-shi, Tokyo, etc.)	Film and video- related business	Offices, plants	112	193	11 (13,349)	25	342	57
	Rental condominium (Chiyoda-ku, Tokyo)	Tourism real estate-related business	Rental facilities (Note 1)	803	-	1,180 (802)	-	1,984	-
Toei Animation Co., Ltd.	Oizumi Studio (Nerima-ku, Tokyo)	Film and video- related business	Offices, studios	5,864	-	42 (4,777)	202	6,109	312
	Head office and Nakano office (Nakano-ku, Tokyo)	Film and video- related business	Offices	250	-	-	85	336	329
	Dormitories, facilities, etc. (Nerima-ku, Tokyo)	Film and video- related business	Accommodation	124	-	160 (378)	2	286	-
Toei Kyoto Studio Co., Ltd.	Toei Kyoto Studio Park (Kyoto-shi, Kyoto)	Event-related business	Theme park	-	-	849 (10,276)	18	868	24
T-Joy Co., Ltd.	T-Joy Higashihiroshima (Higashi Hiroshima-shi, Hiroshima, etc.)	Entertainment- related business	Cinema complexes	4,149	897	-	485	5,532	34

(Notes) 1. Facilities leased to parties that are not consolidated subsidiaries.

2. The portion of the book value that is “Other” is the total value of “Tools, furniture and fixtures” and “Leased assets.”

(3) Overseas subsidiaries

There are no overseas subsidiaries that own major facilities.

3. Plans for Capital Investment, Disposals of Properties, Etc.

(1) Construction of new important facilities, etc.

Company	Business site (Location)	Segment	Facilities	Amount to be invested (million yen)		Funding method	Dates of commencement and completion	
				Total amount	Amount already paid		Commence ment	Completion
The Company	Toei Kyoto Studio Park (Kyoto-shi, Kyoto)	Event-related business	Theme parks (Renovation)	12,000	318	Cash on hand and debt financing	January 2024	February 2028

(Notes) 1. The above amounts do not include consumption tax, etc.

2. As it is difficult to reasonably calculate the increased capacity of the facilities, this information has been omitted

3. At the meeting held on May 15, 2024, the Board of Directors passed a resolution to redevelop the head office building and relocate the head office. After the relocation of the head office, the Company expects to establish new lease facilities on the vacant lot, but has not determined any specific amount of investments, etc. For details, please see V. Financial Information, 1. Consolidated Financial Statements, Etc., (1) Consolidated financial statements, Notes (Significant accounting estimates).

(2) Retirement of important facilities, etc.

Regarding the book value of the head office building, etc. (including the movie theater, etc. in the same facility) of the company submitting this annual report, which is stated under 2. Major Facilities, it plans to amortize or retire the entire amount at the time of the relocation of the head office (scheduled in around the summer of 2025), which is stated in (1) Construction of new important facilities, etc.

IV. Information on the Reporting Company

1. Stock Information

(1) Total Number of Shares, Etc.

1) Total number of shares

Class	Number of authorized shares
Common shares	30,000,000
Total	30,000,000

(Notice) The Company revised its articles of incorporation as of April 1, 2024 due to a stock split and the number of outstanding shares increased 120,000,000 shares to 150,000,000 shares.

2) Shares issued

Class	Number of shares issued at the end of the fiscal year (shares) (March 31, 2024)	Number of shares issued as of the filing date (shares) (June 28, 2024)	Stock exchange where the Company is listed	Details
Common shares	14,768,909	73,844,545	Tokyo Stock Exchange (Prime Market)	One unit: 100 shares
Total	14,768,909	73,844,545	-	-

(Note) The Company conducted a 5-for-1 share split of common shares on April 1, 2024 and the number of issued shares increased 59,075,636 to 73,844,545 shares.

(2) Information on the Share Acquisition Rights, Etc.

1) Stock options

Not applicable.

2) Shareholder right plans

Not applicable.

3) Other share acquisition plans, etc.

Not applicable.

(3) Moving Strike Convertible Bonds, Etc.

Not applicable.

(4) Changes in Number of Shares Issued and Capital, Etc.

Date	Change in the total number of shares issued	Balance of the total number of shares issued	Change in capital (million yen)	Balance of capital (million yen)	Change in legal capital surplus (million yen)	Balance of legal capital surplus (million yen)
October 1, 2017	(132,920,187)	14,768,909	-	11,707	-	5,297

(Note) 1) The Company implemented a consolidation of shares (consolidation of shares of its common stock at a rate of one share for every ten shares) on October 1, 2017 based on a resolution of the 94th Ordinary General Meeting of Shareholders on June 29, 2017. As a result, the total number of shares issued after the consolidation of shares decreased by 132,920,187 shares, to 14,768,909 shares.

2) The Company conducted a 5-for-1 share split of common shares on April 1, 2024 and the number of issued shares increased 59,075,636 to 73,844,545 shares.

(5) Shareholders Composition

As of March 31, 2024

Classification	Status of shares (one unit of stock: 100 shares)								Number of shares less than one unit (shares)
	Government and local governments	Financial institutions	Financial instruments business operators	Other companies	Foreign corporations and individuals		Individuals, etc.	Total	
					Other than individuals	Individuals			
Number of shareholders	-	28	29	92	159	6	6,388	6,702	-
Number of shares held (unit)	-	22,212	778	72,252	23,799	6	28,234	147,281	40,809
Ratio of the number of shares held (%)	-	15.08	0.53	49.06	16.16	0.00	19.17	100.00	-

- (Notes) 1. Of 1,880,609 treasury shares, 18,806 units are included in “Individuals, etc.,” and 9 shares are included in “Number of shares less than one unit.” These treasury shares are the treasury shares that are actually held as of the end of the fiscal year.
2. “Other companies” above includes 3 units of shares held under the name of Japan Securities Depository Center, Inc.
3. On April 1, 2024, the Company conducted a 5-for-1 split of its common stock. The number of share certificates held above represents the number of shares held prior to the stock split

(6) Status of Major Shareholders

As of March 31, 2024

Name	Address	Number of shares held (thousand shares)	Ratio of the number of shares held to the number of shares issued (excluding treasury shares) (%)
TV Asahi Holdings Corporation	6-9-1 Roppongi, Minato-ku, Tokyo	2,528	19.62
Tokyo Broadcasting System Television, Inc.	5-3-6 Akasaka, Minato-ku, Tokyo	1,215	9.43
BANDAI NAMCO Holdings Inc.	5-37-8 Shiba, Minato-ku, Tokyo	1,035	8.03
JP MORGAN CHASE BANK 380815 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E145JP, UNITED KINGDOM (2-15-1 Konan, Minato-ku, Tokyo)	931	7.23
The Master Trust Bank of Japan, Ltd. (Trust account)	1-8-1 Akasaka, Minato-ku, Tokyo	848	6.58
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	733	5.69
Tokyu Corporation	5-6 Nanpeidaicho, Shibuya-ku, Tokyo	600	4.66
Fuji Media Holdings, Inc.	2-4-8 Daiba, Minato-ku, Tokyo	572	4.44
Nippon Television Network Corporation	1-6-1 Higashi-Shimbashi, Minato-ku, Tokyo	480	3.72
Goldman Sachs International (Standing proxy: Goldman Sachs Japan Co., Ltd.)	PLUMTREE COURT, 25 SHOE LANE, LONDON EC4A 4AU, U.K. 6-10-1 Roppongi, Minato-ku, Tokyo	240	1.87
Total	-	9,184	71.26

- (Notes) 1. In addition to the foregoing, the Company holds 1,880thousand treasury shares (12.73% of the total issued shares). Shares of the Company owned by the executive compensation BIP trust are not included in treasury shares that are excluded from the total issued shares.
2. Figures for number of shares held are rounded down to the nearest thousand.
3. On April 1, 2024, the Company conducted a 5-for-1 split of its common stock. The number of share certificates held above represents the number of shares held prior to the stock split
4. The Change Report made available for the public to view on June 23, 2023, reports that, as of September 26, 2022, a public investment fund held 792,800 shares (5.37% of the total issued shares) of the Company’s stock. However, the Company cannot confirm the number of shares that the public fund actually held as of the end of the fiscal year under review, and therefore, it is not included in the above major shareholders.

(7) Information on Voting Rights

1) Outstanding shares

As of March 31, 2024

Classification	Number of shares (shares)	Number of voting rights	Details
Non-voting shares	-	-	-
Shares with restricted voting right (treasury shares, etc.)	-	-	-
Shares with restricted voting right (others)	-	-	-
Shares with full voting right (treasury shares, etc.)	(Treasury shares) Common shares 1,880,600	-	-
Shares with full voting right (others)	Common shares 12,847,500	128,475	(Notes 1 and 2)
Shares less than one unit	Common shares 40,809	-	(Note 3)
Number of shares outstanding	14,768,909	-	-
Total number of voting rights	-	128,475	-

- (Notes) 1. Shares with full voting right (others) include 300 shares held under the name of Japan Securities Depository Center, Inc. The number of voting rights includes 3 voting rights of shares with full voting right held under the name of Japan Securities Depository Center, Inc.
2. Shares with full voting right (others) include 28,794 shares (287 voting rights) of the Company's stock held by the executive compensation BIP trust.
3. Shares less than one unit contain 9 shares of treasury stock owned by the Company.
4. On April 1, 2024, the Company conducted a 5-for-1 split of its common stock. The number of share certificates held above represents the number of shares held prior to the stock split

2) Treasury shares, etc.

As of March 31, 2024

Name of shareholder	Address of shareholder	Number of shares held under the shareholder's name (shares)	Number of shares held under other shareholders' names (shares)	Total number of shares held (shares)	Ratio of number of shares held to number of outstanding shares (%)
(Treasury shares) Toei Company, Ltd.	3-2-17 Ginza, Chuo-ku, Tokyo	1,880,600	-	1,880,600	12.73
Total	-	1,880,600	-	1,880,600	12.73

(Note) 1. In addition to the foregoing, 28,794 shares of the Company's stock held by the executive compensation BIP trust are treated as treasury shares on the consolidated balance sheets.

2. On April 1, 2024, the Company conducted a 5-for-1 split of its common stock. The number of share certificates held above represents the number of shares held prior to the stock split

(8) Share Ownership Plans for Directors and Employees

1. Overview of performance-based stock compensation plan

The Company has introduced a performance-based stock compensation plan mainly for the purpose of clarifying the link between the compensation of those eligible for the plan (Vice Presidents and Executive Officers (excludes Directors who are Audit and Supervisory Committee Members, Outside Directors and non-residents of Japan)) and business results and shareholder value, increasing their motivation to contribute to improvement of business results and enhancement of corporate value in the medium and long term, and ensuring that they share with the Company's shareholders the benefits and risks arising from share price fluctuations. The plan covers the three fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025, and, under the plan, Directors and other officers will receive delivery of the Company's shares, etc. according to their position, level of achievement of performance targets and other factors.

2. Total number of shares Directors will be allowed to acquire

The number of the Company's shares, etc. to be delivered, etc. to Directors will be determined based on points awarded to Directors

during the plan period. The maximum total number of points per fiscal year to be awarded to Directors is 19,000 points (0.2 point for 1 share).

3. Scope of persons entitled to receive beneficiary rights and other rights under the performance-based stock compensation plan
Vice Presidents and Executive Officers (excludes Directors who are Audit and Supervisory Committee Members, Outside Directors and non-residents of Japan)

2. Information on Purchase, Etc. of Treasury Shares

Class of shares, etc./ Acquisition of common stock under Article 155, Item 7 of the Companies Act

(1) Acquisition of treasury shares by resolution of the General Meeting of Shareholders

Not applicable.

(2) Acquisition of treasury shares by resolution of the Board of Directors

Not applicable.

(3) Acquisition of treasury shares not based on resolution of the General Meeting of Shareholders or resolution of the Board of Directors

Classification	Number of shares (shares)	Total value (million yen)
Treasury shares acquired during the fiscal year under review	313	5
Treasury shares acquired during this period	-	-

(Note)1) The number of treasury shares acquired during this period does not include the number of shares less than one unit acquired under the buyback program or additional purchase program between June 1, 2024 and the date of submission of this annual securities report.

2) The number of treasury shares acquired does not include the number of shares that executive compensation BIP trust acquired.

(4) Status of the disposition and holding of acquired treasury shares

Classification	Fiscal year under review		This period	
	Number of shares (shares)	Total disposal value (million yen)	Number of shares (shares)	Total disposal value (million yen)
Acquired treasury shares that were offered to subscribers	-	-	-	-
Acquired treasury shares that have been cancelled	-	-	-	-
Treasury shares acquired in relation to mergers, share exchanges, stock issuance, and transfers related to company splits	-	-	-	-
Other	-	-	-	-
Number of treasury shares held	1,880,609	-	9,403,045	-

(Notes) 1. The Company implemented a 5-for-1 split of its common stock as of April 1, 2024, and the number of the shares it held as treasury stock for the fiscal year under review is the number after the stock split.

2. Number of treasury shares held during this period does not include the number of treasury shares acquired or sold under the buyback program or additional purchase program between June 1, 2024 and the date of submission of this annual securities report.

3. Number of treasury shares held does not include the number of treasury shares held by the executive compensation BIP trust (28,794 shares during the fiscal year under review and 143,970 shares during this period).

3. Distribution Policy

The Company positions the redistribution of profits to shareholders as one of its most important management policies. It aims to make a continuous and stable payment of dividends through efforts to enhance its business foundation and improve its financial strength, based on consideration of business results, etc.

The Company's basic policy for dividends of surplus is to pay both an interim dividend and a year-end dividend each year. The organs that determine the dividends are the Board of Directors for the interim dividend and the General Meeting of Shareholders for the year-end dividend.

In view of business results of the fiscal year under review, the strengthening of the corporate structure, and future business development, among other factors, the Company decided to pay a year-end dividend for the fiscal year under review of 105 yen, which includes a regular dividend of 30 yen per share and a special dividend of 75 yen per share.

While taking improvement of its financial position and the payment of stable dividends into consideration, the Company intends to appropriate internal reserves for capital expenditures in a bid to further improve its competitiveness.

The Company's Articles of Incorporation stipulate that the Company may pay interim dividends.

(Note) Distributions of surplus, the record date of which belongs to the fiscal year under review are as follows.

Date of resolution	Total dividends (million yen)	Dividends per share (yen)
November 14, 2023 Resolution of the Board of Directors	386	30
June 27, 2024 Resolution of the Ordinary General Meeting of Shareholders	1,353	105

(Note) The Company conducted a 5-for-1 stock split of common shares on April 1, 2024. Amounts of distributions of surplus for the fiscal year under review are based on the number of shares before the stock split.

4. Corporate Governance

(1) Overview of Corporate Governance

1) Corporate governance policy

The core business activities of the Company and its Group companies are the production and distribution of theatrical films, television programs and animation which have played a central role in Japan's film and video culture. Through these business activities, the Group intends to continue working tirelessly to further the interests of its shareholders and other stakeholders and to also make a contribution to society through the provision of entertainment, consisting mainly of films and videos.

Regarding corporate governance, based on the above premise, the Group attaches importance to speeding up management decision-making and increasing the efficiency of management measures from the viewpoint of strengthening its corporate competitiveness and believes it is extremely important to pay attention to maintaining the legitimacy of all management activities within the Group and to endeavor to strengthen corporate governance.

2) Overview of the corporate governance structure and reasons for its adoption

The Company transitioned to a Company with an Audit and Supervisory Committee based on a resolution of the 99th Ordinary General Meeting of Shareholders held on June 29, 2022. Furthermore, the Company established a voluntary Nomination and Compensation Committee, which consists of a majority of Outside Directors and is chaired by an Outside Director, on January 1, 2023. The Company judges that these initiatives will strengthen the management supervisory function and will help increase the transparency and fairness of the Board of Directors and enhance corporate governance.

(i) Board of Directors

The Company's Board of Directors consists of eight (8) Directors (including two (2) Outside Directors) and four (4) Directors who are Audit and Supervisory Committee Members (including three (3) Outside Directors). It makes speedy decisions on matters provided for in laws and regulations and the Articles of Incorporation and important management-related matters as well as supervising the execution of duties of Directors. The Board of Directors holds meetings in principle once a month, in accordance with the Board of Directors' Regulations. The status of its activities in the fiscal year under review are described in 3) Status of activities, etc.

(ii) Audit and Supervisory Committee

The Audit and Supervisory Committee consists of four (4) Audit and Supervisory Committee Members (including three (3) Outside Audit and Supervisory Committee Members), and it audits the execution of duties of Directors and the status of execution of other Group management-related duties in general. The status of its activities in the fiscal year under review are described in (3) Audits.

(iii) Meeting of the Directors and Management Committee

The Company holds Meeting of the Directors once a week, in principle, and convenes the Management Committee whenever necessary.

(iv) Voluntary Nomination and Compensation Committee

The voluntary Nomination and Compensation Committee met 3 times prior to the 101st Ordinary General Meeting of Shareholders. Details are described in 3) Status of activities, etc.

As of the date of submission of this annual securities report, members of each of the above organizations are as follows. (◎ indicates the chair.)

Job title	Name	Board of Directors	Meeting of the Directors	Management Committee	Audit and Supervisory Committee	Nomination and Compensation Committee
Chairperson	Noriyuki Tada	○	○	○		○
President and Chief Executive Officer	Fumio Yoshimura	◎	◎	◎		○
Executive Vice President	Koichi Wada	○	○	○		
Senior Vice President	Yuya Kamata	○	○	○		
Vice President	Yuji Kojima	○	○	○		
Director	Hiroshi Hayakawa	○				
Director (Outside)	Hirofumi Nomoto	○				
Director (Outside)	Yoshiharu Ueki	○				
Director (Standing Statutory Auditor)	Masahiro Horiguchi	○		○	◎	
Director (Statutory Auditor)	Tomoko Shioike	○			○	○
Director (Statutory Auditor)	Hitoshi Sato	○			○	◎
Director (Statutory Auditor)	Shima Katsuragawa	○			○	○

3) Status of activities, etc.

Board of Directors

Job title (Fiscal year under review)	Name	Attendance	Remarks
Chairperson	Noriyuki Tada	13/13	
President and Chief Executive Officer	Fumio Yoshimura	13/13	
Executive Vice President	Koichi Wada	12/13	Took on the role of Executive Vice President from his existing role of Senior Vice President on June 29, 2023
Senior Vice President	Yuya Kamata	13/13	Took on the role of Senior Vice President from his existing role of Vice President on June 29, 2023
Vice President Studio Business	Yuji Kojima	13/13	
Director (Outside)	Hirofumi Nomoto	12/13	
Director (Outside)	Hiroshi Hayakawa	12/13	
Director (Standing Statutory Auditor)	Masahiro Horiguchi	13/13	
Director (Statutory Auditor	Shinichi Koza	11/13	Retired at the closing of Ordinary General Meeting of shareholders held on June 27, 2024.
Director (Statutory Auditor)	Tomoko Shioike	13/13	
Director (Statutory Auditor)	Hitoshi Sato	13/13	

○ Major deliberation themes

Major deliberation themes during the fiscal year under review included the redevelopment of Toei Kyoto Studio Park, Simplified Absorption-type Company Split, Share Split, fixed-term building lease agreements implementation of a questionnaire on the effectiveness of the Board of Directors, response to the Japanese Corporate Governance Code, the preparation of statutory documents such as business reports and financial statements, the convocation of the ordinary general meeting of shareholders, and other themes regarding financial results, budgets, borrowing, and major personnel matters and organizational changes.

Voluntary Nomination and Compensation Committee

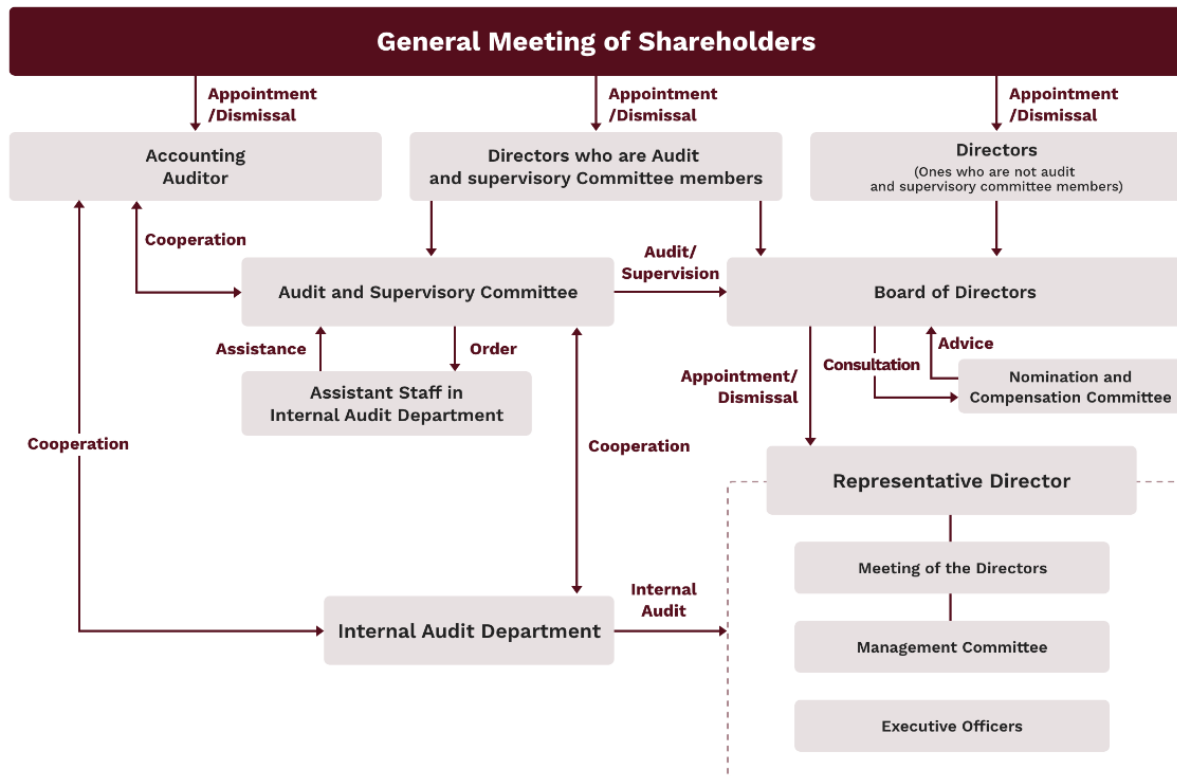
Job title	Name	Attendance	Remarks
Chairperson	Noriyuki Tada	3/3	
President and Chief Executive Officer	Fumio Yoshimura	3/3	
Director (Statutory Auditor)	Shinichi Koza	3/3	Retired at the closing of Ordinary General Meeting of shareholders held on June 27, 2024
Director (Statutory Auditor)	Tomoko Shioike	3/3	
Director (Statutory Auditor)	Hitoshi Sato	3/3	

Note. The Committee was convened 3 times (February 19, 2024, March 19, 2024 and April 26, 2024) before the 101st Ordinary General Meeting of Shareholders.

○ Major deliberation themes

The Committee deliberated the Toei Succession Plan, levels of remuneration of Directors, introduction of performance-based bonuses, skills matrix, nomination of Directors, appointment of Representative Directors and Executive Directors, etc. It also determined the content of reports to the Board of Directors, and presented reports to the Board of Directors.

4) The Company's corporate governance structure



5) Other matters related to corporate governance

(i) Status of development of internal control systems and the risk management system

The Company recognizes the importance of internal control systems including risk management, and in addition to supervision exercised by each organization described above, the Company identifies any internal control issues and seeks to develop and improve the internal control systems. Under the leadership of the Directors in charge of administrative and sales divisions, the Company also strives to comply with laws and regulations, prevent risks from materializing, and quickly grasp any risks that do materialize and take appropriate action.

Furthermore, to promote the development of internal control systems, at a meeting on May 16, 2006, the Company's Board of Directors passed a resolution on the Basic Policy on the Development of Internal Control Systems, which it revises as appropriate. (At a meeting on December 13, 2022, the Board of Directors made revisions to the Basic Policy on the Development of Internal Control Systems in connection with the establishment of the voluntary Nomination and Compensation Committee.)

In December 2006, the Company established an Internal Control Committee for the purpose of developing, maintaining, operating and improving the internal control environment to meet the requirements of the Companies Act and the Financial Instruments and Exchange Act.

(ii) Status of improvement of systems for ensuring appropriate business operations of subsidiaries

- The Company, led by the Strategic Planning Department, seeks to ensure appropriate business operations across the Group through cooperation with each Group company, in accordance with the Internal Control Committee Regulations and the Regulations for Management and Handling of Subsidiaries and Associates.
- The Company raises awareness of the Toei Compliance Guidelines and seeks to ensure that each Group Company establishes and complies with Compliance Guidelines.
- The Company appoints a number of its own officers and employees as members of the Board of Directors of each Group company and supervises the appropriateness of business operations at each Group company.
- A Toei Group Presidents' Meeting is convened on a regular basis to keep in close contact and communicate with each Group company and seek to ensure the appropriateness of business operations in the entire Group.
- The Toei Group Hotline has been established within the Company to detect the violation of laws, etc. at an early stage and respond to such events. Its operation is outsourced to an external contractor that is independent from the Company's managerial organization. The Company ensures that the hotline is appropriately operated by positioning it also as a whistleblowing contact point for the group companies.

- The Risk Management Committee established in accordance with the Risk Management Regulations works to identify risks at an early stage, including risks affecting the group companies, and handles these risks in the best possible way.
- Each group company develops an appropriate internal control environment in accordance with the Rules for Management of Affiliated Companies, and establishes a management system similar to that of the Company in consideration of the description of the business of each company, and also the company listed or not and other matters.
- Each group company works to develop systems that contribute to the efficient execution of business operations in accordance with the Organization Regulations, the Decision Authority Regulations and other internal rules.
- In accordance with the Internal Audit Regulations, Internal Audit Department also audits group companies and provides advice and recommendations to ensure the appropriateness of operations.

(iii) Matters to be resolved at the shareholders' meeting that may be resolved by the Board of Directors

To enable flexible implementation of financial measures and other management measures in response to changes in the economic situation, the Company has stipulated in its Articles of Incorporation that it may acquire its own shares by a market transaction, etc. following a resolution of the Board of Directors in accordance with the provisions of Article 165, Paragraph 2 of the Companies Act.

Furthermore, to flexibly return profits to shareholders, the Company has stipulated in its Articles of Incorporation that the Company may, by a resolution of the Board of Directors, pay interim dividends with a record date of September 30 of each year, pursuant to Article 454, Paragraph 5 of the Companies Act.

(iv) Quorum of Directors

The Articles of Incorporation of the Company stipulate that the Company shall have not more than fifteen (15) Directors (excluding Audit and Supervisory Committee Members) and that it shall have not more than five (5) Directors who are Audit and Supervisory Committee Members.

(v) Contents of liability limitation agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Hiroshi Hayakawa, Mr. Hirofumi Nomoto, Mr. Yoshiharu Ueki, Ms. Tomoko Shioike, Mr. Hitoshi Sato and Ms. Shima Katsuragawa who are not Executive Directors, to limit liability for damages up to the amount provided for in laws and regulations in the event that they fail to perform their duties.

vi) Outline of liability insurance for officers, etc.

The Company has concluded with an insurance company an agreement on liability insurance for officers, etc. provided for in Article 430-3, Paragraph 1 of the Companies Act under which Directors, Executive Officers, Statutory Auditor and other important employees included T-Joy Co., Ltd., that is a consolidated subsidiary of the Company, under the Companies Act are the insured. The insurance covers damages suffered by the insured in the event of claims made against them for damages due to acts undertaken in the performance of their duties.

The Company pays all insurance premiums for all insured under this liability insurance.

(vii) Requirements for resolutions for election or dismissal of Directors

The Company stipulates in its Articles of Incorporation that a resolution to appoint a Director shall be made at the general meeting of shareholders where the shareholders holding at least one-third (1/3) of the voting rights of the shareholders entitled to exercise their voting rights at such meeting are present, by a majority of the votes of the shareholders present and that a resolution to appoint a Director shall not be by cumulative voting.

A resolution for the dismissal of a Director shall be made at the general meeting of shareholders where the shareholders holding a majority of the voting rights of the shareholders entitled to exercise their voting rights at such meeting are present, by a majority of the votes of the shareholders present in accordance with the provisions of Article 341 of the Companies Act.

(viii) Requirement for special resolutions of general meetings of shareholders

Regarding requirements for a special resolution of the general meeting of shareholders provided for in Article 309, Paragraph 2 of the Companies Act, the Company stipulates in its Articles of Incorporation that shareholders holding at least one-third (1/3) of the voting rights of shareholders who are entitled to exercise voting rights shall attend the general meeting of shareholders and that the resolution shall be adopted by at least two-third (2/3) votes of the shareholders in attendance at the meeting. The purpose of this provision is to ensure that the meeting proceeds smoothly by relaxing the quorum for special resolutions at general meeting of shareholders.

6) Basic policy for controlling the management of the Company

The Company has determined basic policies related to the way a person is to control the decisions on the financial and business policies of the Company and the content of the policy, etc. (matters listed in Article 118, item 3 of the Ordinance for Enforcement of the Companies Act) as follows.

(i) Efforts to ensure and improve the Company's corporate value and shareholders' interests

Since its establishment in 1951, the Company has enjoyed the support of a broad fan base and endeavored to offer high quality, wholesome entertainment through the production of films, television programs, animation and a wide range of other film and video content and other multifaceted operations.

In April 2018, the Company established and announced the Toei Group Corporate Philosophy. In line with the Toei Group Corporate Philosophy of "creation and delivery of entertainment loved by people around the world" through consistent film and video production, the Group will engage in corporate activities which integrate the following three objectives: create and distribute films, videos and other entertainment that enrich the future; create and develop characters that provide comfort in ordinary daily life; and offer extraordinary spaces and services for relaxation and excitement.

In the film and video business, the Group will develop a planning and production system for responding flexibly to increasingly diverse media, operate Tokyo Studios and Kyoto Studios and the Digital Center in a unified manner, and strengthen collaboration with Toei Animation in an attempt to provide highly entertaining content.

The Group will also expand the character business stemming from animation and tokusatsu superhero productions, including overseas expansion and the creation of new character businesses.

Meanwhile, in terms of the entertainment distribution network, the Group will put effort not only into the cinema complex business of T-Joy Co., Ltd. but also into the infrastructure business, which includes Toei Kyoto Studio Park, and the broadcasting media and distribution app businesses, which includes Toei Channel and Toei Tokusatsu Fan Club.

In addition, to establish itself as an "integrated content company" that creates and distributes high quality, wholesome entertainment, the Group aims to establish a system that allows every member of the Group to fulfil their potential in terms of creativity, power of realization and power of action and that can bring them together.

- Creativity: Ability that serves as the source for the creation of content (film and event planning, character creation, ideas for improving customer services, etc.)
- Power of realization: Ability to fully leverage the Group's knowhow and infrastructure to ensure that the seeds of creation bear considerable fruit
- Power of action: Ability to effectively utilize the produced content in a variety of scenarios and distribute it globally.

By demonstrating these three abilities not only in planning, production and sales but in all business operations, the Group will make thousands of people happy and fulfil their dreams.

Going forward, the Group will continue reexamining initiatives for the future as a further development of the above Toei Group Corporate Philosophy.

At the same time, the Group is also committed to enhancing corporate governance, and intends to build long-term relationships of trust with stakeholders and to strive for the Group's sustainable growth and long-term stable enhancement of its corporate value and shareholders' interests.

(ii) Approach towards large-scale purchases (Note 1)

The business model developed by the Company and Group companies hinges on the accumulation of intellectual property rights encompassing theatrical films, television programs, animation and other content which have played a central role in Japan's film and video culture and the various characters created through these titles as well as the accumulation of experience, knowledge and skills in order to create such IP and widely deploy it as business. This accumulation of IP, experience and other intangible assets is nothing short of the source of the Group's corporate value and yet it is not always the case that all such intangible assets are recognized as the Group's assets. Moreover, while the period over which this accumulation of IP contributes to the Group's profit and the degree of its contribution varies considerably from title to title, with advances in the technologies available to users and diversification in forms of use, there are some titles that will contribute for a dozen years or longer and function differently from general products and assets. It appears that it is extremely difficult to properly evaluate the Group's corporate value without sufficiently understanding such aspects.

The Company's Board of Directors believes that, in the event of a large-scale purchase by a large-scale purchaser (Note 2), the question of whether to sell the Company's share certificate, etc. should ultimately be left to the Company's shareholders that hold these share certificates, etc. to decide. Accordingly, the Company's Board of Directors does not completely rule out a large-scale purchase. However, recently on capital markets both in Japan and overseas, there have been signs of a tendency for large-scale purchases to be made without sufficient consultation with the target company's management team and without adequate information disclosure to shareholders. In light of such circumstances and taking into consideration factors such as the Group's accumulation of IP, experience and other intangible assets described above and changes in the market capitalization of the Company's share certificates, etc. and its asset status in recent years, the Company's Board of Directors judged that it could not rule out the possibility of the Company's share certificates, etc.,

becoming the target of a large-scale purchase.

In view of such circumstances, the Company's Board of Directors believes that it is beneficial for shareholders and helps protect shareholders' interests to secure in advance a means of ensuring that, when shareholders evaluate a large-scale purchase by a large-scale purchaser, shareholders are provided with adequate information not only information provided unilaterally by the large-scale purchaser but also the opinion on the large-scale purchase and the alternative proposal of the Company's Board of Directors, which is actually in charge of the Company's management and fully understands the Company's business characteristics-in a timely and appropriate manner; a means of ensuring that the Company's Board of Directors has the opportunity to demand that the large-scale purchaser engage in consultation about the Group's corporate value; and a means of ensuring that shareholders have the time necessary to judge whether or not to go along with the large-scale purchase in light of the information provided and the alternative proposal.

(Note 1) A large-scale purchase means a purchase of the Company's share certificates, etc. for the purpose of increasing the ownership ratio of share certificates, etc. of a particular shareholder to 20% or more, or a purchase, etc. as a result of which the ownership ratio of the Company's share certificates, etc. of a particular shareholder would become 20% or more (regardless of the actual purchase method (market trading, tender offer, etc.)). This excludes a large-scale purchase conducted with the prior consent of the Board of Directors.

(Note 2) A large-scale purchaser means a party which conducts or intends to conduct a large-scale purchase.

(iii) Purpose of adoption and basic framework of anti-takeover measures

The Company's Board of Directors judged it necessary to establish a reasonable framework for ensuring that, in the event of a large-scale purchase, shareholders have necessary and adequate information and time to determine whether to agree to the large-scale purchase, and the Company's Board of Directors has the opportunity to present them with an alternative proposal. The Company's Board of Directors believes that the execution of a large-scale purchase in accordance with such rules on large-scale purchases (hereinafter referred to as the "Large-scale Purchase Rules") will help ensure and enhance the Company's corporate value and shareholders' interests.

The Company adopted "Countermeasures for Large-scale Purchases of the Company's Share Certificates, etc. (Anti-takeover Measures)" in 2007 and, every three years since then, has obtained approval for their renewal, with some revisions and amendments to their content, at the ordinary general meeting of shareholders held in late June (hereinafter the countermeasures approved at the ordinary general meeting of shareholders in 2022 are referred to as the "Countermeasures").

Under these Countermeasures, if a large-scale purchaser does not comply with the Large-scale Purchase Rules or if a large-scale purchaser does comply with the Large-scale Purchase Rules but this large-scale purchase is ultimately judged by the Company's Board of Directors to be potentially seriously damaging to the Company's corporate value and shareholders' interests, the Company's Board of Directors can, with the utmost respect for the recommendations of a special committee made up of outside persons, resolve to implement the gratis allotment of share acquisition rights as a retaliatory measure (hereinafter referred to the "Retaliatory Measure"). In this case, the Company will allot, by the method of gratis allotment of share acquisition rights (method defined from Article 277 onwards of the Companies Act), to all shareholders registered at that time stock acquisition rights, with an exercise clause to the effect that exercise of voting rights by a large-scale purchaser and its group will not be allowed and an acquisition clause to the effect that the Company will acquire the share acquisition rights from persons other than the large-scale purchaser, etc. in exchange for the Company's shares.

In addition, when making recommendations, the special committee may recommend the convocation of a general meeting of shareholders to confirm shareholders' intentions (hereinafter referred to as the "General Meeting to Confirm Shareholders' Intentions") prior to implementation of the Retaliatory Measure, and if such a recommendation is made, the Company's Board of Directors may, giving utmost respect to the special committee's recommendations, resolve to convene a General Meeting to Confirm Shareholders' Intentions.

Furthermore, notwithstanding the foregoing, also in the event that the Company's Board of Directors judges confirmation of the intentions of shareholders appropriate in light of the fiduciary duty of Directors, the Company's Board of Directors may convene a General Meeting to Confirm Shareholders' Intentions and confirm shareholders' intentions on whether or not to implement the Retaliatory Measure.

A resolution on a General Meeting to Confirm Shareholders' Intentions will be passed by a majority of the votes of the shareholders present at the meeting, and if implementation of the Retaliatory Measure is approved at the General Meeting to Confirm Shareholders' Intentions, the Company will implement the Retaliatory Measure. On the other hand, if implementation of the Retaliatory Measure is not approved at the General Meeting to Confirm Shareholders' Intentions, the Company will not implement the Retaliatory Measure.

If the Board of Directors resolves to implement the Retaliatory Measure without convening a General Meeting

to Confirm Shareholders' Intentions, the Board of Directors must obtain from the special committee a recommendation to the effect that implementing the Retaliatory Measure without confirming the wishes of shareholders is advisable or desirable.

(iv) Rationale of the Countermeasures

a. Countermeasures are based on the reasonable intentions of shareholders

The period of validity of the Countermeasures is from the close of the 99th Ordinary General Meeting of Shareholders held on June 29, 2022 until the close of the Company's Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2025 to be held in June 2025 and, even before the period of validity expires, the Countermeasures may be abolished by a resolution of the Board of Directors made up of Directors elected at a general meeting of shareholders.

Furthermore, the Countermeasures require that, in certain cases, the Company's Board of Directors, paying utmost respect to the recommendations of the special committee, convenes a general meeting of shareholders and confirms the wishes of shareholders on whether to implement the Retaliatory Measure.

A resolution of the general meeting of shareholders is required for renewal of the Countermeasures and for any substantial amendments to their content. (This does not apply to formal amendments in response to the revision or repeal of laws and regulations which do not involve any substantial amendment to content).

The Countermeasures are thus based on the rational intentions of the Company's shareholders.

b. Importance is attached to the judgment of independent outside persons

Under the Countermeasures, when resolving whether or not to implement the Retaliatory Measure against a large-scale purchaser and when resolving to convene a general meeting of shareholders to confirm the intentions of shareholders, the Company's Board of Directors is required to pay utmost respect to the recommendations of a special committee composed of outside persons who are independent from the Company's management team that is responsible for business execution and who have no special interests in the Company or the Company's management.

Especially in the event of a resolution to implement the Retaliatory Measure without a resolution at a general meeting of shareholders, the Company's Board of Directors is required to obtain from the special committee a recommendation to the effect that implementing the Retaliatory Measure without confirming the wishes of shareholders is advisable or desirable. (The Countermeasures do not leave any scope for the Company's Board of Directors to implement the Retaliatory Measure based solely on its own judgment.)

c. Countermeasures fulfill the principles set out in Takeover Defense Guidelines

The Countermeasures fulfill the three principles (the principle of protection and enhancement of corporate value and the common interests of shareholders, the principle of prior disclosure and shareholder intent, and the principle of ensuring necessity and appropriateness) required by the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and the Common Interests of Shareholders" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

The Countermeasures are also in line with the aims of "Takeover Defense Measures in Light of Recent Environmental Changes," a report published by the Corporate Value Study Group on June 30, 2008. Accordingly, under the Countermeasures, even if the Company acquires share acquisition rights allotted to a large-scale purchaser as the Retaliatory Measure, the Company will not deliver monies, etc. as consideration for such share acquisition rights.

d. Countermeasures are neither a dead-hand takeover defense nor a slow-hand takeover defense

The Countermeasures can be abolished by a Board of Directors which is made up of Directors elected at a general meeting of shareholders of the Company, and a large-scale purchaser can abolish the Countermeasures by a resolution of the Board of Directors which is made up of Directors nominated by the large-scale purchaser itself and elected at a general meeting of shareholders of the Company. Accordingly, the Countermeasures are not a dead-hand takeover defense (takeover defense the implementation of which cannot be prevented even if a majority of the members of the Board of Directors are replaced). Given also that the Company does not adopt a staggered term system or add any requirement for a resolution on the dismissal of Directors, the Countermeasures are also not a slow-hand takeover defense (takeover defense that requires time to prevent implementation due to the inability to replace the members of the Board of Directors at once).

e. There are clearly specified maximum periods for the special committee's evaluation

The maximum period for the special committee's evaluation of a large-scale purchaser shall be sixty (60)

days in the case of a purchase of all the Company's share certificates, etc. in cash (yen) and ninety (90) days in all other cases; provided, however, that if the special committee fails to reach a conclusion within this period, the special committee may extend the evaluation period by up to thirty (30) days to the extent that is reasonably necessary.

The maximum evaluation period including the answer time limit (60 days after the Company's Board of Directors' receipt of the large-scale purchase information) in the case where the special committee asks for additional large-scale purchase information is 150 days assuming extension of the evaluation period in the case of a purchase of all the Company's share certificates, etc. in cash (yen) and 180 days assuming extension of the evaluation period in all other cases.

(2) Directors

1) Directors and Audit and Supervisory Committee Members

Men: 10 persons, Women: 2 persons (Women's percentage to total number of officers: 16.66%)

Job title	Name	Date of birth	Career profile		Term	Number of shares owned (100 shares)
Chairperson	Noriyuki Tada	September 6, 1949	April 1972 June 1997 July 2000 January 2008 June 2008 June 2010 June 2012 June 2013 June 2013 April 2014 June 2014 June 2020 June 2021 February 2023 February 2023 April 2023	Joined the Company Hokkaido Branch Manager Senior Executive Manager of Motion Picture Marketing Senior Executive Manage of Secretariat Executive Officer Vice President Senior Executive Manager of General Affairs & Internal Audit Director, Internal Audit Senior Vice President President and Chief Executive Officer Chief of Media Business Operations Senior Advisor Chairperson Chairperson, President and Chief Executive Officer Chief of Media Business Operation Chairperson (current position)	(Note 3)	50
President and Chief Executive Officer, Chief of Media Business Operations	Fumio Yoshimura	February 3, 1965	April 1988 June 2016 June 2018 June 2020 June 2020 April 2021 June 2021 July 2022 April 2023 April 2023 April 2024	Joined the Company Senior Executive Manager of Content Business Executive Officer Vice President Director, Home Entertainment Director, Content Business & Senior Executive Manager of Original Production, Contents Business Senior Vice President Assistant to Chief of Media Business Operations President and Chief Executive Officer (current position) Chief of Media Business Operations & Director, Content Business Chief of Media Business Operations (current position)	(Note 3)	25
Executive Vice President, Group Strategy	Koichi Wada	September 7, 1965	April 1988 June 2014 June 2016 June 2018 June 2020 June 2021 July 2022 June 2023	Joined the Company Senior Executive Manager of Accounting Executive Officer Vice President Director, Strategic Planning (current position) Senior Vice President Chief of Administration and Management (current position) Executive Vice President (current position)	(Note 3)	10
Senior Vice President, Real Estate	Yuya Kamata	April 2, 1968	April 1991 June 2016 June 2018 June 2021 June 2022 July 2022 June 2023	Joined the Company Senior Executive Manager of Real Estate Development & Real Estate Sales Executive Officer Senior Executive Manager of Real Estate (current position) Vice President Director, Real Estate (current position) Senior Vice President (current position)	(Note 3)	15
Vice President, Studio Business	Yuji Kojima	June 28, 1959	April 1984 June 2005 June 2009 June 2014 June 2021 June 2022 July 2022 April 2023 June 2023 April 2024	Joined the Company Chief Producer of TV Business Seconded to Toei TV Production Co., Ltd. Executive Vice President of Toei TV Production Co., Ltd. Advisor of the Company (Director, Oizumi Area) Vice President (current position) Director, Kyoto Studios and Uzumasa Area (current position) Assistant to Chief of Media Business Operations (current position) Director, Film and Video, Studio Business Director, Studio Business (current position)	(Note 3)	10

Job title	Name	Date of birth	Career profile		Term	Number of shares owned (100 shares)
Director	Hiroshi Hayakawa	January 1, 1944	April 1967 June 1999 June 2001 June 2005 June 2007 June 2009 June 2012 June 2014 June 2019 February 2022 June 2022	Joined Nippon Educational Television Co., Ltd. (present TV Asahi Holdings Corporation) Vice President of Nippon Educational Television Co., Ltd. Senior Vice President of Nippon Educational Television Co., Ltd. Executive Vice President of Nippon Educational Television Co., Ltd. Executive Senior Vice President of Nippon Educational Television Co., Ltd. President of Nippon Educational Television Co., Ltd. Director of the Company (current position) Chairperson and CEO of TV Asahi Holdings Corporation Chairperson & CEO of TV Asahi Holdings Corporation Chairperson, CEO, President and COO of TV Asahi Holdings Corporation Chairperson of TV Asahi Holdings Corporation (current position)	(Note 3)	0
Outside Director	Hirofumi Nomoto	September 27, 1947	April 1971 June 2007 January 2008 June 2008 June 2010 April 2011 June 2014 June 2015 April 2018	Joined Tokyu Railway Company, Ltd. (present Tokyu Corporation) Vice President of Tokyu Railway Company, Ltd. Senior Vice President of Tokyu Railway Company, Ltd. Executive Vice President of Tokyu Railway Company, Ltd. Executive Vice President (Representative) of Tokyu Railway Company, Ltd. President of Tokyu Railway Company, Ltd. Outside Director of the Company (current position) President and Executive Officer of Tokyu Railway Company, Ltd. (present Tokyu Corporation) Chairperson of Tokyu Corporation (current position)	(Note 3)	20
Outside Director	Yoshiharu Ueki	September 16, 1952	June 1975 February 2010 December 2010 February 2012 April 2018 April 2020 April 2024 April 2024	Joined Japan Airlines Co., Ltd. Executive Officer of Japan Airlines Co., Ltd. Executive Vice President of Japan Airlines Co., Ltd. President of Japan Airlines Co., Ltd. Chairperson of Japan Airlines Co., Ltd. (Representative) Chairperson of Japan Airlines Co., Ltd. Vice President of Japan Airlines Co., Ltd. Outside Director of the Company (current position)	(Note 3)	0
Standing Statutory Auditor	Masahiro Horiguchi	September 6, 1960	April 1985 June 2011 June 2012 June 2014 June 2022	Joined the Company Senior Executive Manager of Strategic Planning Senior Executive Manage of Secretariat Executive Officer Standing Statutory Auditor (Audit and Supervisory Committee Members) (current position)	(Note 4)	0
Statutory Auditor	Tomoko Shioike (Name in family register = Tomoko Misaka)	June 20, 1975	December 2009 January 2010 June 2021 June 2022	Registered as an attorney-at-law (Daini Tokyo Bar Association) Joined Yotsuya kyodo Law Office (current position) Statutory Auditor of the Company Statutory Auditor (Audit and Supervisory Committee Members) of the Company (current position)	(Note 4)	0

Job title	Name	Date of birth	Career profile		Term	Number of shares owned (100 shares)
Statutory Auditor	Hitoshi Sato	July 7, 1951	April 1975 October 1995 March 1997 May 2002 March 2006 March 2007 March 2014 March 2016 March 2017 June 2022	Joined Tokyu Railway Company, Ltd. (present Tokyu Corporation) Joined Tokyu Recreation Co., Ltd. Vice President of Tokyu Recreation Co., Ltd. Senior Vice President of Tokyu Recreation Co., Ltd. Executive Vice President of Tokyu Recreation Co., Ltd. President of Tokyu Recreation Co., Ltd. Chairperson of Tokyu Recreation Co., Ltd. Director & Senior Advisor of Tokyu Recreation Co., Ltd. Senior Advisor of Tokyu Recreation Co., Ltd.(current position) Statutory Auditor (Audit and Supervisory Committee Members) of the Company (current position)	(Note 4)	0
Statutory Auditor	Shima Katsuragawa	September 4, 1973	April 1997 March 2001 January 2022 June 2024	Joined Yamada Emiko Tax Accountant Office. Registered as a certified tax accountant Became an employee of Kozu and Yamada Tax Accountant Corporation as a result of reorganization. (current position) Statutory Auditor (Audit and Supervisory Committee Members) of the Company (current position)	(Note 4)	0
Total						130

(Notes)

- 1.Mr. Hirofumi Nomoto and Mr. Yoshiharu Ueki are Outside Directors.
- 2.Ms. Tomoko Shioike,Mr. Hitoshi Sato and Shima Katsuragawa are Outside Directors (Statutory Auditors (Audit and Supervisory Committee Members)).
- 3.The term of office of Directors who are not Statutory Auditors (Audit and Supervisory Committee Members) expires at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year after the conclusion of the Ordinary General Meeting of Shareholders held on June 27, 2024.
- 4.The term of Directors who are Statutory Auditors (Audit and Supervisory Committee Members) expires at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within two (2) years after the conclusion of the Ordinary General Meeting of Shareholders held on June 27, 2024.
- 5.The Company has registered Mr. Hirofumi Nomoto, Mr. Ueki Yoshiharu, Ms. Tomoko Shioike,Mr. Hitoshi Sato and Shima Katsuragawa as independent officers with Tokyo Stock Exchange (TSE) in accordance with the relevant rules of TSE.

2) Information about Outside Officers

The Company has five (5) Outside Directors.

(i) Relationship with Outside Directors

- Mr. Hirofumi Nomoto, an Outside Director, currently serves as Chairperson of Tokyu Corporation, which holds 600,000 shares of the Company's common stock (4.1% of the issued and outstanding shares), while the Company holds 1,451,103 shares of the common stock of Tokyu Corporation (0.2% of the issued and outstanding shares). In addition, the Company has lease transactions with Tokyu Corporation regarding a part of Shibuya Toei Plaza, etc.
- Mr. Hirofumi Nomoto, an Outside Director, and Mr. Hitoshi Sato, an Outside Director (Statutory Auditor (Audit and Supervisory Committee Member)), concurrently serve as Director of Tokyu Recreation Co., Ltd. and Senior Advisor of Tokyu Recreation Co., Ltd., respectively, and Tokyu Recreation Co., Ltd. holds 38,000 shares of common stock of the Company (0.3% of the issued and outstanding shares). Tokyu Recreation Co., Ltd. conducts business that falls under the same category as part of the Company's business and engages in business transactions with the Company, including receipt of film fees.
- There are no applicable matters between the Company and Mr. Yoshiharu Ueki, Ms. Tomoko Shioike (name on family register = Tomoko Misaka) and Ms. Shima Katsuragawa, those of whom are Outside Directors and Statutory Auditors (Audit and Supervisory Committee Members).

(ii) Consideration of the status of the appointment of Outside Directors

- Mr. Hirofumi Nomoto, an Outside Director, has experience managing a top-tier corporate group as Chairperson of Tokyu Corporation, and the Company expects him to provide various advice based on his extensive knowledge and experience, and to bring a keen sense of awareness to corporate management. The Company judges that there is no risk of a conflict

of interest arising between Mr. Hirofumi Nomoto and general shareholders and that he is capable of performing the duties of an independent officer.

- Outside Director Mr. Yoshiharu Ueki had been Representative Director, President and Chairperson of Japan Airlines Co., Ltd. and has experience leading the global group as a member of top management. The Company expects him to provide advice broadly leveraging his abundant experience and knowledge and to bring a keener sense of urgency to the management of the Company. The Company judges that there is no risk of a conflict of interest arising between Mr. Yoshiharu Ueki and general shareholders and that he is capable of performing the duties of an independent officer.
- Ms. Tomoko Shioike, an Outside Director and Statutory Auditor (Audit and Supervisory Committee Member), is an attorney-at-law, and the Company expects her to provide various advice as an expert in legal matters and to bring a keen sense of awareness to corporate management. Since Ms. Tomoko Shioike can be expected to monitor the Company's management objectively from a fair and independent perspective, the Company judges that there is no risk of a conflict of interest arising between Ms. Tomoko Shioike and general shareholders and that she is capable of performing the duties of an independent officer.
- Mr. Hitoshi Sato, an Outside Director and Statutory Auditor (Audit and Supervisory Committee Member), has many years of experience managing Tokyu Recreation Co., Ltd. and has extensive experience and knowledge related to the box office business, which is one of the Company's main businesses, and the real estate business. The Company expects him to provide various advice and to bring a keen sense of awareness to corporate management. Since Mr. Hitoshi Sato can be expected to monitor the Company's management objectively from a fair and independent perspective, the Company judges that there is no risk of a conflict of interest arising between Mr. Hitoshi Sato and general shareholders and that he is capable of performing the duties of an independent officer.
- Ms. Shima Katsuragawa, an Outside Director and Statutory Auditor (Audit and Supervisory Committee Member), is a certified tax accountant, and the Company expects her to provide various advice as an expert in tax matters and to bring a keen sense of awareness in corporate management. Since Ms. Shima Katsuragawa can be expected to monitor the Company's management objectively from a fair and independent perspective, the Company judges that there is no risk of a conflict of interest arising between Ms. Shima Katsuragawa and general shareholders and that she is capable of performing the duties of an independent officer.

(iii) Criteria for independence of Outside Directors

- To determine that an Outside Director of the Company is independent, it must be determined that any of the following do not apply regarding the Outside Director in the immediately preceding one year.
 1. The Outside Director is an executive officer (or other equally important employee) of a business partner of the Company (a company that paid to the Company in the immediately preceding fiscal year in an amount equivalent to more than 2% of the Company's consolidated net sales) or a parent company or subsidiary of the business partner
 2. The Outside Director is an executive officer (or other equally important employee) of a company whose major business partner is the Company (a company to which the Company paid in the immediately preceding fiscal year in an amount equivalent to more than 2% of the said company's consolidated net sales), or a parent company or subsidiary of the company
 3. The Outside Director is an executive officer (or other equally important employee) of a major lender of the Company (a lender from which the Company borrowed funds in the immediately preceding fiscal year in an amount equivalent to more than 2% of the Company's consolidated total assets) or a parent company or subsidiary of the lender
 4. The Outside Director is a consultant or professional in accounting or law who receives money or other property in an amount exceeding 10 million yen per year from the Company, apart from officer's remuneration (regarding corporations, associations or other groups, a consultant or professional in accounting or law who belongs to a group that receives money or other property in an amount exceeding 50 million yen per year from the Company)
 5. The Outside Director is a relative within the second degree of any person stated in any of the following (A) to (C)
 - (A) Person listed in items 1 to 4 above
 - (B) Executive Officer (or other equally important employee) of a subsidiary of the Company
 - (C) Non-Executive Director of a subsidiary of the Company
 6. In addition to 1 to 5 above, the Outside Director is a person who it cannot be clearly determined that there is no risk of a conflict of interest with general shareholders or the Board of Directors does not certify the Outside Director as an appropriate independent officer.

- (iv) Relationships between supervision or audits by Outside Directors and internal audits, audits by the Audit and Supervisory Committee Members and accounting audits, and relationships between Outside Directors and the internal control division
- Outside Directors attend meetings of the Board of Directors, express opinions where necessary, and monitor Directors' performance of duties from an outside perspective.

- Outside Directors who are Audit and Supervisory Committee Members attend meetings of the Board of Directors and the Audit and Supervisory Committee, express opinions where necessary, and monitor Directors' performance of duties from an outside perspective. They also receive reports on the scope and timing of implementation of audits and audit results from the Internal Audit Department, which is the internal audit division, and cooperate with the implementation of audits. Outside Directors who are Audit and Supervisory Committee Members hold regular meetings with the Accounting Auditor to exchange opinions and information and to conduct appropriate audits. They hold regular meetings with internal control divisions such as the Strategic Planning Department and the Accounting Department to receive reports from them.

(3) Audits

1) Audits by the Audit and Supervisory Committee

The Company's Audit and Supervisory Committee is composed of four (4) Directors, including three (3) Outside Directors. The three (3) Outside Directors who are Audit and Supervisory Committee Members are a certified tax accountant, an attorney-at-law, and an experienced management executive, each of whom possess advanced expertise, abundant experience and high-level insight, and they are appointed because they can be expected to give the Company appropriate opinions. Moreover, the Company selected Mr. Masahiro Horiguchi as Standing Statutory Auditor (a full-time Audit and Supervisory Committee Member) in view of the need to collect information by attending important internal meetings and other means, cooperate closely with the Internal Audit Department, and monitor the internal control system on a day-to-day basis. The Company has also assigned a staff to assist Audit and Supervisory Committee Members in their duties.

Mr. Shinichi Kozu, who was an Outside Director and Statutory Auditor (Audit & Supervisory Committee member), retired upon the expiration of his term of office at the close of the Ordinary General Meeting of Shareholders held on June 27, 2024.

During the fiscal year under review, the Company convened the Board of Company Auditors, which was chaired by Standing Statutory Auditor and composed of four (4) Statutory Auditors, thirteen (13) times and the attendance of each Statutory Auditor was as follows.

Job title	Name	Attendance
Standing Statutory Auditor	Masahiro Horiguchi	13/13
Statutory Auditor (Outside)	Shinichi Kozu	11/13
Statutory Auditor (Outside)	Tomoko Shioike	13/13
Statutory Auditor (Outside)	Hitoshi Sato	13/13

The Audit and Supervisory Committee made resolutions and reports such as the following:

Resolutions: Revision of the Audit & Supervisory Committee Rules, preparation of audit report of Audit & Supervisory Committee, determination of policy on dismissal or non-reappointment of account auditor, determination of statement of opinions regarding appointment, etc. and remuneration, etc. of Directors other than those who concurrently serve as Audit & Supervisory Committee members, election of the chair of Audit and Supervisory Committee, determination of amount of remuneration of each Audit and Supervisory Committee member, determination of audit policy, audit plan, etc. consent, etc. to audit fee of accounting auditor

Reports: Plans to make site visits and hear reports, regular reports by the Accounting Auditor, hearing of reports on exchange of information and opinions between Audit and Supervisory Committee Members and Accounting Auditor, visits to business sites and Group companies, and status of execution of duties by Directors and other officers, report on the Internal Audit Department's planned activities and the result, report on Toei Group hotline, reports on important meetings (Management Committee, Compliance Committee, etc.), and other matters

In compliance with the standards for Audit and Supervisory Committee Audits, etc. established by the Audit and Supervisory Committee and in accordance with the audit policy and audit plan, etc., the full-time Audit and Supervisory Committee Member communicates with Directors, the Internal Audit Department and other employees, etc., and works to collect information and develop an audit environment. He or she also attends the Board of Directors' meetings and other important meetings, receives reports about the status of execution of duties of the Directors and other employees, etc. from them, requests explanations as needed, reviews important approval documents, and examines the Company's operations and financial matters at the head office and major business places. With regard to subsidiaries, the full-time Audit and Supervisory Committee Member communicates and exchanges information with the Directors and Auditors of subsidiaries and receives business reports as needed. Regarding internal control systems, the full-time Audit and Supervisory Committee Member also regularly receives reports from Directors and employees, etc. on their establishment and operation, asks for explanations as necessary, and expresses opinions. The full-time Audit and Supervisory Committee Member also reviews the content of the basic policies

provided for in Article 118 (iii) (a) of the Ordinance for Enforcement of the Companies Act described in the business report and the efforts provided for in Article 118 (iii) (b) of said ordinance, based on the deliberations at the meetings of the Board of Directors and other meetings. The full-time Audit and Supervisory Committee Member monitors and verifies whether the Accounting Auditor maintains an independent position and conducts appropriate audits, receives a report on the performance status of its duties and asks for explanations as necessary.

As for mutual cooperation between the Audit and Supervisory Committee and the Accounting Auditor, with the Senior Executive Manager of the Accounting Department and the Senior Executive Manager of the Internal Audit Department also in attendance, the Audit and Supervisory Committee and the Accounting Auditor regularly shared and discussed the quarterly review, reports on the status of audits, and information about governance. Key audit matters (KAM) were regularly discussed based on reports by the Accounting Auditor.

2) Internal audits

The Company has an Internal Audit Department as an internal audit division responsible for examining and evaluating, from the viewpoints of legality and rationality, all the systems used to administer and run operations at every business site and subsidiary as well as the status of business execution, for the purpose of helping rationalize management and improve business efficiency.

Moreover, to ensure the effectiveness of internal audits, the Company has put in place a system under which audit results are reported directly to Audit and Supervisory Committee and Representative Director and, when necessary, to the Board of Directors, and are circulated to relevant officers.

The Internal Audit Department holds regular meetings with the accounting auditor (Ernst & Young ShinNihon LLC.) to exchange opinions and discuss methods of assessments, evaluates the efficiency of internal control over financial reporting pursuant to the Financial Instruments and Exchange Act, and reports to the Board of Directors.

3) Accounting audits

The Company has appointed Ernst & Young ShinNihon LLC. to conduct audits in accordance with laws and regulations. The composition of certified public accountants who carried out audit operations during the fiscal year under review and assistants for audit work is as follows.

(i) The names of the certified public accountants who carried out the audits and their audit corporation

The names of the certified public accountants, etc.		Their audit corporation
Designated Limited Liability Partner Managing Partner	Masahiro Okonogi	Ernst & Young ShinNihon LLC. Continuous audit period: Since 1976
	Daisuke Ishida	

(Notes) 1. The number of years of continuous auditing service of the certificate public accountants who carried out the audits is not presented here because it is less than 7 years in all cases.

2. Ernst & Young ShinNihon LLC. has already independently taken steps to ensure that the same managing partners are not engaged in the Company's accounting audits for more than a certain period of time.

(ii) Composition of assistants with audit operations

Nine (9) certified public accountants and twenty-three (23) others

(iii) Policy and reasons for selection of audit corporation

The Company's Audit and Supervisory Committee selects the Accounting Auditor by obtaining from each candidate accounting auditor documents that describe an outline of the audit corporation, the audit execution system, etc. and estimated audit fees, and by interviewing and questioning them, based on the Standards for Selection of Candidate Accounting Auditors and Evaluation of Accounting Auditors (resolution of the Board of Company Auditors of December 4, 2015).

(Policies for Dismissal and Decision to Refuse Reappointment of Accounting Auditor)

The Audit and Supervisory Committee will dismiss the Accounting Auditor with the consent of all the committee members if the Accounting Auditor falls under any item of Article 340, Paragraph 1 of the Companies Act. In this case, an Audit and Supervisory Committee Member elected by the Audit and Supervisory Committee will report the dismissal of the Accounting Auditor and the reason for dismissal at the first general meeting of shareholders convened after dismissal.

Also, if it is recognized that it is difficult for the Accounting Auditor to appropriately perform his or her duties, the Audit and Supervisory Committee will determine the content of the proposal for dismissal or refusal of reappointment that is submitted to a general meeting of shareholders.

(iv) Evaluation of audit corporation by Audit and Supervisory Committee

The Company's Audit and Supervisory Committee evaluates the Accounting Auditor.

Every fiscal year, the Company's Audit and Supervisory Committee evaluates the Accounting Auditor's quality control, their audit team, audit fees, etc., communication with Audit and Supervisory Committee Members, relationships with executives, etc., group audits and fraud risk mainly by cooperating with the Accounting Auditor and being present at the

Accounting Auditor's site visits, based on the Standards for Selection of Candidate Accounting Auditors and Evaluation of Accounting Auditors (resolution of the Board of Company Auditors of December 4, 2015).

4) Audit fees

(i) Fees paid to certified public accountants, etc.

Classification	Previous fiscal year		Fiscal year under review	
	Compensation based on audit and attestation service (million yen)	Compensation based on non-audit service (million yen)	Compensation based on audit and attestation service (million yen)	Compensation based on non-audit service (million yen)
Company submitting the securities report	66	-	71	-
Consolidated subsidiaries	56	-	74	23
Total	122	-	145	23

*Non-audit services provided by consolidated subsidiaries in the fiscal year under review were the issuance of comfort letter

(ii) Fees paid to the same network (Ernst & Young LLP) as the certified public accountants, etc. (excluding (i))

Classification	Previous fiscal year		Fiscal year under review	
	Compensation based on audit and attestation service (million yen)	Compensation based on non-audit service (million yen)	Compensation based on audit and attestation service (million yen)	Compensation based on non-audit service (million yen)
Company submitting the securities report	-	10	-	-
Consolidated subsidiaries	25	16	41	18
Total	25	26	41	18

* Non-audit services at the company submitting the securities report in the previous year consisted of consultant services on risk management and business continuity plans, and non-audit services at consolidated subsidiaries in the previous consolidated fiscal year and the consolidated fiscal year under review consisted of tax related services at overseas subsidiaries.

(iii) Details of other major fees for audit and attestation services

Not applicable.

(iv) Policy on determination of audit fees

Not applicable; however, audit fees are determined based on the duration of audits, the content of audit plans and other factors.

(v) Reasons why the Audit and Supervisory Committee consented to the fees, etc. of the Accounting Auditor

The Company's Audit and Supervisory Committee consented to the fees, etc. of the Accounting Auditor after obtaining necessary materials and receiving reports from Directors, relevant internal business units and the audit corporation and confirming and verifying various information including the audit corporation's performance of duties in past fiscal years and changes in its audit fees, as well as the content of the audit corporation's audit plan and the basis for estimating fees for the fiscal year under review.

(4) Directors' Compensation, Etc.

1. Matters regarding policy on determination of amount of Directors' compensation, etc. or calculation method thereof

Resolutions regarding the policy for determining individual remuneration of Directors are passed at meetings of the Board of Directors of the Company following the deliberations of the voluntary Nomination and Compensation Committee whose majority is Outside Directors and is chaired by an Outside Director.

Moreover, the Board of Directors has confirmed that the methods for determining the details of remuneration, etc. and the details of the determined remuneration etc. for individual Directors for the fiscal year under review are consistent with the determination policy resolved by the Board of Directors.

At the meeting of the Board of Directors held on May 24, 2024, the Company resolved to adopt a bonus system to provide a short-term incentive for the achievement of the annual plan. It also resolved to revise the policy for determining the details of individual remuneration, etc. for Directors which will become effective after the 101st Ordinary General Meeting of Shareholders held on June 27, 2024.

<Policy on determining the details of compensation, etc. for individual Directors resolved on December 13, 2022>

(1) Policy on basic compensation

The amount of monthly compensation (fixed compensation) is determined, within an upper compensation limit resolved at the general meeting of shareholders, on the basis of a comprehensive assessment of each Director's position, responsibilities and achievements, the level of pay, bonuses and wage increases of executive officers and employees, the degree of achievement of management performance targets in the most recent fiscal year, and compensation paid in the past.

(2) Policies related to performance-based compensation and non-monetary compensation, etc.

The Company has introduced a performance-based stock compensation (hereinafter referred to as the "Performance-based Stock Compensation") for Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors), under which shares of the Company are delivered after retirement from office, in accordance with the standards of the Share Delivery Regulations to be established separately, in principle.

(3) Policy on the structure of compensation, etc.

The amount of compensation, etc. for individual Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) consists of monthly compensation and Performance-based Stock Compensation, while in the case of Directors who are Audit and Supervisory Committee Members and Outside Directors, monthly compensation accounts for all their individual compensation, etc. Regarding the percentages of monthly compensation and Performance-based Stock Compensation of Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors), appropriate percentages are determined to ensure that compensation functions as a healthy incentive.

(4) Policy on timing and conditions of granting of compensation, etc.

1) Monthly compensation

Monthly compensation shall be paid as monetary compensation to incumbent Directors, etc. at a certain time each month, in principle.

2) Performance-based Stock Compensation

For Performance-based Stock Compensation, predetermined fixed points and performance-based points are granted at a certain time each year. The performance-based points are calculated through multiplication by a performance-based coefficient according to the degree of achievement of the Company's performance targets and other factors, and therefore vary within the range of 0%-200%. Shares of the Company, etc. are delivered to Directors, etc. upon their retirement from office according to the cumulative number of fixed points and performance-based points granted to them during their term of office. The indicators used for performance-based points are non-consolidated operating profit and profit attributable to owners of parent, both of which are indicators of profitability, on the grounds that these are suitable indicators for the Company's business format, etc.

(5) Matters related to delegation of authority for compensation, etc.

The Board of Directors delegated the final decision on the content of compensation, etc. for individual Directors to Mr. Fumio Yoshimura, President and Chief Executive Officer (Chief of Media Business Operations,) based on the policy described earlier. Mr. Fumio Yoshimura instructed the business unit in charge to prepare a proposal on the compensation for individual Directors based on the report of the voluntary Nomination and Compensation Committee and the above policy, and determined the content of compensation for individual Directors upon verification of the content of the prepared proposal on compensation for individual Directors. The Board of Directors delegated authority based on the judgment that the President and Chief executive Officer is the right person to evaluate the performance of the business unit each Director is responsible for whilst taking into consideration the performance of the Company as a whole and other pertinent factors.

<Policy for determining the details of individual remuneration, etc. for Directors which will become effective after the 101st Ordinary General Meeting of Shareholders held on June 27, 2024>

(1) Basic approach

The remuneration paid to the Company's Directors will be determined in consideration of the content of their duties, the management environment, financial status, etc. and the level of director remuneration at other companies whose scale of business and category are similar to the Company. The remuneration paid to the Company's Directors (excluding the remuneration paid to Directors who are Audit and Supervisory Committee members, non-executive Directors and Outside Directors) will be based on a system under which incentives to improve the performance of the business are provided and it will consist of monetary and non-monetary remuneration. Monetary remuneration will consist of monthly basic fixed remuneration based on job evaluation and bonuses that are performance-based remuneration, while non-monetary remuneration will consist of performance-based stock remuneration.

The remuneration paid to Directors who are Audit and Supervisory Committee members, non-executive Directors and Outside Directors will consist only of reasonable basic remuneration that reflects their expertise and experience, their role and the content of their duties as well as the difference between full-time and part-time positions.

(2) Policy on basic remuneration

The amount of monthly remuneration (fixed remuneration) is determined by comprehensively assessing each Director's position, responsibilities and achievements, the salaries, bonuses, wage increases, etc. of executive directors and employees, the degree of achievement of the management performance targets in the most recent fiscal year, remuneration paid in the past, and other matters. Including bonuses, remuneration is within the upper limit on remuneration resolved at the general meeting of shareholders.

(3) Policy on bonuses

Starting in fiscal 2024, the Company will introduce bonuses for Directors who are not Audit and Supervisory Committee members (excluding non-executive Directors and Outside Directors) to provide a short-term incentive for achieving annual plans. The amount of the annual bonus paid to individual Directors will fluctuate because it will be a standard bonus amount determined by position multiplied by a payment rate that is determined according to the degree of achievement of business results targets, etc. for each fiscal year, in principle. The bonus will be paid in two installments during the year together with basic remuneration within the limit of remuneration resolved at the general meeting of shareholders.

(4) Policy on performance-based stock remuneration

Performance-based stock remuneration will be introduced for Directors who are not Audit and Supervisory Committee members (excluding non-executive Directors and Outside Directors) for the purpose of providing medium- to long-term incentives to increase their awareness of the medium- to long-term improvement of the performance of the business and its corporate value and increase their motivation to contribute to it. Shares of the Company's stock will be delivered to them after they resign from their positions as Directors, in principle, in accordance with the stock delivery regulations prescribed elsewhere

(5) Policy on the structure of remuneration, etc.

The remuneration, etc. for individual Directors who are not Audit and Supervisory Committee Members (excluding non-executive Directors and Outside Directors) consists of basic remuneration, bonuses and performance-based stock remuneration, while all of the remuneration, etc. for Directors who are Audit and Supervisory Committee members, non-executive Directors and Outside Directors is basic remuneration. In order to ensure that remuneration functions as a sound incentive for independent directors who are not Audit and Supervisory Committee Members (excluding non-executive Directors and Outside Directors), the Company is to determine appropriate percentage of such remuneration as basic, bonus and performance-based stock type.

(6) Policy on timing and conditions of granting of remuneration, etc.

1) Basic remuneration

Basic remuneration shall be paid as monetary remuneration to incumbent Directors, etc. at a certain time each month, in principle.

2) Bonuses

Bonuses are linked to the Company's non-consolidated profit, consolidated operating profit, etc. for each fiscal year, because they are appropriate indicators for measuring results of the execution of business toward the sustained growth of the Company. The amount of the annual bonus for each Director will be the standard bonus amount determined by position multiplied by the rate of achievement of the goals in the management plan for each fiscal year. This will vary in the range of 0-110% and be

paid in two installments every year.

3) Performance-based stock compensation

Performance-based stock compensation predetermined fixed points and performance-based points are granted at a certain time each year. The performance-based points are calculated through multiplication by a performance-based coefficient according to the degree of achievement of the Company's performance targets and other factors and therefore vary within the range of 0%-200%. Shares of the Company, etc. are delivered to Directors, etc. upon their retirement from office according to the cumulative number of fixed points and performance-based points granted to them during their term of office. The indicators used for performance-based points are non-consolidated operating profit and profit attributable to owners of parent, both of which are indicators of profitability, on the grounds that these are suitable indicators for the Company's business format, etc.

(7) Matters related to delegation of authority for remuneration, etc.

The Board of Directors delegates authority for the final decision on the details of remuneration, etc. for individual Directors for the fiscal year under review to Mr. Fumio YOSHIMURA, President and Chief Executive Officer based on the policy described earlier and the President instructed the business unit in charge to prepare a proposal on the remuneration for individual Directors based on the above policy, and also determined the content of remuneration for individual Directors upon verification of the content of the prepared proposal on remuneration for individual Directors. The Board of Directors delegated authority based on the judgment that the President and Chief Executive Officer is the right person to evaluate the performance of the business unit each Director is responsible for whilst taking into consideration the performance of the Company as a whole and other pertinent factors.

The resolutions of the general meeting of shareholders on officers' compensation were as follows.

- Monetary compensation

The maximum compensation for the Company's Directors who are not Audit and Supervisory Committee Members was set at 480 million yen per year (of which the maximum amount for Outside Directors is 50 million yen per year), and the maximum amount of compensation for Directors who are Audit and Supervisory Committee Members was resolved at 70 million yen per year. The number of Directors who are not Audit and Supervisory Committee Members at the conclusion of the Ordinary General Meeting of Shareholders was eight (8) (including two (2) Outside Directors) and the number of Directors who are Audit and Supervisory Committee Members was four (4).

- Performance-based stock compensation

It was resolved at the 99th Ordinary General Meeting of Shareholders held on June 29, 2022 that, excluding monetary compensation, the upper limit on the amount of money to be contributed by the Company for three fiscal years as the performance-based stock compensation of Directors (excluding those who are Audit & Supervisory Committee members, non-Executive Directors and Outside Directors) shall be 600 million yen and that the upper limit on the number of shares to be delivered to Directors, etc. or to be sold and their proceeds paid to Directors, etc. shall be 19,000 points per fiscal year (one share is 0.2 points). The number of Directors, etc. eligible for performance-based stock compensation as of the close of the 101st Ordinary General Meeting of Shareholders is eighteen (18).

2. Total amount of compensation, etc., compensation, etc. by type, and the number of eligible officers by category of officers Officers' compensation in the fiscal year under review is as follows.

Category	Total amount of compensation, etc. (million yen)	Compensation, etc. by type (million yen)			Number of eligible officers
		Basic compensation	Performance-based compensation, etc.	Non-monetary compensation, etc. of the compensation at left	
Directors (excluding Directors who are Audit and Supervisory Committee Members)	254	183	71	71	7
(Outside Directors)	(14)	(14)	(-)	(-)	(2)
Directors who are Audit and Supervisory Committee Members	38	8	-	-	4
(Outside Directors)	(18)	(18)	(-)	(-)	(3)

(Notes)

- 1) Performance-based compensation, etc. is the equivalent of stock compensation expensed as reversal of provision for share awards for directors (and other officers) in the fiscal year under review based on the stock compensation plan under which the Company's shares equivalent to points granted according to degree of achievement of performance targets, etc. are

delivered through a trust.

2)The amounts of payment to the above Directors (excludes Directors who are Audit and Supervisory Committee Members) do not include employee's salary of 35 million yen (includes bonuses of 9 million yen) for the Directors who also hold the employee position.

3. Total amount of compensation, etc. paid by the Group to each officer

Because no officers received a compensation of 100 million yen or more, the information is not stated.

(5) Information of Shareholdings

1) Classification of investment shares

The Company does not hold shares for the purpose of pure investment (solely for the purpose of making profits from changes in the value of the stocks or dividends related to the stocks). Accordingly, all shares held by the Company are held for purposes other than pure investment.

2) Investment shares held for purposes other than pure investment

a. Policy for shareholding, method for examining the rationality of shareholding, and the examination of whether holding shares of individual stocks is appropriate or not by the Board of Directors, etc.

The Company implements cross-shareholding if based on a comparison of the benefits of the cross-shareholding in terms of maintaining or strengthening business relationships in the medium and long term and the risks of the cross-shareholding, including financial impact, it judges that the cross-shareholding will help enhance the Group's corporate value in the medium and long term. Information such as the issuer's most recent operating results, financial position, dividends and stock price are reported to the Board of Directors on a regular basis and the appropriateness and economic rationale of the cross-shareholding is comprehensively verified. The Company will look to reduce and consider selling any cross-shareholding which, upon verification, is judged to be no longer justified.

b. Number of stocks and balance sheet amount

	Number of stocks	Total balance sheet amount (million yen)
Unlisted stocks	26	887
Stocks other than unlisted stocks	33	38,789

(Stocks for which the number of shares increased in the fiscal year under review)

	Number of stocks	Total acquisition cost related to increases in shares (million yen)	Reason for increase in number of shares
Unlisted stocks	1	150	Underwriting of capital increase by way of third party allotment
Stocks other than unlisted stocks	-	-	-

(Stocks for which the number of shares decreased in the fiscal year under review)

	Number of stocks	Total sale value related to decreases in shares (million yen)
Unlisted stocks	2	6
Stocks other than unlisted stocks	6	192

c. Number and balance sheet amount of specified investment shares and deemed shareholdings for each stock held and other information

Specified investment shares

Stock name	Fiscal year under review	Previous fiscal year	Purpose, outline of business alliance, etc., quantitative effect of shareholding (Note 1) and reason for an increase in the number of shares	Holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
BANDAI NAMCO Holdings Inc.	7,077,072	2,359,024	The Company holds the shares of BANDAI NAMCO Holdings Inc. for the purpose of achieving stable and continuous business expansion and has transactions with subsidiaries such as Bandai Namco Entertainment Inc. in the film and video-related business. The number of shares increased as a result of the stock split (1:3) as of April 1, 2023.	Yes
	20,013	20,159		
TBS Holdings, Inc.	974,300	974,300	The Company holds the shares of TBS Holdings, Inc. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with subsidiaries such as Tokyo Broadcasting System Television, Inc. in the film and video-related business.	No (Note 2)
	4,246	1,586		
Nippon Television Holdings, Inc.	1,787,700	1,787,700	The Company holds the shares of Nippon Television Holdings, Inc. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with subsidiaries such as Nippon Television Network Corporation in the film and video-related business.	No (Note 2)
	4,146	2,039		
Tokyu Corporation	1,451,103	1,451,103	The Company holds the shares of Tokyu Corporation for the purpose of building a stronger relationship and pursuing collaboration and has transactions with Tokyu Corporation and each of its subsidiaries in the film and video-related business and the tourism and real estate-related business .	Yes
	2,675	2,556		
Sumitomo Mitsui Financial Group, Inc.	156,817	156,817	The Company holds the shares of Sumitomo Mitsui Financial Group, Inc. for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering and has transactions with its subsidiary Sumitomo Mitsui Banking Corporation.	No (Note 2)
	1,397	830		
Fuji Media Holdings, Inc.	640,600	640,600	The Company holds the shares of Fuji Media Holdings, Inc. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with subsidiaries such as Fuji Television Network, Inc. in the film and video-related business.	Yes
	1,270	765		
TOC Co., Ltd.	1,520,000	1,520,000	The Company holds the shares of TOC Co., Ltd. for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering in the tourism real estate business.	Yes
	1,103	965		
Dentsu Group Inc.	240,000	240,000	The Company holds the shares of Dentsu Group Inc. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with subsidiaries such as Dentsu Inc. in the film and video-related business.	Yes
	1,006	1,116		

Stock name	Fiscal year under review	Previous fiscal year	Purpose, outline of business alliance, etc., quantitative effect of shareholding (Note 1) and reason for an increase in the number of shares	Holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
Kitano Construction Corp.	111,700	111,700	The Company holds the shares of Kitano Construction Corp. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with Kitano Construction Corp. in the tourism real estate business.	Yes
	422	329		
Mitsubishi UFJ Financial Group, Inc.	242,650	242,650	The Company holds the shares of Mitsubishi UFJ Financial Group, Inc. for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering and has transactions with its subsidiary MUFG Bank, Ltd.	No (Note 2)
	377	205		
TV TOKYO Holdings Corporation	97,800	97,800	The Company holds the shares of TV TOKYO Holdings Corporation for the purpose of building a stronger relationship and pursuing collaboration and has transactions with its subsidiary TV TOKYO Corporation in the film and video-related business.	No (Note 2)
	292	241		
Sumitomo Mitsui Trust Holdings, Inc.	57,434	28,717	The Company has transactions related to a retirement benefit trust with Sumitomo Mitsui Trust Bank, Limited, which is a subsidiary of Sumitomo Mitsui Trust Holdings, Inc. and holds the shares for the purpose of maintaining and strengthening favorable relations. The number of shares increased as a result of the stock split (1:2) as of January 1, 2024.	No
	189	130		
Greenland Resort Co., Ltd.	230,000	230,000	The Company holds the shares of Greenland Resort Co., Ltd. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with Greenland Resort Co., Ltd. in the event-related business.	No
	177	120		
Nippon Telegraph and Telephone Corporation	856,800	34,272	The Company holds the shares of Nippon Telegraph and Telephone Corporation for the purpose of building a stronger relationship and pursuing collaboration and has transactions with its subsidiary NTT Communications Corporation in the film and video-related business. The number of shares increased as a result of the stock split (1:25) as of July 1, 2023.	No
	154	135		
Tohokushinsha Film Corporation	99,700	99,700	The Company holds the shares of Tohokushinsha Film Corporation for the purpose of building a stronger relationship and pursuing collaboration and has transactions with Tohokushinsha Film Corporation in the film and video-related business.	Yes
	139	70		
Washington Hotel Corporation	158,400	158,400	The Company holds the shares of Washington Hotel Corporation for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering in the tourism real estate business.	No
	133	140		
Asahi Broadcasting Group Holdings Corporation	202,000	202,000	The Company holds the shares of Asahi Broadcasting Group Holdings Corporation for the purpose of building a stronger relationship and pursuing collaboration and has transactions with its subsidiary Asahi Television Broadcasting Corporation in the film and video-related business.	Yes
	132	133		

Stock name	Fiscal year under review	Previous fiscal year	Purpose, outline of business alliance, etc., quantitative effect of shareholding (Note 1) and reason for an increase in the number of shares	Holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
Hirogin Holdings, Inc.	114,450	114,450	The Company holds the shares of Hirogin Holdings, Inc. for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering in its finance and accounting operations.	No
	124	71		
IMAGICA GROUP Inc.	160,000	160,000	The Company holds the shares of IMAGICA GROUP Inc. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with its subsidiaries, etc. in the film and video-related business.	Yes
	109	95		
Shimizu Corporation	101,000	101,000	The Company holds the shares of Shimizu Corporation for the purpose of building a stronger relationship and pursuing collaboration and has transactions with Shimizu Corporation in the tourism real estate business.	Yes
	101	75		
Daiwa House Industry Co., Ltd.	21,780	21,780	The Company holds the shares of Daiwa House Industry Co., Ltd. for the purpose of gathering information mainly on industry trends in the tourism real estate business.	No
	98	67		
Kajima Corporation	26,250	26,250	The Company holds the shares of Kajima Corporation for the purpose of building a stronger relationship and pursuing collaboration and has transactions with Kajima Corporation in the tourism real estate business.	Yes
	82	41		
Resona Holdings, Inc.	72,100	72,100	The Company holds the shares of Resona Holdings, Inc. for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering in its finance and accounting operations.	No
	68	46		
MS&AD Insurance Group Holdings, Inc.	8,016	8,016	The Company has insurance-related transactions with Aioi Nissay Dowa Insurance Co., Ltd., which is a subsidiary of MS&AD Insurance Group Holdings, Inc. and holds the shares to maintain and strengthen favorable relations.	No (Note 2)
	65	32		
Nippon Chemiphar Co., Ltd.	33,400	36,400	The Company holds the shares of Nippon Chemiphar Co., Ltd. for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering. The Company sold a part of its shares in Nippon Chemiphar Co., Ltd. in the fiscal year under review.	No
	55	66		
Nippon BS Broadcasting Corporation	48,000	48,000	The Company holds the shares of Nippon BS Broadcasting Corporation for the purpose of building a stronger relationship and pursuing collaboration and has transactions with Nippon BS Broadcasting Corporation in the film and video-related business.	No
	43	43		
BICCAMERA Inc.	30,000	30,000	The Company holds the shares of BICCAMERA Inc. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with BICCAMERA Inc. in the tourism real estate-related business.	No
	38	33		

Stock name	Fiscal year under review	Previous fiscal year	Purpose, outline of business alliance, etc., quantitative effect of shareholding (Note 1) and reason for an increase in the number of shares	Holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
Matsuya Co., Ltd.	30,000	30,000	The Company holds the shares of Matsuya Co., Ltd. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with Matsuya Co., Ltd. in the event-related business.	No
	34	33		
ANA Holdings Inc.	10,000	10,000	The Company holds the shares of ANA Holdings Inc. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with ANA X Inc., a subsidiary of ALL NIPPON AIRWAYS TRADING CO., LTD. in the film and video-related business.	No
	32	28		
WOWOW Inc.	28,000	28,000	The Company holds the shares of WOWOW Inc. for the purpose of building a stronger relationship and pursuing collaboration and has transactions with WOWOW Inc. in the film and video-related business.	No
	31	35		
Daiwa Securities Group Inc.	16,000	16,000	The Company holds the shares of Daiwa Securities Group Inc. for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering.	No
	18	9		
Dai-ichi Life Holdings, Inc.	900	900	The Company holds the shares of Dai-ichi Life Holdings, Inc. for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering for the implementation of health and productivity management in employee welfare operations.	No
	3	2		
Nomura Holdings, Inc.	1,177	1,177	The Company holds the shares of Nomura Holdings, Inc. for the purpose of maintaining and strengthening favorable relations mainly in connection with business information gathering.	No (Note 2)
	1	0		
Yamaguchi Financial Group, Inc.	-	20,476	The Company sold all its shares in Yamaguchi Financial Group, Inc. in the fiscal year under review.	No
	-	16		
Tokai Tokyo Financial Holdings, Inc.	-	148,468	The Company sold all its shares in Tokai Tokyo Financial Holdings, Inc. in the fiscal year under review.	No
	-	54		
RKB Mainichi Holdings Corporation	-	6,000	The Company sold all its shares in RKB Mainichi Holdings Corporation in the fiscal year under review.	No
	-	34		
KADOKAWA Corporation	-	9,344	The Company sold all its shares in KADOKAWA Corporation in the fiscal year under review.	No
	-	26		
Marui Group Co., Ltd.	-	2,200	The Company sold all its shares in Marui Group Co., Ltd in the fiscal year under review.	No
	-	4		

(Notes) 1. It is difficult to state the effects of shareholdings quantitatively. The method used to verify the rationale of shareholdings is as described in a above.

2. The entity in which the Company holds shares does not hold shares of the Company; however, its subsidiary holds shares of

the Company.

3. The symbol “-” indicates that the Company does not hold the shares in question.

Deemed shareholdings

Stock name	Fiscal year under review	Previous fiscal year	Purpose, outline of business alliance, etc., quantitative effect of shareholding and reason for an increase in the number of shares	Holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
Sumitomo Mitsui Financial Group, Inc.	280,100	280,100	So that the Company has the authority to direct the exercise of voting rights vis-a-vis the trustee of the retirement benefit trust	No (Note)
	2,495	1,483		

(Note) The entity in which the Company holds shares does not hold shares of the Company; however, its subsidiary holds shares of the Company.

3) Investment shares held for purely investment purposes

Not applicable.

4) Investment shares that were held for the purpose of pure investment before the fiscal year under review and that the purpose of holding them has changed to other than pure investment

Not applicable.

5) Investment shares that were held for purposes other than pure investment before the fiscal year under review and that the purpose of holding them has changed to pure investment

Not applicable.

V. Financial Information

1. Method of Preparation of Consolidated Financial Statements and Non-Consolidated Financial Statements

- (1) The consolidated financial statements of the Company are prepared in compliance with the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976).
- (2) The non-consolidated financial statements of the Company are prepared in compliance with the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter referred to as the “Ordinance on Non-Consolidated Financial Statements”).

Because the Company is classified as a company that prepares its financial statements pursuant to special provisions, the non-consolidated financial statements are prepared as provided in Article 127 of the Ordinance on Non-Consolidated Financial Statements.

2. Audit Certification

The Company’s consolidated financial statements for the consolidated fiscal year (from April 1, 2023 to March 31, 2024) and the non-consolidated financial statements for the fiscal year (from April 1, 2023 to March 31, 2024) were audited by Ernst & Young ShinNihon LLC. under Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. Specific Efforts to Secure the Appropriateness of the Consolidated Financial Statements, Etc.

The Company has undertaken specific measures to secure the appropriateness of its consolidated financial statements, etc. Specifically, in order to establish a system in which the Company can adequately understand the details of the accounting standards, the Company has joined the Financial Accounting Standards Foundation and participated in seminars.

1. Consolidated Financial Statements, Etc.

(1) Consolidated financial statements

1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	93,614	105,182
Notes and accounts receivable - trade, and contract assets	37,950	38,939
Merchandise and finished goods	6,067	2,209
Work in process	12,498	14,467
Raw materials and supplies	192	656
Other	4,960	8,296
Allowance for doubtful accounts	(58)	(90)
Total current assets	155,226	169,661
Non-current assets		
Property, plant and equipment		
Buildings and structures	84,732	84,702
Accumulated depreciation	(49,598)	(50,565)
Buildings and structures, net	35,134	34,136
Machinery, equipment and vehicles	6,054	6,183
Accumulated depreciation	(4,750)	(4,755)
Machinery, equipment and vehicles, net	1,304	1,427
Tools, furniture and fixtures	6,237	6,410
Accumulated depreciation	(5,140)	(5,495)
Tools, furniture and fixtures, net	1,097	915
Land	51,473	51,963
Leased assets	2,294	2,143
Accumulated depreciation	(984)	(968)
Leased assets, net	1,310	1,175
Construction in progress	66	1,957
Total property, plant and equipment	90,387	91,576
Intangible assets	1,785	1,973
Investments and other assets		
Investment securities	111,866	126,319
Long-term loans receivable	339	261
Retirement benefit asset	2,444	4,021
Deferred tax assets	327	274
Guarantee deposits	2,731	3,419
Other	14,930	14,007
Allowance for doubtful accounts	(150)	(108)
Total investments and other assets	132,489	148,195
Total non-current assets	224,662	241,744

Total assets

379,889	411,406
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(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	32,226	33,538
Short-term borrowings	350	240
Current portion of long-term borrowings	1,229	1,207
Income taxes payable	7,376	3,628
Provision for bonuses	1,403	1,437
Other	14,956	13,875
Total current liabilities	57,543	53,927
Non-current liabilities		
Long-term borrowings	13,987	12,779
Deferred tax liabilities for land revaluation	7,943	7,943
Provision for retirement benefits for directors (and other officers)	310	228
Provision for share awards for directors (and other officers)	261	366
Defined benefit liability	4,870	4,706
Long-term guarantee deposits	4,654	4,496
Other	3,372	3,147
Total non-current liabilities	39,173	41,248
Total liabilities	96,716	95,175
Net assets		
Shareholders' equity		
Share capital	11,707	11,707
Capital surplus	22,656	22,760
Retained earnings	156,768	169,065
Treasury shares	(11,598)	(11,594)
Total shareholders' equity	179,533	191,937
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,479	28,644
Deferred gains or losses on hedges	(7)	(5)
Revaluation reserve for land	11,449	11,449
Foreign currency translation adjustment	1,326	2,469
Remeasurements of defined benefit plans	(160)	1,954
Total accumulated other comprehensive income	33,087	44,512
Non-controlling interests	70,550	79,780
Total net assets	283,172	316,230
Total liabilities and net assets	379,889	411,406

2) Consolidated statements of income and comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	174,358	171,345
Cost of sales	102,906	104,452
Gross profit	71,452	66,892
Selling, general and administrative expenses		
Personnel expense	14,261	14,900
Advertising expenses	3,390	4,213
Provision for bonuses	1,097	1,120
Retirement benefit expenses	449	489
Rent expenses on land and buildings	3,222	3,270
Provision for allowance for doubtful accounts	15	44
Provision for share awards for directors (and other officers)	160	158
Other	12,514	13,352
Total selling, general and administrative expenses	35,113	37,550
Operating profit	36,339	29,342
Non-operating income		
Interest income	184	861
Dividend income	1,467	968
Share of profit of entities accounted for using equity method	1,888	2,119
Foreign exchange gains	–	1,896
Other	941	253
Total non-operating income	4,480	6,098
Non-operating expenses		
Interest expenses	115	87
Foreign exchange losses	429	–
Loss on investments in capital	5	22
Other	97	13
Total non-operating expenses	647	124
Ordinary profit	40,172	35,317
Extraordinary income		
Gain on sale of investment securities	2	430
Other	–	19
Total extraordinary income	2	450
Extraordinary losses		
Impairment losses	1,533	224
Loss on retirement of non-current assets	12	55
Dismantlement expenses	6	41
Other	11	34
Total extraordinary losses	1,563	356

Profit before income taxes	38,610	35,410
Income taxes - current	11,342	9,894
Income taxes - deferred	239	421
Total income taxes	11,581	10,316
Profit	27,028	25,094
Profit attributable to non-controlling interests	12,003	11,122
Profit attributable to owners of parent	15,025	13,971

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	27,028	25,094
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,054)	7,404
Deferred gains or losses on hedges	(3)	4
Foreign currency translation adjustment	1,751	2,560
Remeasurements of defined benefit plans, net of tax	217	1,086
Share of other comprehensive income of entities accounted for using equity method	(1,950)	2,667
Total other comprehensive income	(1,039)	13,722
Comprehensive income	25,989	38,816
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,131	25,396
Comprehensive income attributable to non-controlling interests	12,858	13,420

3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,707	22,598	142,457	(11,040)	165,723
Changes during period					
Dividends of surplus			(773)		(773)
Reversal of revaluation reserve for land			59		59
Profit attributable to owners of parent			15,025		15,025
Purchase of treasury shares				(557)	(557)
Disposal of treasury shares by stocks payment trust					-
Purchase of treasury shares of consolidated subsidiaries		(59)			(59)
Disposal of treasury shares of consolidated subsidiaries					-
Additional purchase of shares of consolidated subsidiaries		116			116
Net changes in items other than shareholders' equity					
Total changes during period	-	57	14,311	(557)	13,810
Balance at end of period	11,707	22,656	156,768	(11,598)	179,533

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	23,310	(1)	11,508	533	(310)	35,040	60,363	261,127
Changes during period								
Dividends of surplus								(773)
Reversal of revaluation reserve for land								59
Profit attributable to owners of parent								15,025
Purchase of treasury shares								(557)
Disposal of treasury shares by stocks payment trust								-
Purchase of treasury shares of consolidated subsidiaries								(59)
Disposal of treasury shares of consolidated subsidiaries								-
Additional purchase of shares of consolidated subsidiaries								116

Net changes in items other than shareholders' equity	(2,831)	(5)	(59)	793	149	(1,953)	10,187	8,234
Total changes during period	(2,831)	(5)	(59)	793	149	(1,953)	10,187	22,044
Balance at end of period	20,479	(7)	11,449	1,326	(160)	33,087	70,550	283,172

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,707	22,656	156,768	(11,598)	179,533
Changes during period					
Dividends of surplus			(1,675)		(1,675)
Reversal of revaluation reserve for land					-
Profit attributable to owners of parent			13,971		13,971
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares by stocks payment trust				9	9
Purchase of treasury shares of consolidated subsidiaries		(0)			(0)
Disposal of treasury shares of consolidated subsidiaries		23			23
Additional purchase of shares of consolidated subsidiaries		80			80
Net changes in items other than shareholders' equity					
Total changes during period	-	103	12,296	3	12,403
Balance at end of period	11,707	22,760	169,065	(11,594)	191,937

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	20,479	(7)	11,449	1,326	(160)	33,087	70,550	283,172
Changes during period								
Dividends of surplus								(1,675)
Reversal of revaluation reserve for land								-
Profit attributable to owners of parent								13,971
Purchase of treasury shares								(5)
Disposal of treasury shares by stocks payment trust								9
Purchase of treasury shares of consolidated subsidiaries								(0)

Disposal of treasury shares of consolidated subsidiaries								23
Additional purchase of shares of consolidated subsidiaries								80
Net changes in items other than shareholders' equity	8,164	1	–	1,142	2,115	11,424	9,229	20,654
Total changes during period	8,164	1	–	1,142	2,115	11,424	9,229	33,058
Balance at end of period	28,644	(5)	11,449	2,469	1,954	44,512	79,780	316,230

4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	38,610	35,410
Depreciation	3,421	3,665
Impairment losses	1,533	224
Increase (decrease) in allowance for doubtful accounts	(68)	(10)
Increase (decrease) in retirement benefit liability	115	(58)
Decrease (increase) in net defined benefit asset	(50)	(42)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(533)	(81)
Increase (decrease) in provision for share awards for directors (and other officers)	160	105
Increase (decrease) in provision for bonuses	221	33
Decrease (increase) in unrealized income accounted for using equity method	(8)	23
Interest and dividend income	(1,651)	(1,830)
Interest expenses	115	87
Share of loss (profit) of entities accounted for using equity method	(1,888)	(2,119)
Loss (gain) on sale of investment securities	(2)	(427)
Loss on retirement of non-current assets	12	55
Dismantlement expenses	6	41
Loss (gain) on investments in capital	5	22
Decrease (increase) in trade receivables and contract assets	(13,590)	(293)
Increase (decrease) in trade payables	2,259	508
Decrease (increase) in inventories	914	1,442
Decrease (increase) in other current assets	(535)	(3,556)
Increase (decrease) in accrued consumption taxes	1,263	(1,408)
Increase (decrease) in other current liabilities	1,117	288
Increase (decrease) in guarantee deposits received	(71)	(158)
Increase (decrease) in other non-current liabilities	462	(117)
Other, net	(698)	799
Subtotal	31,120	32,606
Interest and dividends received	2,690	2,868
Interest paid	(110)	(87)
Income taxes paid	(7,059)	(13,413)
Other	683	101
Net cash provided by (used in) operating activities	27,323	22,076

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(40,971)	(26,451)
Proceeds from withdrawal of time deposits	38,923	22,527
Purchase of property, plant and equipment	(4,498)	(4,353)
Purchase of intangible assets	(1,033)	(741)
Purchase of investment securities	(93)	(602)
Proceeds from sale of investment securities	41	604
Proceeds from redemption of investment securities	80	–
Loan advances	(264)	(22)
Proceeds from collection of loans receivable	266	104
Decrease (increase) in guarantee deposits	11	(684)
Other, net	(278)	(186)
Net cash provided by (used in) investing activities	(7,815)	(9,805)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(7,220)	(110)
Proceeds from long-term borrowings	8,500	–
Repayments of long-term borrowings	(3,633)	(1,229)
Repayments of lease liabilities	(262)	(441)
Dividends paid	(773)	(1,675)
Dividends paid to non-controlling interests	(2,176)	(3,584)
Proceeds from sale of treasury shares	–	9
Purchase of treasury shares	(557)	(5)
Other, net	(476)	(505)
Net cash provided by (used in) financing activities	(6,599)	(7,542)
Effect of exchange rate change on cash and cash equivalents	1,017	1,885
Net increase (decrease) in cash and cash equivalents	13,924	6,614
Cash and cash equivalents at beginning of period	57,390	71,315
Cash and cash equivalents at end of period	71,315	77,929

Notes

(Significant matters that serve as the basis for the preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 21

Names of major companies

Toei Animation Co., Ltd., Toei Video Co., Ltd., T-Joy Co., Ltd.

(2) Names of major non-consolidated subsidiaries

Toei Music Publishing Co., Ltd.

Reason for exclusion from the scope of consolidation

The ten non-consolidated subsidiaries are excluded from the scope of consolidation because they are small-scale companies and the aggregation of their total assets, net sales, profit or loss or retained earnings (amount corresponding to equity) does not have any significant impact on the consolidated financial statements.

2. Matters related to the application of the equity method

(1) Number of non-consolidated subsidiaries accounted for using equity method: 0

There is no related information.

(2) Number of associates accounted for using equity method: 1

TV Asahi Holdings Corporation

(3) Names of major non-consolidated subsidiaries and associates to which the equity method does not apply

Toei Music Publishing Co., Ltd.

Reason for not applying the equity method

Ten non-consolidated subsidiaries and three associates that are not accounted for using the equity method are excluded from the scope of application of equity method because they have minimal impact on net profit or loss and retained earnings (amount corresponding to equity), etc. and because they are insignificant as a whole.

3. Fiscal years of consolidated subsidiaries

TOEI ANIMATION PHILS., INC., TOEI ANIMATION ENTERPRISES LTD., TOEI ANIMATION INCORPORATED, TOEI ANIMATION EUROPE S.A.S. and TA KZ Film Kft. are all foreign consolidated subsidiaries with a fiscal year end on December 31.

The accounts of the above five companies as of December 31 are used for consolidation, with any necessary adjustments for significant transactions with the Company and consolidated subsidiaries arising during the period from January 1 to March 31.

4. Notes regarding accounting policies

(1) Standards and evaluation methods for significant assets

1) Inventories

(i) Merchandise, finished goods and work in process

Stated at cost using primarily the specific identification basis (the book value on the consolidated balance sheets is written down to reflect decreased profitability); provided, however, that finished goods related to films released within 6 months before the end of the consolidated fiscal year are primarily recorded at 15% of the acquisition cost in accordance with the provisions of the Corporation Tax Act.

(ii) Raw materials and supplies

Stated at cost using primarily the moving average method (the book value on the consolidated balance sheets is written down to reflect decreased profitability).

2) Securities

(i) Bonds held for maturity

Amortized cost method (straight-line method)

(ii) Other securities

Securities other than shares, etc. without market prices

Market value method (valuation differences are reported as a component of shareholders' equity and the cost of securities sold is calculated using the moving average method.)

Shares, etc. without market value

Stated at cost determined by the moving average method

3) Derivative transaction

Market value method

(2) Methods for depreciating significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

Declining balance method; provided, however, that large-scale rental assets, foreign consolidated subsidiaries, buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016, use the straight-line method.

The estimated useful lives of assets are principally as follows:

Buildings and structures: 2 to 65 years

Machinery, equipment and vehicles: 2 to 15 years

Tools, furniture and fixtures: 2 to 20 years

2) Intangible assets (excluding leased assets)

Straight-line method

3) Leased assets

Leased assets relating to finance leases wherein ownership of the leased asset does not transfer to the lessee

The straight-line method on the assumption that the lease term is the useful life and residual value is zero.

(3) Accounting for significant allowances and reserves

1) Allowance for doubtful accounts

In case of possible losses caused by bad loans, the Company posts estimated uncollectible amounts in consideration of loan loss ratios for general claims and the collectability of specified claims, including possible bad debts.

2) Provision for bonuses

An estimated amount of bonuses to be paid to employees in the fiscal year under review is posted.

3) Provision for retirement benefits for directors (and other officers)

To prepare for the payment of retirement benefits for directors (and other officers), certain consolidated subsidiaries provide for the amount to be paid by the end of the consolidated fiscal year pursuant to internal regulations.

4) Provision for share awards for directors (and other officers)

To prepare for share awards for directors (and other officers) (excluding Outside Directors and non-residents of Japan, etc.) according to officer share delivery regulations, the Company and certain consolidated subsidiaries provide for an amount based on estimated share award obligations at the end of the fiscal year under review.

(4) Accounting method for retirement benefits

1) Method of attributing the estimated amount of retirement benefits to the period

To calculate benefit liabilities, the estimated amount of retirement benefits is attributed up to the end of the consolidated fiscal year under review on a straight-line basis.

2) Method of posting actuarial differences in expenses

Actuarial differences are posted in expenses from the consolidated fiscal year following their accruals based on proportional division through the straight-line method for a fixed period of years (12 years) within the average remaining service years of employees.

(5) Accounting standards for significant revenues and expenses

1) Film and video-related business

In the film and video-related business, the Group mainly produces and distributes films and videos and licenses copyrights.

Theatrical films are produced by the so-called production committee system in principle, and the Group earns various types of revenue. The purpose of forming a production committee is to maximize revenue, with each production committee collecting investments from multiple business operators with expertise in the film business, and each business operator taking charge of the business operations in their specialist business domain, such as the production, distribution and licensing of theatrical films.

In the case of production of a film where the Group takes charge of production under the production committee system, the Group deems that control is transferred and recognizes revenue at the point in time when the Group has held a prescreening of the completed film for each member of the production committee and the delivery and acceptance inspections are over. The consideration of a transaction related to film production is generally received within three months from the time of recognition of revenue.

The Group also provides theatrical film production services and television program production services as a contractor. Production of a film under a contract is judged to be a performance obligation satisfied over time, and revenue is recognized based on the degree of progress in satisfying the performance obligation. For contracts where it is difficult to reasonably estimate the degree of progress, the Group uses the cost recovery method and recognizes as revenue the amount of costs expected to be recovered at the time the performance obligation arises. For contracts with a very short production period, the Group applies the alternative handling prescribed in Paragraph 95 of the Implementation Guidance on Accounting Standard for Revenue Recognition and recognizes revenue at the point in time when the film material is delivered instead of recognizing revenue over time. The consideration of a transaction related to a production contract is received in installments as advances received, with the final installment generally received within three months from the time of delivery, in accordance with the terms and conditions of the contract.

Regarding distribution, the Group grants licenses to show its films mainly to cinema companies. Distribution revenue consisting of such licensing fees is a certain percentage of the cinema company's box office revenue, and the Group recognizes revenue based on a report of the box office revenue from the cinema company at the time the cinema company recognizes its box office revenue. The consideration of a transaction related to distribution is generally received within three months from the time of recognition of revenue.

In the case of copyright licensing, the Group grants clients various licenses (videogram rights, TV broadcasting rights, film and video distribution rights, merchandizing rights, etc.) related to its films. Since these licenses are right-to-use licenses, in the case where the license fee is a one-off payment only and in the case where the Group receives a minimum guaranteed amount which does not need to be returned, the Group recognizes revenue at the point in time when the client becomes able to benefit from the license in principle, for example, reaching the license commencement date under the contract. In the case where the license fee is determined based on a certain percentage linked to the client's sales, the Group recognizes revenue at the point in time when any uncertainty related to the license fee is dispelled based on a report from the client, etc. The consideration of a transaction related to copyright licensing is generally received within three months from the time of recognition of revenue.

In the case of production of a film or video under the production committee system, the lead company on the production committee provides various administrative services including safeguarding the rights to the film or video, collecting revenue from the other members and distributing it. In the case where the Group is the lead company, the Group deems that it is acting as an agent in such administrative services. For transactions in which the Group acts as an agent, revenue is recognized on a net basis.

2) Entertainment-related business

In the entertainment-related business, the Group is engaged in the operation of cinemas and recognizes revenue as box-office revenue at the time of the presentation of a ticket (includes a ticket bought on the day and a ticket purchased in advance) which is the admission fee at the theater. In the case of sales of food and drink in cinemas and sales of film-related merchandise, the Group recognizes revenue when the products are delivered. The consideration of a transaction related to cinema operation is generally received within three months from the time of recognition of revenue.

3) Event-related business

In the event-related business, the Group mainly plans and runs character shows and culture events and operates Toei Kyoto Studio Park, and recognizes revenue either at the end of the event or upon presentation of a ticket (includes a ticket bought on the day and a ticket purchased in advance) which is the admission fee. In the case of the sale of related merchandise, the Group recognizes revenue when the products are delivered. The consideration of a transaction related to event operation is generally received within three months from the time of recognition of revenue.

4) Tourism real estate-related business

The tourism real estate related-business primarily conducts the leasing of real estate and hotel management. Leasing of real estate consists of leasing commercial facilities, etc. and revenues are recognized during leasing agreement periods in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007).

In hotel management, accommodation, banquets and restaurant services are provided to customers, and revenues are recognized at the time the services are provided to customers. Consideration of a transaction related to hotel management is generally received within one month from the time of the transaction.

5) Architectural interior design-related business

In the architectural interior business, the Group engages in construction work and interior decoration under contract. Such contracts are judged to be a performance obligation satisfied over time, and revenue is recognized based on the degree of progress in satisfying the performance obligation. For contracts where it is difficult to reasonably estimate the degree of progress, the Group uses the cost recovery method and recognizes as revenue the amount of costs expected to be recovered at the time the performance obligation arises. The consideration of a transaction related to a contract for construction work and interior decoration is received in installments as advances received, with the final installment generally received within three months from the time of delivery, in accordance with the terms and conditions of the contract.

(6) Standards for translating significant foreign currency-denominated assets or liabilities into Japanese yen

Foreign currency monetary assets and liabilities are translated into yen at the year-end spot exchange rate, and translation adjustments are accounted for as profit or loss. The assets and liabilities and the revenue and expenses of foreign operations are translated into Japanese yen at the spot exchange rate prevailing on the consolidated balance sheet date. The resulting translation differences are included in foreign currency translation adjustment under net assets.

(7) Significant hedge accounting

1) Hedge accounting methods

Deferred hedge accounting is applied; provided, however, that because interest rate swaps meet requirements for special treatment, the special treatment is applied. Designated hedge accounting is applied to monetary receivables and payables denominated in foreign currencies hedged by forward exchange that meet the requirements for designated hedge accounting.

2) Hedging methods and hedged transactions

Hedging method: Interest rate swaps and forward exchange contracts

Hedged items: Interest on loans payable, monetary payables denominated in foreign currencies and scheduled transactions denominated in foreign currencies

3) Hedging policy

The Group uses hedging to avoid foreign exchange fluctuation risk and interest-rate fluctuation risk.

4) Methods of assessing hedge effectiveness

Determination of the effectiveness of interest rate swaps is omitted because interest rate swaps meet the requirements for special treatment.

Determination of the effectiveness of forward exchange contracts is also omitted because forward exchange contracts to cover the same foreign currency amounts and the same maturities are allocated in accordance with the risk management policy at the time the contracts are entered into.

(8) Scope of cash in the consolidated statements of cash flows

Cash and cash equivalents are cash on hand, demand deposits, and short-term investments including highly liquid investments, generally with original maturities of three months or less, that are readily convertible to known amounts of cash, and, thus, present an insignificant risk of changes in value.

(Significant accounting estimates)

Fiscal year ended March 31, 2023

Impairment losses on non-current assets

(1) Amounts posted to the consolidated financial statements for the fiscal year under review

Entertainment-related business*1	Impairment losses: 298 million yen, non-current assets: 5,650 million yen
Event-related business*2	Impairment losses: 7 million yen, non-current assets: 5,732 million yen
Real estate business*3	Impairment losses: 1,129 million yen, non-current assets: 1,610 million yen
Hotel business	Impairment losses: 94 million yen, non-current assets: 2,732 million yen

*1 Impairment losses on non-current assets owned by T-Joy Co., Ltd., which is a consolidated subsidiary

*2 Impairment losses on non-current assets related to theme park owned by the Company and Toei Kyoto Studio Co., Ltd., which is a consolidated subsidiary

*3 Impairment losses for certain rental assets held by the Company

(2) Information about significant accounting estimates related to items identified

1) Method for calculating amounts in (1)

The Group assesses recoverability in relation to impairment losses on non-current assets by grouping assets based on the smallest identifiable group of assets that generate cash flows that are largely independent of the cash flows from other assets and groups of assets. For any group of assets that experienced a sharp decline in profitability, the Group reduces the book value of non-current assets to a recoverable amount and recognizes the reduced amount as an impairment loss.

The net realizable value is used as the recoverable amount of each group of assets related to the event-related business, the real estate leasing business and the hotel business, while the recoverable amount for each group of assets related to the event-related business is measured at the value in use.

Net realizable value is determined based on appraisal values, precedents and other data. Value in use is determined on future cash flows.

In discounted cash flow analysis for real estate evaluation, future cash flow is discounted using a discount rate between 3.8% and 6.3%.

2) Main assumptions used in significant accounting estimates

The entertainment-related business, event-related business, real estate leasing business and hotel business have been impacted by the COVID-19 pandemic; however, the Company's accounting estimates in relation to impairment losses on non-current assets are based on the assumption of a gradual recovery from the next consolidated fiscal year.

The discount rate used for each group of assets related to the event-related business, the real estate business and the hotel business is a standard rate, which takes into consideration factors such as government bond yields and investors' expected return on investment in similar real estate.

3) Impact of significant accounting estimates on consolidated financial statements for the next fiscal year

If actual results vary from these estimates due to the uncertainty involved in making predictions about the future including the extent of COVID-19's impact and the timing of the end of the pandemic, impairment losses for non-current assets may be recognized, adversely impacting the Group's performance.

Fiscal year ended March 31, 2024

1. Impairment losses on non-current assets

(1) Amounts posted to the consolidated financial statements for the fiscal year under review

Event-related business* Impairment losses: 58 million yen, non-current assets: 5,808 million yen

* Impairment losses on non-current assets related to theme park owned by the Company and Toei Kyoto Studio Co., Ltd., which is a consolidated subsidiary

(2) Information about significant accounting estimates related to items identified

(i) Method for calculating amounts in (1)

The Group assesses recoverability in relation to impairment losses on non-current assets by grouping assets based on the smallest identifiable group of assets that generate cash flows that are largely independent of the cash flows from other assets and groups of assets and, for any group of assets that experienced a sharp decline in profitability, the Group reduces the book value of non-current assets to a recoverable amount and recognizes the reduced amount as an impairment loss.

Regarding the event-related business, net realizable value, which is calculated using a reasonably adjusted real estate appraisal report prepared in the immediate past, is used as the recoverable amount of each asset group.

(ii) Main assumptions used in significant accounting estimates

Reference prices, etc. based on land transaction case examples, etc. are used as the main assumptions.

(iii) Impact of significant accounting estimates on consolidated financial statements for the next fiscal year

If major assumptions require a review due to changes in market conditions, etc., it may affect the impairment loss of the next accounting year.

2. Evaluation of finished goods and work in process

(1) Amounts posted to the consolidated financial statements for the fiscal year under review

Film and video-related business* Loss on valuation of inventories: 3,593 million yen, products: 99 million yen, work in progress: 8,562 million yen

* The above inventories are those of Toei Animation Co., Ltd., a consolidated subsidiary of the Company.

(2) Information about significant accounting estimates related to items identified

(i) Method for calculating amounts in (1)

Toei Animation Co., Ltd., a consolidated subsidiary of the Company, mainly engages in the planning, production, marketing, licensing, etc. of a variety of animation films for theaters and television. Animation films, other products and work in progress are evaluated at cost using the individual method (balance sheet amounts are based on the method of reducing book value to reflect declines in profitability). Expenses for the planning and production of a variety of animation films mainly for theaters and television are stated under products and work in progress. If the balances of products and work in progress for each piece of work product exceed the net realizable value of each such piece at the end of a fiscal period, a valuation loss is posted for the excess.

(ii) Main assumptions used in significant accounting estimates

Major assumptions are projections for box office revenues from new IP animated movies for theaters and projections for revenues from licensing or other secondary use of video distribution rights.

(iii) Impact of significant accounting estimates on consolidated financial statements for the next fiscal year

In the event of any change in market conditions, unforeseeable changes in economic condition or changes in business assumptions, etc., evaluation amounts of products or work in progress may be affected in the following accounting year.

(Accounting standards issued but not yet adopted)

- Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, Accounting Standards Board of Japan)
- Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022, Accounting Standards Board of Japan)
- Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, Accounting Standards Board of Japan)

(1) Overview

In February 2018, the Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement

No. 28), etc. (“ASBJ Statement No. 28, etc.”) was published and the Japanese Institute of Certified Public Accountants’ transfer of jurisdiction over the Practical Guidelines on Tax Effect Accounting to the Accounting Standards Board of Japan was completed; however, in the process of their deliberation, the following two points were deemed to require further examination after publication of ASBJ Statement No. 28, etc. and were deliberated and published.

- Recognition and classification of tax expense (taxation of other comprehensive income)
- Tax effects in relation to sales of shares of subsidiaries and associates in the case of application of the Group taxation regime

(2) Scheduled date of application

The Company and its consolidated subsidiaries will apply the accounting standards from the beginning of the consolidated fiscal year ending March 31, 2025.

(3) Impact of applying the Accounting Standard and other standards

The financial impact of applying the Accounting Standard for Current Income Taxes and other standards on the consolidated financial statements is currently being assessed.

(Changes in presentation method)

(Consolidated balance sheet)

“Deferred tax liabilities,” which were previously included in “Other” under “Non-current liabilities,” are stated separately from the fiscal year under review, because it exceeded 1/100 of total liabilities and net assets. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 7,145 million yen of “Other” under “Non-current liabilities” in the previous consolidated balance sheet has been restated as 3,773 million yen under “Deferred tax liabilities” and 3,372 million yen under “Other.”

(Consolidated statement of income)

“Depreciation,” which was separately presented under “Selling, general and administrative expenses” in the previous fiscal year, is included in “Other” from the fiscal year under review because it was lower than 10/100 of total selling, general and administrative expenses. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

“Outsourcing expenses,” which were separately stated under “Selling, general and administrative expenses” in the previous fiscal year, are included in “Other” from the fiscal year under review because they were lower than 10/100 of total selling, general and administrative expenses. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

“Provision for share awards for directors (and other officers),” which was included in “Other” under “Selling, general and administrative expenses” in the previous fiscal year, is separately presented from the fiscal year under review, in order to increase clarity. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 1,558 million yen in “Depreciation”, 1,603 million yen in “Outsourcing expenses” and 9,513 million yen in “Other” under “Selling, general and administrative expenses” in the consolidated balance sheet of the previous fiscal year have been restated as 160 million yen in “Provision for share awards for directors (and other officers)” and 12,514 million yen under “Other.”

“Subsidy income,” which was separately presented under “Non-operating income” in the previous fiscal year, is included in “Other” from the fiscal year under review since the amount fell below 10% of the total amount of non-operating income. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, “Subsidy income” of 692 million yen and “Other” of 248 million yen under “Non-operating income” in the consolidated statements of income for the previous fiscal year have been restated as “Other” of 941 million yen.

“Loss on investments in capital,” which was included in “Other” under “Non-operating expenses” in the previous fiscal year, is separately presented from the fiscal year under review since the amount exceeded 10% of the total amount of non-operating expenses. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, “Other” of 102 million yen under “Non-operating expenses” in the consolidated statements of income for the previous fiscal year has been restated as “Loss on investments in capital” of 5 million yen and “Other” of 97 million yen.

“Dismantlement expenses” that were included in “Other” under “Extraordinary loss” in the previous fiscal year are separately stated from the fiscal year under review, because it exceeded 1/100 of total extraordinary loss. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, “Other” of 18 million yen under “Extraordinary loss” in the consolidated statements of income for the previous fiscal year has been restated as “Dismantlement expenses” of 6 million yen and “Other” of 11 million yen.

(Consolidated statement of cash flows)

“Dismantlement expenses” that were included in “Other” above “Subtotal” for “Net cash provided by (used in) operating activities” in the previous fiscal year are separately presented in the fiscal year under review due to the increased importance in monetary terms. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

“Loss (gain) on investments in capital” that was included in “Other” above “Subtotal” for “Net cash provided by (used in) operating activities” in the previous fiscal year is separately stated in the fiscal year under review due to the increased importance in monetary terms. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

“Subsidiary income” that was separately stated under “Net cash provided by (used in) operating activities” in the previous fiscal year is included in “Other” above “Subtotal” from the fiscal year under review because it has become insignificant in monetary terms. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, “Subsidiary income” of (692) million yen under “Net cash provided by (used in) operating activities” and “Other” of 5 million yen above “Subtotal” in the consolidated statements of cash flows for the previous fiscal year have been restated as “Dismantlement expenses” of 6 million yen, “Loss (gain) in investment in capital” of 5 million yen and “Other” of (698) million yen above “Subtotal.”

“Subsidies received” that were separately stated under “Net cash provided by (used in) operating activities” in the previous fiscal year are included in “Other” below the “Subtotal” because they became insignificant in monetary terms. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, “Subsidies received” of 692 million yen in “Other” below “Subtotal” under “Net cash provided by (used in) operating activities” and “Other” of (9) million yen below “Subtotal” in the consolidated statements of cash flows for the previous fiscal year have been restated as “Other” of 683 million yen below “Subtotal.”

(Additional information)

(Performance-based stock compensation system)

The Company introduced a performance-based stock compensation system using a board incentive plan (BIP) trust (“the System”) for the Directors (excluding Directors who are Audit and Supervisory Committee Members, Outside Directors or non-residents of Japan) and Executive Officers (excluding non-residents of Japan; these Directors and Executive Officers are hereinafter collectively “Eligible People”). This is primarily to clarify the connection between compensation for the Eligible People and the Company’s results and shareholder value and thereby to give the Eligible People a stronger incentive to contribute to increasing the results of the Company and its corporate value over the medium to long term and for them to share the returns and risks of changes in the stock price with shareholders.

The Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees Etc. Through Trusts (ASBJ Practical Issue Task Force (PITF) No. 30, March 26, 2015) is applied in the accounting treatment of this trust agreement.

(1) Transaction overview

Under the System, shares of the Company’s stock are delivered to the Eligible People according to their position and degree of achievement of performance targets from the fiscal year ended March 31, 2023 through the fiscal year ending March 31, 2025.

(2) The Company’s shares remaining in the trust

The book value of the shares held by the BIP trust (excluding the incidental expense) is posted in net assets as treasury shares. As of the end of the consolidated fiscal year under review, the book value of the said treasury shares was 543 million yen (553 million yen in previous fiscal year) and the number of the said shares was 28,794 (29,300 in previous fiscal year).

On April 1, 2024, the Company conducted a 5-for-1 split of its common stock. The number of share certificates held above represents the number of shares held prior to the stock split.

(Notes to consolidated balance sheet)

*1 Items provided to non-consolidated subsidiaries and associates are as follows.

(Million yen)

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Investment securities (stock)	67,434	71,459

*2 Assets pledged as collateral and collateralized loan

Assets pledged as collateral and collateralized loans are as follows.

(1) Assets pledged as collateral

(Million yen)

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Deposits	81	81
Buildings	8,896	8,922
Land	13,225	13,225
Investment securities	9,548	10,173
Total	31,751	32,402

Shares of consolidated subsidiaries pledged as collateral are offset and eliminated in the consolidated balance sheets. These shares amounted to 67 million yen in the previous consolidated fiscal year and million yen in the consolidated fiscal year under review.

(2) Collateralized loans

(Million yen)

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Notes and accounts payable - trade	2	1
Long-term guarantee deposits	1,289	1,289
Total	1,291	1,290

*3 Of notes and accounts receivable - trade and contract assets, receivables and contract assets arising from contracts with customers are as follows.

(Million yen)

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Notes receivable	442	352
Accounts receivable	36,573	38,009
Contract assets	934	578

*4 Of current liabilities, contract liabilities are as follows.

(Million yen)

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Contract liabilities	5,219	5,259

5. Revaluation of land

Pursuant to the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998) and the Act on Partial Amendment to the Act on Revaluation of Land (Act No. 19 promulgated on March 31, 2001), land for business use is revaluated.

Regarding revaluation differences, pursuant to the Act on Partial Amendment to the Act on Revaluation of Land (Act No. 24 promulgated on March 31, 1999), the Company posts the equivalent of tax on revaluation differences as “deferred tax liabilities for land revaluation” under liabilities, and posts the balance after deduction of this amount as “revaluation reserve for land” under net assets.

Revaluation method

The revaluation is calculated by reasonable adjustment of the assessed value of fixed assets tax stipulated in Article 2, Item 3 of the Enforcement Ordinance for the Act on Revaluation of Land (Government Ordinance No. 119 promulgated on March 31, 1998).

Date of revaluation: March 31, 2002

(Notes to consolidated statement of income)

*1 Revenue from contracts with customers

Net sales are not broken down into revenue from contracts with customers and other revenue. The amount of revenue from contracts with customers is stated in Notes to the consolidated financial statements (Notes to revenue recognition) 1. A breakdown of revenue generated from contracts with customers.

*2 The details of loss on retirement of non-current assets are as follows.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Buildings and structures	6	44
Machinery, equipment and vehicles	4	0
Tools, furniture and fixtures	1	9
Intangible assets	0	1
Total	12	55

*3 Details of impairment losses

The Group posted impairment losses in the asset groups below.

Fiscal year ended March 31, 2023

Use	Type	Location	Impairment losses (million yen)
Business assets	Leased assets, etc.	Tokyo	4
Cinema complex assets	Buildings, etc.	Niigata, etc.	298
Idle assets	Land	Kyoto	7
Rental assets	Buildings, etc.	Osaka	1,129
Hotel assets	Buildings, etc.	Niigata	94

When determining impairment losses, the Group grouped assets based on the smallest identifiable group of assets that generate cash flows that are largely independent of the cash flows from other assets and groups of assets. The book values of assets or asset groups with decreased profitability due to deterioration in market conditions or other factors were written down to the recoverable amounts, and the amount of the reduction was recorded as impairment losses (1,533 million yen) under extraordinary losses. The breakdown of the impairment losses is buildings and structures of 1,394 million yen, machinery, equipment and vehicles of 19 million, tools, furniture and fixtures of 19 million yen, land of 95 million yen, leased assets of 3 million yen and intangible assets of 0 million yen.

The recoverable amount of these asset groups is measured at net realizable value or value in use. Net realizable value was determined based on appraisal values and other data. Value in use is determined as zero because estimated undiscounted future cash flows are negative.

Fiscal year ended March 31, 2024

Use	Type	Location	Impairment losses (million yen)
Idle assets	Buildings	Tokyo	155
Theme park assets	Buildings, etc.	Kyoto	58
Business assets	Leased assets, etc.	Tokyo	10

When determining impairment losses, the Group grouped assets based on the smallest identifiable group of assets that generate cash flows that are largely independent of the cash flows from other assets and groups of assets. As a result, the book value of asset groups whose disposal had been determined and whose earning power has deteriorated due mainly to the market downturn has been decreased to their recoverable amounts, and the said decrease is posted as impairment loss (224 million yen) under extraordinary loss. The breakdown of the impairment loss is buildings and structures of 211 million yen, machinery, equipment, and vehicles of 0 million yen, tools, furniture and fixtures of 2 million yen, and leased assets of 9 million yen.

The recoverable amount of these asset groups is measured at net realizable value or value in use. Net realizable value for assets that are expected to have no future use and are difficult to sell are calculated as zero recoverable amount. Because no future cash flow, based on which the value in use is calculated, is expected, the recoverable amount is valued at zero.

*4 Year-end inventories indicate an amount after the carrying amount is lowered due to a decline in profitability, and the following loss on valuation of inventories is included in cost of sales. The amounts below indicate those obtained by offsetting against reversals.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
	288	3,699

(Notes to consolidated statement of comprehensive income)

*1 Reclassification adjustment and tax effect related to other comprehensive income

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Valuation difference on available-for-sale securities		
Amount arisen in fiscal year under review	(1,416)	10,582
Reclassification adjustment	0	(221)
Before tax effect adjustment	(1,415)	10,360
Tax effect	361	(2,956)
Valuation difference on available-for-sale securities	(1,054)	7,404
Deferred gains or losses on hedges		
Amount arisen in fiscal year under review	(4)	5
Before tax effect adjustment	(4)	5
Tax effect	1	(1)
Deferred gains or losses on hedges	(3)	4
Foreign currency translation adjustment		
Amount arisen in fiscal year under review	1,751	2,560
Remeasurements of defined benefit plans, net of tax		
Amount arisen in fiscal year under review	361	1,640
Reclassification adjustment	(47)	(74)
Before tax effect adjustment	313	1,565
Tax effect	(96)	(479)
Remeasurements of defined benefit plans, net of tax	217	1,086
Share of other comprehensive income of entities accounted for using equity method		
Amount arisen in fiscal year under review	(1,641)	3,183
Reclassification adjustment	(309)	(515)
Share of other comprehensive income of entities accounted for using equity method	(1,950)	2,667
Total other comprehensive income	(1,039)	13,722

(Notes to consolidated statement of changes in equity)

Fiscal year ended March 31, 2023

1. Matters related to issued shares

Class of shares	Beginning of fiscal year under review	Increase	Decrease	End of fiscal year under review
Common shares	14,768,909	-	-	14,768,909

2. Matters related to treasury shares

Class of shares	Beginning of fiscal year under review	Increase	Decrease	End of fiscal year under review
Common shares	2,357,867	29,540	-	2,387,407

(Note) The treasury shares at the end of the consolidated fiscal year under review include 29,300 shares held by the executive compensation BIP trust.

(Overview of reason for change)

Increase as a result of acquisition by executive compensation BIP trust:	29,300 shares
Increase due to purchases of shares of less than one unit:	240 shares

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (million yen)	Dividends per share (yen)	Record date	Effective date
June 29, 2022 Ordinary General Meeting of Shareholders	Common shares	386	30	March 31, 2022	June 30, 2022
November 14, 2022 Board of Directors	Common shares	386	30	September 30, 2022	December 5, 2022

(Note) Total dividends resolved at the Board of Directors' meeting on November 14, 2022 included dividends associated with shares of the Company held by the executive compensation BIP trust amounting to 0 million yen.

(2) Dividends with a record date in the fiscal year under review but an effective date in the following fiscal year

Resolution	Class of shares	Funds for dividends	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
June 29, 2023 Ordinary General Meeting of Shareholders	Common shares	Retained earnings	1,288	100	March 31, 2023	June 30, 2023

(Note) 1) Total dividends resolved at the Ordinary General Meeting of Shareholders on June 29, 2023 included dividends associated with shares of the Company held by the executive compensation BIP trust amounting to 2 million yen.

2) The dividend per share of 100 yen includes a special dividend of 70 yen per share.

Fiscal year ended March 31, 2024

1. Matters related to issued shares

Class of shares	Beginning of fiscal year under review	Increase	Decrease	End of fiscal year under review
Common shares	14,768,909	-	-	14,768,909

(Note) On April 1, 2024, the Company conducted a 5-for-1 split of its common stock. The number of shares above represents the number of shares issued prior to the stock split

2. Matters related to treasury shares

Class of shares	Beginning of fiscal year under review	Increase	Decrease	End of fiscal year under review
Common shares	2,387,407	313	506	2,387,214

(Note) 1) The treasury shares at the end of the consolidated fiscal year under review include 28,794 shares held by the executive compensation BIP trust.

2) On April 1, 2024, the Company conducted a 5-for-1 split of its common stock. The number of shares above represents the number of shares held prior to the stock split.

(Overview of reason for change)

Increase due to purchases of shares of less than one unit:	313 shares
Decrease due to the provision of Company shares held by BIP trust to retiring directors, etc.	506 shares

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (million yen)	Dividends per share (yen)	Record date	Effective date
June 29, 2023 Ordinary General Meeting of Shareholders	Common shares	1,288	100	March 31, 2023	June 30, 2023
November 14, 2023 Board of Directors	Common shares	386	30	September 30, 2023	December 4, 2023

(Note) 1) Total dividends resolved at the Ordinary General Meeting of Shareholders on June 29, 2023 included dividends associated with shares of the Company held by the executive compensation BIP trust amounting to 2 million yen.

2) The amount of dividend of 100 yen per share based on the resolution of the ordinary general meeting of shareholders held on June 29, 2023 includes a special dividend of 70 yen.

3) Total dividends resolved at the Board of Directors' meeting on November 14, 2023 included dividends associated with shares of the Company held by the executive compensation BIP trust amounting to 0 million yen.

(2) Dividends with a record date in the fiscal year under review but an effective date in the following fiscal year

Resolution	Class of shares	Funds for dividends	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
June 27, 2024 Ordinary General Meeting of Shareholders	Common shares	Retained earnings	1,353	105	March 31, 2024	June 28, 2024

(Note) 1) Total dividends resolved at the Ordinary General Meeting of Shareholders on June 27, 2024 included dividends associated with shares of the Company held by the executive compensation BIP trust amounting to 3 million yen.

2) The dividend per share of 105 yen includes a special dividend of 75 yen per share.

3) The Company implemented a 5-for-1 share split of its common stock as of April 1, 2024, and the dividend with March 31, 2024 as effective date is based the number of shares before the said share split.

(Notes to consolidated statement of cash flows)

*1 Cash and cash equivalents at end of period and their relationships with accounts in the consolidated balance sheet are as follows.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash and deposits	93,614	105,182
Time deposits whose deposit term exceeds 3 months	(22,346)	(27,316)
Securities	47	63
Cash and cash equivalents	71,315	77,929

(Lease transactions)

1. Operating lease transactions

(Lessor)

Noncancelable future operating lease payments

(Million yen)

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Within 1 year	359	334
More than a year	917	679
Total	1,277	1,013

(Lessee)

Noncancelable future operating lease payments

(Million yen)

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Within 1 year	1,471	1,673
More than a year	11,048	11,374
Total	12,519	13,047

(Financial instruments)

1. Matters related to the status of financial instruments

(1) Policy for financial instruments

The Group manages funds mainly in short-term deposits and procures funds primarily through loans from banks and other financial institution and the issuance of bonds.

(2) Details of financial instruments, their risks, and risk management system

Notes and accounts receivable - trade, which are operating receivables, are exposed to the credit risk of customers; however, to address such risks, the Group manages due dates and balances for each business partner and endeavors to take prompt action communicating with the sales division in the event of any risk of delayed recovery in accordance with provisions on the management of receivables.

The shares included in marketable securities and other investment securities are primarily shares in companies with which the Group has business relationships and are exposed to market price fluctuation risks and the credit risk of the issuers; however, the Group regularly obtains information on the fair values of the shares and the financial standing of the companies that issue them. Meanwhile, the credit risk of bonds is very low as the Group invests only in bonds where the principal is guaranteed or highly rated bonds.

Most of notes and accounts payable - trade, which are operating payables, are payable within a year.

Of borrowings, short-term borrowings are primarily operating funds. Long-term borrowings are chiefly funds for capital expenditure.

Operating liabilities and borrowings are exposed to liquidity risks, which the Group manages primarily by each company by preparing monthly financing plans.

Derivative transactions are foreign exchange forward transactions and cross-currency and interest rate swap transactions and are undertaken as a hedge against exposure to foreign currency fluctuations related to operating payables denominated in foreign currencies.

Information on hedge accounting, including hedging instruments and hedged items, hedging policies and methods of evaluating the effectiveness of hedging is stated in (7) Important hedge accounting methods, 4. Matters regarding accounting policy under Notes (Significant matters that serve as the basis for preparation of consolidated financial statements) of the consolidated financial statements.

The Group follows internal regulations setting out authority and other matters in its execution and management of derivative transactions. The Group trades derivatives only with trustworthy financial institutions to reduce the credit risk of its counterparts.

(3) Supplementary explanation regarding the fair value of financial instruments

The Group factors in variables in the calculation of the fair values of financial instruments. The fair values vary depending on assumptions. Also, regarding the contract amounts and other details related to derivative transactions in the note to derivative transactions, the amounts themselves do not indicate market risk in relation to derivative transactions.

2. Matters related to the fair value of financial instruments

Fiscal year ended March 31, 2023 (As of March 31, 2023)

(Million yen)

	Consolidated balance sheet amount	Fair value	Difference
Securities and investment securities			
Held-to-maturity bonds	67	67	(0)
Available-for-sale securities	43,431	43,431	-
Shares in associates	67,142	31,283	(35,858)
Total assets	110,641	74,782	(35,858)
Long-term borrowings (*1)	15,216	15,195	(20)
Total liabilities	15,216	15,195	(20)
Derivative transactions (*2)	252	252	-

(*1) Long-term borrowings include long-term borrowings due within one year.

(*2) Net receivables and payables resulting from derivative transactions are shown at net amounts. Net payables are shown in parentheses.

Fiscal year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

	Consolidated balance sheet amount	Fair value	Difference
Securities and investment securities			
Held-to-maturity bonds	85	85	(0)
Available-for-sale securities	53,739	53,739	-
Shares in associates	70,867	44,548	(26,318)
Total assets	124,692	98,374	(26,318)
Long-term borrowings (*1)	13,987	13,944	(42)
Total liabilities	13,987	13,944	(42)
Derivative transactions (*2)	(26)	(26)	-

(*1) Long-term borrowings include long-term borrowings due within one year.

(*2) Net receivables and payables resulting from derivative transactions are shown at net amounts. Net payables are shown in parentheses

(Note 1) Cash and deposits, notes and accounts receivable - trade, contract assets, and notes and accounts payable - trade are omitted because their fair values approximate their book values due to short maturities.

(Note 2) Shares with no market prices are not included in "Securities and investment securities." The said financial instrument's consolidated balance sheet amount is as follows.

(Million yen)

Classification	Previous fiscal year	Fiscal year under review
Shares with no market price (*1)	1,275	1,712
Ownership stakes in partnerships, etc. (*2)	117	279

(*1) Shares with no market price include unlisted shares, etc. and are not subject to disclosure of fair value in accordance with Paragraph 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020).

(*2) Ownership stakes in partnerships, etc. are primarily partnerships under the Civil Code. These are not subject to disclosure of fair value in accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021).

(Note 3) Monetary claims and securities with maturity periods to be redeemed after the consolidated closing date

Fiscal year ended March 31, 2023 (As of March 31, 2023)

(Million yen)

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Cash and deposits	90,130	-	-	-
Notes and accounts receivable – trade	37,013	0	1	-
Securities and investment securities				
Held-to-maturity securities (Government bonds, municipal bonds, etc.)	50	-	-	-
Held-to-maturity securities (Corporate bonds)	-	16	-	-
Available-for-sale securities with maturities (Government bonds)	-	10	-	-
Total	127,194	27	1	-

Fiscal year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Cash and deposits	102,536	-	-	-
Notes and accounts receivable – trade	38,359	0	1	-
Securities and investment securities				
Held-to-maturity securities (Government bonds, municipal bonds, etc.)	67	-	-	-
Held-to-maturity securities (Corporate bonds)	17	-	-	-
Available-for-sale securities with maturities (Government bonds)	-	10	-	-
Total	140,981	10	1	-

(Note 4) Scheduled repayment of long-term borrowings after the consolidated closing date

Fiscal year ended March 31, 2023 (As of March 31, 2023)

(Million yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	1,229	1,207	4,207	2,242	667	5,662
Total	1,229	1,207	4,207	2,242	667	5,662

Fiscal year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	1,207	4,207	2,242	667	1,667	3,995
Total	1,207	4,207	2,242	667	1,667	3,995

3. Breakdown of financial instruments by level of fair value

The fair values of financial instruments are classified into the following three levels according to the observability and importance of inputs used in the calculation of fair values.

Level 1 fair value: of the observable inputs related to the calculation of fair value, fair value calculated using market prices, on an active market, of assets or liabilities that are applicable to said calculation

Level 2 fair value: fair value calculated using inputs other than the inputs used for Level 1 of the observable inputs related

to the calculation of fair value

Level 3 fair value: fair value calculated using inputs related to the calculation of fair value that are not observable

If more than one input that has a significant effect on the calculation of fair value is used, the fair value is classified to the level of inputs whose priority is lowest in the calculation of fair value.

(1) Financial assets and financial liabilities whose fair values are used as the value posted on the consolidated balance sheet

Fiscal year ended March 31, 2023 (As of March 31, 2023)

(Million yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				+
Available-for-sale securities				
Government bonds	10	-	-	10
Shares	43,421	-	-	43,421
Derivative transactions				
Currencies	-	255	-	255
Total assets	43,431	255	-	43,686
Derivative transactions				
Currencies	-	2	-	2
Total liabilities	-	2	-	2

Fiscal year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				+
Available-for-sale securities				
Government bonds	9	-	-	9
Shares	53,729	-	-	53,729
Derivative transactions				
Currencies	-	6	-	6
Total assets	53,739	6	-	53,745
Derivative transactions				
Currencies	-	32	-	32
Total liabilities	-	32	-	32

(2) Financial instruments other than those recorded at fair value in the consolidated balance sheet

Fiscal year ended March 31, 2023 (As of March 31, 2023)

(Million yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity bonds				
Government bonds, local government bonds, etc.	-	50	-	50
Corporate bonds	-	16	-	16
Shares in associates				
Shares	31,283	-	-	31,283
Total assets	31,283	67	-	31,351
Long-term borrowings	-	15,195	-	15,195
Total liabilities	-	15,195	-	15,195

Fiscal year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity bonds				
Government bonds, local government bonds, etc.	-	67	-	67
Corporate bonds	-	17	-	17
Shares in associates				
Shares	44,548	-	-	44,548
Total assets	44,548	85	-	44,634
Long-term borrowings	-	13,944	-	13,944
Total liabilities	-	13,944	-	13,944

(Note) Explanations about assessment techniques used in the calculation of fair value and inputs related to the calculation of fair value
Securities and investment securities

Listed shares, government bonds and corporate bonds are assessed using market prices. Listed shares and Japanese government bonds are traded on an active market and their fair value is categorized into level 1. However, overseas government bonds and corporate bonds held by the Company are bonds for which quoted market prices are not readily available because they are not traded frequently, and their fair value is therefore classified as level 2.

Derivative transactions

Fair values of exchange contracts and derivatives components of cross-currency and interest rate swap transactions are calculated by the present discounted value method, using interest rates, foreign exchange rates and other observable inputs and are categorized under level 2 fair value.

Long-term borrowings

The fair value of long-term borrowings is calculated using the present discounted value method based on the total amount of principal and interest and rates calculated based on the remaining periods and credit risk of the debt. Their fair value is classified as level 2 fair value.

(Securities)

1. Held-to-maturity bonds

Fiscal year ended March 31, 2023 (As of March 31, 2023)

(Million yen)

Classification	Consolidated balance sheet amount as of the consolidated closing date	Fair value	Difference
Fair value exceeds consolidated balance sheet amount	-	-	-
Fair value does not exceed consolidated balance sheet amount	67	67	(0)
Total	67	67	(0)

Fiscal year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Classification	Consolidated balance sheet amount as of the consolidated closing date	Fair value	Difference
Fair value exceeds consolidated balance sheet amount	-	-	-
Fair value does not exceed consolidated balance sheet amount	85	85	(0)
Total	85	85	(0)

2. Available-for-sale securities

Fiscal year ended March 31, 2023 (As of March 31, 2023)

(Million yen)

Classification	Consolidated balance sheet amount as of the consolidated closing date	Acquisition cost	Difference
Consolidated balance sheet amount exceeds acquisition cost			
1) Shares	40,679	13,165	27,513
2) Bonds	-	-	-
Subtotal	40,679	13,165	27,513
Consolidated balance sheet amount does not exceed acquisition cost			
1) Shares	2,742	3,751	(1,008)
2) Bonds	10	10	(0)
Subtotal	2,752	3,761	(1,008)
Total	43,431	16,926	26,504

Fiscal year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Classification	Consolidated balance sheet amount as of the consolidated closing date	Acquisition cost	Difference
Consolidated balance sheet amount exceeds acquisition cost			
1) Shares	53,282	16,345	36,937
2) Bonds	-	-	-
Subtotal	53,282	16,345	36,937
Consolidated balance sheet amount does not exceed acquisition cost			
1) Shares	447	521	(74)
2) Bonds	9	10	(0)
Subtotal	457	531	(74)

Classification	Consolidated balance sheet amount as of the consolidated closing date	Acquisition cost	Difference
Total	53,739	16,876	36,863

3. Available-for-sale securities sold during the consolidated fiscal year under review
Fiscal year ended March 31, 2023

(Million yen)

Classification	Sale price	Total gain on sale	Total loss on sale
Shares	7	2	-
Total	7	2	-

Fiscal year ended March 31, 2024

(Million yen)

Classification	Sale price (million yen)	Total gain on sale (million yen)	Total loss on sale (million yen)
Shares	612	430	2
Total	612	430	2

4. Securities on which impairment losses were posted

Fiscal year ended March 31, 2023

The notes are omitted because it has little significance.

Fiscal year ended March 31, 2024

The notes are omitted because it has little significance.

(Notes to derivative transactions)

1. Derivative transactions to which hedge accounting is not applied

(1) Currency derivatives

Fiscal year ended March 31, 2023 (As of March 31, 2023)

The notes are omitted because it has little significance.

Fiscal year ended March 31, 2024 (As of March 31, 2024)

The notes are omitted because it has little significance.

(2) Interest rate derivatives

Fiscal year ended March 31, 2023(As of March 31, 2023)

Not applicable.

Fiscal year ended March 31, 2024 (As of March 31, 2024)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

(1) Currency derivatives

Fiscal year ended March 31, 2023 (As of March 31, 2023)

The notes are omitted because it has little significance.

Fiscal year ended March 31, 2024 (As of March 31, 2024)

The notes are omitted because it has little significance.

(2) Interest rate derivatives

Fiscal year ended March 31, 2023 (As of March 31, 2023)

Not applicable.

Fiscal year ended March 31, 2024 (As of March 31, 2024)

Not applicable.

(Notes to retirement benefits)

1. Outline of the retirement benefits system

The Company and its consolidated subsidiaries offer both funded and unfunded defined benefit plans as well as a defined contribution plan for retirement benefits for employees.

Under defined benefit corporate pension plans, lump sums and annuities are paid based on salary and years of service.

For certain defined benefit corporate pension plans, a retirement benefit trust has been established. Under retirement lump-sum plans, lump sums are paid based on salary and years of service.

Retirement benefit liabilities and retirement benefit expenses are calculated using a simplified method for the lump sum retirement payments provided by some of the consolidated subsidiaries.

2. Defined benefit plans

(1) Reconciliation of beginning and ending balances of retirement benefit obligations (including the plan applying a simplified method)

	(Million yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Beginning balance of retirement benefit obligations	11,108	11,127
Service costs	685	761
Interest costs	37	67
Amount of net actuarial gain/loss	(167)	(140)
Retirement benefits paid	(548)	(862)
Unrecognized past service liabilities	-	124
Other	12	15
Ending balance of retirement benefit obligations	11,127	11,093

(2) Reconciliation of beginning and ending balances of pension assets

	(Million yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Beginning balance of pension assets	8,386	8,701
Expected return on pension assets	170	169
Amount of net actuarial gain/loss	193	1,658
Employer contribution	102	141
Retirement benefits paid	(167)	(344)
Other	16	80
Ending balance of pension assets	8,701	10,408

(3) Reconciliation of retirement benefit obligation and pension assets with net retirement benefit liability and asset reflected on the consolidated balance sheets (includes plans to which simple method is applied)

	(Million yen)	
	Fiscal year ended March 31, 2023(As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Defined benefit obligation for funded plan	9,504	9,468
Pension assets	(8,701)	(10,408)
	802	(939)
Defined benefit obligation for unfunded plan	1,623	1624
Net amount of liability and asset on the consolidated balance sheets	2,425	685
Defined benefit liability	4,870	4,706
Retirement benefit asset	(2,444)	(4,021)
Net amount of liability and asset on the consolidated	2,425	685

(4) Retirement benefit expenses and component amounts (includes plans to which simple method is applied)

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Service costs	685	761
Interest costs	37	67
Expected return on plan assets	(170)	(169)
Expense for actuarial losses	(47)	(232)
Past service liabilities charged to expense	-	124
Other	17	28
Retirement benefit expenses related to defined benefit plan	521	579

(5) Remeasurements of defined benefit plans, net of tax

The breakdown of items posted as “remeasurements of defined benefit plans, net of tax” (before deduction of tax effect) is as follows.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Actuarial gains and losses	313	1,565

(6) Remeasurements of defined benefit plans

The breakdown of items posted as “remeasurements of defined benefit plans” (before deduction of tax effect) is as follows.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Unrecognized actuarial gains and losses	(622)	(2,188)

(7) Matters related to pension assets

1) Major components of pension assets

The ratios of each of the major categories to total pension assets are as follows.

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Shares	28%	40%
Bonds	17%	12%
Insurance assets (general account)	15%	10%
Cash and deposits	16%	4%
Other	24%	34%
Total	100%	100%

(Note) A retirement benefit trust established for corporate pension plans and retirement lump-sum plans accounts for 51.8% and 54.9% of pension assets for the fiscal years ended March 31, 2023 and 2024, respectively.

2) Method of setting long-term expected investment profitability

To determine the expected long-term rate of return on pension assets, the Company takes into consideration the current and expected pension asset mix and expected long-term rates of return on a variety of pension assets.

(8) Matters related to basis of actuarial calculations

Basis of major actuarial calculations

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Discount rate	Primarily 0.5%	Primarily 0.9%
Expected long-term rate of return	0.0-3.5%	0.0-3.0%
Forecasted rate of pay raise	0.0-4.5%	0.0-4.5%

3. Defined contribution plan

The required contribution amounts for consolidated subsidiaries were 17 million yen and 17 million yen for the fiscal years ended March 31, 2023 and 2024, respectively.

(Notes to tax effect accounting)

1. Breakdown of key factors contributing to deferred tax assets and deferred tax liabilities

(Million yen)

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
Deferred tax assets		
Tax losses carried forward (Note)	1,023	944
Defined benefit liability	2,527	2,422
Provision for bonuses	432	445
Provision for retirement benefits for directors (and other officers)	107	77
Provision for share awards for directors (and other officers)	79	112
Loss on valuation of investment securities	198	188
Asset retirement obligations	553	568
Accrued enterprise taxes	390	205
Unrealized gain on inventories	68	56
Unrealized gain on property, plant and equipment	1,911	1,910
Unrealized gain on investment securities	1,157	1,157
Loss on valuation of inventories	173	182
Loss on valuation of golf club membership	41	41
Allowance for doubtful accounts	261	330
Impairment losses	1,186	1,171
Amount exceeding the advanced depreciation limit on non-current assets acquired by exchange	83	83
Other	1,265	1,188
Subtotal of deferred tax assets	11,463	11,107
Valuation allowance related to tax losses carried forward (Note)	(864)	(944)
Valuation allowance related to deductible temporary differences	(2,943)	(2,872)
Valuation allowance subtotal	(3,808)	(3,817)
Total deferred tax assets	7,654	7,290
Deferred tax liabilities		
Reserve for tax purpose reduction entry of non-current assets	(888)	(876)
Valuation difference on available-for-sale securities	(8,429)	(11,382)
Application of tax effect accounting in relation to dividends commensurate with retained earnings at foreign subsidiaries	(130)	(585)
Other	(1,652)	(1,751)
Total deferred tax liabilities	(11,101)	(14,595)
Deferred tax assets (liabilities), net	(3,446)	(7,305)

(Note) Tax losses carried forward and the related deferred tax assets allocated to each fiscal year when carryforwards expire

Fiscal year ended March 31, 2023 (As of March 31, 2023)

(Million yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years	Total
Tax losses carried forward (*)	-	-	1	7	-	1,014	1,023
Valuation allowance	-	-	(1)	(7)	-	(855)	(864)
Deferred tax assets	-	-	-	-	-	158	158

(*) The tax losses carried forward is an amount obtained by multiplying the effective statutory tax rate.

Fiscal year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years	Total
Tax losses carried forward (*)	-	1	5	-	34	902	944
Valuation allowance	-	(1)	(5)	-	(34)	(902)	(944)
Deferred tax assets	-	-	-	-	-	-	-

(*) The tax losses carried forward is an amount obtained by multiplying the effective statutory tax rate.

2. Major factors for the difference between statutory tax rate and effective income tax rate after the application of tax effect accounting

Fiscal year ended March 31, 2023 (As of March 31, 2023)

Notes are omitted because the difference between the statutory tax rate and the effective tax rate is 5% or less of the statutory tax rate.

Fiscal year ended March 31, 2024 (As of March 31, 2024)

Notes are omitted because the difference between the statutory tax rate and the effective tax rate is 5% or less of the statutory tax rate.

(Notes to rental properties, etc.)

The Company and certain consolidated subsidiaries own tenant buildings for lease (including land) and condominiums etc., for lease in Tokyo and other areas.

During the fiscal year ended March 31, 2023, net rent income from these rental properties amounted to 2,351 million yen (rent income is recorded in net sales and major rent expenses are recorded in cost of sales).

During the fiscal year ended March 31, 2024, net rent income from these rental properties amounted to 2,529 million yen (major rent income is recorded in net sales and major rent expenses are recorded in cost of sales).

The carrying amount of these rental properties on the consolidated balance sheet, changes during the year and fair value are as follows.

(Million yen)

		Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Consolidated balance sheet amount	Beginning balance	41,811	44,715
	Changes during the year	2,904	(29)
	Ending balance	44,715	44,686
Fair value at end of year		68,754	73,860

(Notes) 1. The carrying amount on the consolidated balance sheet represents the acquisition cost net of accumulated depreciation and amortization and accumulated impairment loss.

2. Of the changes during the year, the major increases during the fiscal year ended March 31, 2023 include the acquisition of condominiums for lease (3,396 million yen), and major decreases include depreciation. The major increases during the fiscal year ended March 31, 2024 include the capital expenditure in maintenance and renovation (573 million yen), and major decreases include depreciation.

3. The fair value at the end of the fiscal year is an amount based on a real estate appraisal report prepared by an outside real property appraiser in the case of major properties, or an amount calculated internally based on Japanese Real Estate

Appraisal Standards (including those adjusted using indices) in the case of other properties.

4. Real estate for leasing, etc. under development is not included in the above table, because determining market values is extremely difficult. The balance sheet amount of real estate for leasing, etc. under development was 0 yen at the end of the previous accounting year and 1,277 million yen at the end of the fiscal year under review.

(Notes to revenue recognition)

1. A breakdown of revenue generated from contracts with customers

The Group's reportable segments are as described in (Segment information, etc.). Revenue by service and its relationship with net sales in reportable segments are as follows.

Fiscal year ended March 31, 2023

(Million yen)

	Reportable segments					Total
	Film and video-related business	Entertainment-related business	Event-related business	Tourism real estate-related business	Architectural interior design-related business	
Major services						
Services related to the production and distribution of theatrical films	24,193	-	-	-	-	24,193
Services related to the production and distribution of television programs	10,946	-	-	-	-	10,946
Copyright licensing for film and video content	82,020	-	-	-	-	82,020
Management of directly managed theaters and cinema complexes	-	18,449	-	-	-	18,449
Operation of events and entertainment facilities	-	-	10,015	-	-	10,015
Undertaking of construction work and interior decorating under contract	-	-	-	-	4,746	4,746
Other	18,019	-	-	1,657	-	19,677
Revenue from contracts with customers	135,179	18,449	10,015	1,657	4,746	170,048
Other revenue	-	-	-	4,310	-	4,310
Sales to external customers	135,179	18,449	10,015	5,967	4,746	174,358

Fiscal year ended March 31, 2024

(Million yen)

	Reportable segments					Total
	Film and video-related business	Entertainment-related business	Event-related business	Tourism real estate-related business	Architectural interior design-related business	
Major services						
Services related to the production and distribution of theatrical films	9,860	-	-	-	-	9,860
Services related to the production and distribution of television programs	10,556	-	-	-	-	10,556
Copyright licensing for film and video content	84,156	-	-	-	-	84,156
Management of directly managed theaters and cinema complexes	-	20,174	-	-	-	20,174
Operation of events and entertainment facilities	-	-	10,085	-	-	10,085
Undertaking of construction work and interior decorating under contract	-	-	-	-	8,610	8,610
Other	21,405	-	-	2,107	-	23,513
Revenue from contracts with customers	125,980	20,174	10,085	2,107	8,610	166,958

Other revenue	-	-	-	4,386	-	4,386
Sales to external customers	125,980	20,174	10,085	6,494	8,610	171,345

2. Basic information for understanding revenue from contracts with customers

Information that becomes the foundation for understanding revenue is provided in (5) Accounting standards for significant revenues and expenses under 4. Notes regarding accounting policies in Notes (Significant matters that serve as the basis for the preparation of consolidated financial statements).

3. Information about the relationship between the fulfillment of performance obligations based on the contract with the customer and the cash flow generated from the contract, and the amount of revenue expected to be recognized from the contract with the customer existing at the end of the fiscal year under review after the next fiscal year and the timing of cash flows

1) Balances of contract assets and contract liabilities, etc.

(Million yen)

	Previous fiscal year	Fiscal year under review
Receivables from contracts with customers (beginning balance)	22,966	37,015
Receivables from contracts with customers (ending balance)	37,015	38,361
Contract assets (beginning balance)	809	934
Contract assets (ending balance)	934	578
Contract liabilities (beginning balance)	5,297	5,219
Contract liabilities (ending balance)	5,219	5,259

Contract assets relate to the Group's right to unbilled consideration for the production of films and videos and construction and interior decoration work under film and video production contracts and construction and interior decoration contracts. Contract assets will be transferred to receivables from contracts with customers when the Group receives an unconditional right to a consideration.

Contract liabilities mainly relate to advances received in the film and video-related business from customers in accordance with payment terms and conditions for the production of films and videos for which revenues are recognized on the transfer of control and advances received in the interior construction business from customers pursuant to uncompleted construction service contracts under which revenues are recognized over a certain period. Contract liabilities are reversed as revenue is recognized.

The amount of revenue recognized in the fiscal year ended March 31, 2023 included in the balance of contract liabilities at the beginning of the fiscal year is 4,357 million yen.

The 125 million yen increase in contract assets in the fiscal year ended March 31, 2023 is mainly attributable to an increase in construction and interior decoration work. Meanwhile, the 77 million yen decrease in contract liabilities is mainly attributable to decrease in transactions related to the production of films and videos mentioned earlier.

The amount of revenue recognized in the fiscal year ended March 31, 2023 from performance obligations which were fulfilled (or partially fulfilled) in past periods (mainly transaction price fluctuations) was insignificant.

The amount of revenue recognized in the fiscal year under review included in the balance of contract liabilities at the beginning of the fiscal year is 2,400 million yen.

The 355million yen decrease in contract assets in the fiscal year under review is mainly attributable to a decrease in construction and interior decoration work mentioned earlier. Meanwhile, the 39 million yen increase in contract liabilities is mainly attributable to increase in transactions related to the construction and interior decoration work mentioned earlier.

The amount of revenue recognized in the fiscal year under review from performance obligations which were fulfilled (or partially fulfilled) in past periods (mainly transaction price fluctuations) was immaterial.

2) Transaction prices allocated to outstanding performance obligations

In the Company and its consolidated subsidiaries, the practical expedient is applied to other notes on the

transaction prices allocated to outstanding performance obligations, and information with respect to contracts that have an original expected duration of one year or less and copyright licensing contracts with sales-based or usage-based royalties is not included in the scope of notes.

The total amount of transaction prices allocated to outstanding performance obligations under contracts for the construction and interior decoration work for the fiscal year ended March 31, 2023 is 3,165 million yen. These amounts are expected to be recognized as revenue mostly within a year.

The total amount of transaction prices allocated to outstanding performance obligations under contracts for construction and interior decoration work in the fiscal year under review is 9,384 million yen. This amount is expected to be recognized as revenue mostly within a year.

(Segment information, etc.)

Segment information

1. Overview of reportable segments

(1) Determination of reportable segments

Reporting segments of the Group are individual units for which separate financial information is available and that are subject to a periodic review by the Board of Directors for the purposes of evaluating performance and determining the allocation of resources.

The Group categorizes operations according to the services they handle, and each business division plans comprehensive strategies and operates its business activities.

The Group consists of five business segments: the film and video-related business, entertainment-related business, event-related business, tourism real estate business, and architectural interior design business.

(2) Product and service types belonging to each reportable segment

In the film and video-related business, we produce and distribute theatrical films and television programs. We also produce and sell DVDs and Blu-Ray discs and license character merchandising rights and copyrights of said films and programs. In the entertainment-related business, we manage directly-managed theaters and cinema complexes. In the event-related business, we run characters shows related to films and videos that the Group produces, plan and hold cultural events, and operate Toei Kyoto Studio Park. In the tourism real estate business, we lease rental facilities and run hotels. In the architectural interior design business, we engage in construction work and contract interior decoration.

2. Method for determining net sales, profit or loss, assets, liabilities and other items for reportable segments

The accounting policies of the reportable segments are generally consistent with those stated in “Significant matters that serve as the basis for the preparation of consolidated financial statements.” The profit of reporting segments is based on operating profit. Intersegment revenue and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2023

(Million yen)

	Film and video-related business	Entertainment-related business	Event-related business	Tourism real estate-related business	Architectural interior design-related business	Total	Adjustment (Note 1)	Amounts in consolidated financial statements (Note 2)
Net sales								
Net sales to external customers	135,179	18,449	10,015	5,967	4,746	174,358	-	174,358
Intersegment sales or transfers	3,763	212	597	752	258	5,585	(5,585)	-
Total	138,942	18,662	10,612	6,720	5,005	179,944	(5,585)	174,358
Segment profit	35,167	900	1,276	2,168	48	39,561	(3,222)	36,339
Segment assets	251,087	17,147	9,045	50,583	5,026	332,890	46,998	379,889
Other items								
Depreciation	1,336	807	110	941	7	3,203	217	3,421
Increase in property, plant and equipment and intangible assets	2,253	532	27	3,459	25	6,298	469	6,768

(Notes) 1. Adjustments are as follows.

- (1) The segment profit adjustment of (3,222) million yen includes the elimination of inter-segment transactions of (45) million yen and company-wide expenses of (3,176) 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) The segment assets adjustment of 46,998 million yen includes company-wide assets of 51,472 million yen that are not allocated to each reportable segment and the elimination through offsetting receivables and payables of (4,473) million yen.
 - * The main components of company-wide assets are unused funds, long-term investments and assets relating administrative divisions.
 - (3) The adjustment of depreciation is depreciation related to company-wide assets that is not allocated to each reportable segment.
 - (4) Adjustments of increase in property, plant and equipment and intangible assets are obtained plant and equipment and intangible assets that are not distributed to the reportable segments.
2. Segment profit is adjusted to match the operating profit in the consolidated statements of income.

Fiscal year ended March 31, 2024

(Million yen)

	Film and video-related business	Entertainment-related business	Event-related business	Tourism real estate-related business	Architectural interior design-related business	Total	Adjustment (Note 1)	Amounts in consolidated financial statements (Note 2)
Net sales								
Net sales to external customers	125,980	20,174	10,085	6,494	8,610	171,345	-	171,345
Intersegment sales or transfers	3,500	225	791	816	174	5,507	△5,507	-
Total	129,480	20,399	10,877	7,310	8,784	176,852	△5,507	171,345
Segment profit	26,333	1,907	1,422	2,569	397	32,631	△3,288	29,342
Segment assets	272,850	18,163	9,485	51,060	8,872	360,432	50,974	411,406
Other items								
Depreciation	1,552	720	252	870	6	3,402	263	3,665
Increase in property, plant and equipment and intangible assets	1,871	1,573	388	1,363	3	5,200	190	5,390

(Notes) 1. Adjustments are as follows.

- (1) The segment profit adjustment of (3,288) million yen includes the elimination of inter-segment transactions of (121) million yen and company-wide expenses of (3,167) 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) The segment assets adjustment of 50,974 million yen includes company-wide assets of 57,248 million yen that are not allocated to each reportable segment and the elimination through offsetting receivables and payables of (6,273) million yen.
 - * The main components of company-wide assets are unused funds, long-term investments and assets relating administrative divisions.
 - (3) The adjustment of depreciation is depreciation related to company-wide assets that is not allocated to each reportable segment.
 - (4) Adjustments of increase in property, plant and equipment and intangible assets are obtained plant and equipment and intangible assets that are not distributed to the reportable segments.
2. Segment profit is adjusted to match the operating profit in the consolidated statements of income.

Related information

Fiscal year ended March 31, 2023

1. Information by products and services

This information is omitted because similar information is disclosed in the segment information section.

2. Information by geographical areas

(1) Net sales

(Million yen)

Japan	Asia	North America	Other	Total
122,643	20,387	19,906	11,420	174,358

(Notes) 1. Net sales are classified by country or area based on the licensed territory of broadcasting rights, commercialization rights, etc.

2. "Asia" and "North America" are managed as geographic segments and amounts for individual countries are omitted due to the difficulty of classifying net sales to external customers in each country.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment in Japan exceeded 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information on major customers

(Million yen)

Customer name	Net sales	Related reportable segment
BANDAI NAMCO Entertainment Inc.	18,550	Film and video-related business and event-related business

Fiscal year ended March 31, 2024

1. Information by products and services

This information is omitted because similar information is disclosed in the segment information section.

2. Information by geographical areas

(1) Net sales

(Million yen)

Japan	Asia	North America	Other	Total
118,820	20,527	19,811	12,186	171,345

(Notes) 1. Net sales are classified by country or area based on the licensed territory of broadcasting rights, commercialization rights, etc.

2. "Asia" and "North America" are managed as geographic segments and amounts for individual countries are omitted due to the difficulty of classifying net sales to external customers in each country.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment in Japan exceeded 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information on major customers

(Million yen)

Customer name	Net sales	Related reportable segment
BANDAI NAMCO Entertainment Inc.	18,107	Film and video-related business and event-related business

Information on impairment losses for non-current assets in reportable segments

Fiscal year ended March 31, 2023

(Million yen)

	Reportable segments						Company-wide/eliminations	Total
	Film and video-related business	Entertainment-related business	Event-related business	Tourism real estate-related business	Architectural interior design business	Total		
Impairment losses	4	298	7	1,223	-	1,533	-	1,533

Fiscal year ended March 31, 2024

(Million yen)

	Reportable segments						Company-wide/eliminations	Total
	Film and video-related business	Entertainment-related business	Event-related business	Tourism real estate-related business	Architectural interior design-related business	Total		
Impairment losses	166	-	58	-	-	224	-	224

Amortization of goodwill and unamortized balance by reporting segment

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

Gain on bargain purchase by reporting segment

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

Related party information

1. Transactions with related parties

Fiscal year ended March 31, 2023

The information is omitted because it has little significance.

Fiscal year ended March 31, 2024

The information is omitted because it has little significance.

2. Notes on significant associated companies

Condensed financial information of major associates

In the fiscal year ended March 31, 2023, TV Asahi Holdings Corporation was a significant associated company, and its condensed financial information is as follows.

(Million yen)

	TV Asahi Holdings Corporation
	Fiscal year ended March 31, 2023
Total current assets	181,797
Total non-current assets	313,326
Total current liabilities	68,982
Total non-current liabilities	31,377
Total net assets	394,763
Net sales	304,566
Profit before income taxes	23,619
Profit attributable to owners of parent	16,603

In the fiscal year ended March 31, 2024, a significant associated company was TV Asahi Holdings Corporation, and its condensed financial information is as follows.

(Million yen)

	TV Asahi Holdings Corporation
	Fiscal year ended March 31, 2024
Total current assets	175,300
Total non-current assets	345,131
Total current liabilities	68,208
Total non-current liabilities	28,646
Total net assets	423,577
Net sales	307,898
Profit before income taxes	24,383
Profit attributable to owners of parent	17,138

(Per share information)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	3,434.50 yen	3,819.35 yen
Basic earnings per share	242.48 yen	225.68 yen

(Notes) 1. Diluted earnings per share was not presented because there was no dilution for the fiscal year.

2. The Company conducted a 5-for-1 share split of common shares on April 1, 2024. Net assets per share and basic earnings per share were calculated based on the assumption that the share split was conducted at the beginning of previous fiscal year.

3. In calculating net assets per share, the shares of the Company's stock held by the board incentive plan (BIP) trust are included in treasury shares that are deducted from the total number of shares issued at the end of the period. (146 thousand shares for the previous fiscal year and 143 thousand shares for the fiscal year under review) Also, in calculating earnings per share, the shares of the Company's stock held by the BIP trust are included in treasury shares that are deducted in the calculation of the average number of shares during the period. (90 thousand shares for the previous fiscal year and 144 thousand shares for the fiscal year under review)

3. Basis for calculating earnings per share is as shown below.

Item	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to owners of parent (million yen)	15,025	13,971
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent pertaining to common shares (million yen)	15,025	13,971
Average number of common shares outstanding during the period (thousand shares)	61,964	61,908

(Significant subsequent events)

(Redevelopment of Toei Hall (Head Office Building) and Relocation of Head Office)

The Company resolved at a meeting of the Board of Directors held on May 15, 2024 to redevelop the Toei Hall (head office building) and relocate the Head Office.

(1) Reasons for the redevelopment of the Toei Hall (head office building)

The Toei Hall, which opened in 1960, has served as the head office and directly operated movie theater for over 60 years. However, because of the aging of the building and facilities, substantial repair and renovation costs are expected if the building is to continue to be used. The decision was made to redevelop the property as an income-producing real estate to maximize its effective use.

This redevelopment is one of the specific measures of the Toei Group's Medium-to Long-term Vision Toei New Wave 2033.

(2) Details of the redevelopment of the Toei Hall (head office building)

1) Address

3-2-17, Ginza, Chuo-ku, Tokyo, Japan

2) Site area

1,100.81 m² (332.99 tsubo)

3) Application, development details, and development period

The Company will build a commercial facility with a hotel and retail stores. The development period is scheduled to be from 2025 to 2029.

(3) New head office location

1) Address

2-2-1, Kyobashi, Chuo-ku, Tokyo (in Kyobashi Edogrand building)

2) Relocation Date

Scheduled for summer 2025

(4) Impact on business performance

Related costs associated with the head office relocation are currently under examination.

(5) Other

The location of the head office in the Articles of Incorporation will remain unchanged as the new location is in the same ward.

5) Consolidated supplemental schedules

Borrowings schedule

Classification	Balance at beginning of period (million yen)	Balance at end of period (million yen)	Average interest rate (%)	Maturity
Short-term borrowings	350	240	0.5	-
Current portion of long-term borrowings	1,229	1,207	0.6	-
Current portion of lease liabilities	437	441	-	-
Long-term borrowings (excluding current portion of long-term borrowings)	13,987	12,779	0.5	2025 - 2037
Lease liabilities (excluding the current portion of lease liabilities)	1,034	855	-	2025 - 2032
Other interest-bearing debt / Employees' deposits received	224	215	0.6	-
Total	17,263	15,739	-	-

(Notes) 1. The average interest rate is the weighted average interest rate for the loan balance at the end of the fiscal year.

2. The average interest rate of lease liabilities is omitted because lease liabilities are calculated by including interest.

3. Long-term borrowings and lease liabilities (excluding the current portion of them) scheduled to be repaid within five years of the end of the fiscal year are as shown below.

(Million yen)

Classification	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years
Long-term borrowings	4,207	2,242	667	1,667
Lease liabilities	330	277	183	39

Schedule of asset retirement obligations

Because asset retirement obligations at the beginning and end of the fiscal year under review were less than one percent of the sum of liabilities and net assets at the beginning and end of the fiscal year under review, the schedule of asset retirement obligations is omitted.

(2) Other

Quarterly information in the fiscal year under review

(Year to date)	1st quarter	2nd quarter	3rd quarter	Fiscal year under review
Net sales (million yen)	43,063	86,618	128,386	171,345
Profit before income taxes (million yen)	8,389	18,364	27,103	35,410
Profit attributable to owners of parent (million yen)	4,199	7,142	10,782	13,971
Earnings per share (yen)	67.84	115.38	174.17	225.68

(Accounting period)	1st quarter	2nd quarter	3rd quarter	Fiscal year-end
Earnings per share (yen)	67.84	47.54	58.79	51.52

(Note) The Company conducted a 5-for-1 share 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 consolidated fiscal year under review.

2. Financial Statements, Etc.

(1) Financial Statements

1) Balance sheet

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	7,588	6,153
Notes receivable	5	1
Accounts receivable	*2 11,812	*2 12,297
Merchandise and finished goods	812	386
Work in process	2,435	4,871
Raw materials and supplies	751	462
Other	*2 1,825	*2 2,050
Allowance for doubtful accounts	(2)	(1)
Total current assets	25,227	26,221
Non-current assets		
Property, plant and equipment		
Buildings	*1 23,456	*1 22,862
Structures	355	304
Machinery and equipment	418	323
Land	*1 52,063	*1 52,063
Construction in progress	-	1,111
Other	1,341	1,077
Total property, plant and equipment	77,635	77,741
Intangible assets	326	320
Investments and other assets		
Investment securities	*1 33,401	*1 39,687
Shares of subsidiaries and associates	*1 21,095	*1 21,800
Long overdue accounts receivable	*2 1,680	*2 1,960
Prepaid pension costs	1,264	1,361
Other	*2 921	*2 1,330
Allowance for doubtful accounts	(1,474)	(1,871)
Total investments and other assets	56,889	64,267
Total non-current assets	134,851	142,329
Total assets	160,079	168,551

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	406	268
Accounts payable - trade	*2 8,248	*2 9,206
Short-term borrowings	*2 5,300	*1,*2 9,800
Current portion of long-term borrowings	*1,*2 4,207	1,207
Accounts payable - other	*2 4,738	*2 2,827
Income taxes payable	1,651	757
Advances received	407	423
Provision for bonuses	526	558
Contract liabilities	971	1,025
Other	*2 1,275	1,203
Total current liabilities	27,732	27,276
Non-current liabilities		
Long-term borrowings	*1,*2 16,987	*1,*2 15,779
Deferred tax liabilities	4,435	5,903
Deferred tax liabilities for land revaluation	7,943	7,943
Provision for retirement benefits	2,620	2,583
Provision for share awards for directors (and other officers)	102	190
Long-term guarantee deposits	*1,*2 5,921	*1,*2 5,704
Other	1,910	1,588
Total non-current liabilities	39,921	39,693
Total liabilities	67,654	66,970
Net assets		
Shareholders' equity		
Share capital	11,707	11,707
Capital surplus		
Legal capital surplus	5,297	5,297
Other capital surplus	8,575	8,575
Total capital surplus	13,872	13,872
Retained earnings		
Legal retained earnings	2,926	2,926
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	887	873
Retained earnings brought forward	45,183	49,729
Total retained earnings	48,997	53,529
Treasury shares	(7,582)	(7,578)
Total shareholders' equity	66,994	71,529
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,981	18,601
Revaluation reserve for land	11,449	11,449
Total valuation and translation adjustments, etc.	25,430	30,051
Total net assets	92,425	101,580
Total liabilities and net assets	160,079	168,551

2) Statement of income

(Million yen)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Net sales	*1	65,871	*1	55,846
Cost of sales	*1	46,298	*1	38,212
Gross profit		19,572		17,633
Selling, general and administrative expenses				
Personnel expense		4,702		4,648
Advertising expenses		3,029		3,048
Provision for bonuses		506		539
Retirement benefit expenses		81		181
Depreciation		408		558
Outsourcing expenses		1,802		2,035
Provision for allowance for doubtful accounts		295		396
Provision for retirement benefits for directors (and other officers)		19		
Provision for share awards for directors (and other officers)		102		97
Other		2,602		2,484
Total selling, general and administrative expenses	*1	13,551	*1	13,989
Operating profit		6,021		3,644
Non-operating income				
Interest and dividend income	*1	3,153	*1	4,042
Other		120		53
Total non-operating income		3,273		4,095
Non-operating expenses				
Interest expenses	*1	147	*1	144
Other		45		3
Total non-operating expenses		192		147
Ordinary profit		9,101		7,592
Extraordinary income				
Gain on sale of investment securities		2		133
Total extraordinary income		2		133
Extraordinary losses				
Dismantlement expense		12		121
Impairment losses		1,223		56
Loss on retirement of non-current assets		4		43
Loss on valuation of investment securities		-		32
Other		20		2
Total extraordinary losses		1,260		256
Profit before income taxes		7,843		7,469
Income taxes - current		1,920		1,410
Income taxes - deferred		(97)		(147)
Profit		6,021		6,207

Cost of sales statement

Classification	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Amount (million yen)	Component ratio (%)	Amount (million yen)	Component ratio (%)
I Film and video -related business				
(1) Film and video business				
Production cost	1,718		2,378	
Other cost	14,790		5,833	
Film and Video business cost	16,508		8,212	
(2) Television business				
Television business cost	6,908		4,922	
(3) Content business				
Content business cost	7,176		9,786	
(4) Other business				
Other business cost	6,792		4,662	
Total of Film and Video-related business cost	37,386	80.8	27,584	72.2
II Event-related business				
Event business cost	5,976	12.9	7,617	19.9
III Tourism real estate-related business				
1) Real estate releasing business				
Real estate releasing business cost	2,579		2,610	
2) Hotel business				
Hotel business cost	356		399	
Total of Tourism real estate-related business cost	2,935	6.3	3,010	7.9
Cost of sales	46,298	100.0	38,212	100.0

3) Statement of changes in equity
Fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	
Balance at beginning of period	11,707	5,297	8,575	13,872	2,926	902	39,861	43,690
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets						(14)	14	-
Dividends of surplus							(773)	(773)
Reversal of revaluation reserve for land							59	59
Profit							6,021	6,021
Purchase of treasury shares								
Disposal of treasury shares by stocks payment trust								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	(14)	5,321	5,307
Balance at end of period	11,707	5,297	8,575	13,872	2,926	887	45,183	48,997

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments, etc.	
Balance at beginning of period	(7,024)	62,245	14,902	11,508	26,411	88,656
Changes during period						
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Dividends of surplus		(773)				(773)
Reversal of revaluation reserve for land		59				59
Profit		6,021				6,021
Purchase of treasury shares	(557)	(557)				(557)
Disposal of treasury shares by stocks payment trust		-				-
Net changes in items other than shareholders' equity			(921)	(59)	(981)	(981)
Total changes during period	(557)	4,749	(921)	(59)	(981)	3,768
Balance at end of period	(7,582)	66,994	13,981	11,449	25,430	92,425

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	11,707	5,297	8,575	13,872	2,926	887	45,183	48,997
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets						(14)	14	-
Dividends of surplus							(1,675)	(1,675)
Reversal of revaluation reserve for land								
Profit							6,207	6,207
Purchase of treasury shares								
Disposal of treasury shares by stocks payment trust								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	(14)	4,545	4,531
Balance at end of period	11,707	5,297	8,575	13,872	2,926	873	49,729	53,529

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments, etc.	
Balance at beginning of period	(7,582)	66,994	13,981	11,449	25,430	92,425
Changes during period						
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Dividends of surplus		(1,675)				(1,675)
Reversal of revaluation reserve for land		-				-
Profit		6,207				6,207
Purchase of treasury shares	(5)	(5)				(5)
Disposal of treasury shares by stocks payment trust	9	9				9
Net changes in items other than shareholders' equity			4,620	-	4,620	4,620
Total changes during period	3	4,535	4,620	-	4,620	9,155
Balance at end of period	(7,578)	71,529	18,601	11,449	30,051	101,580

Notes

(Significant accounting policies)

(1) Valuation standards and methods for assets

1) Inventories

(i) Merchandise, finished goods and work in process

Stated at cost using the specific identification basis (the book value on the balance sheets is written down to reflect decreased profitability); provided, however, that finished goods related to films released within 6 months before the end of the fiscal year are recorded at 15% of the acquisition cost in accordance with the provisions of the Corporation Tax Act.

(ii) Raw materials and supplies

Stated at cost using the moving average method (the book value on the balance sheets is written down to reflect

decreased profitability).

2) Securities

(i) Shares of subsidiaries and associates

Stated at cost determined by the moving average method

(ii) Other securities

Securities other than shares, etc. without market prices

Market value method (Valuation differences are reported as a component of shareholders' equity and the cost of securities sold is calculated using the moving average method.)

Shares, etc. without market value

Stated at cost determined by the moving average method

(2) Depreciation method for non-current assets

1) Property, plant and equipment (excluding leased assets)

Declining balance method; provided, however, that large-scale rental assets, buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016, use the straight-line method.

The estimated useful lives of assets are principally as follows:

Buildings and structures: 2 to 65 years

Machinery and equipment: 2 to 15 years

2) Intangible assets (excluding leased assets)

Straight-line method

3) Leased assets

Leased assets relating to finance leases wherein ownership of the leased asset does not transfer to the lessee

The straight-line method on the assumption that the lease term is the useful life and residual value is zero.

(3) Accounting for allowances and reserves

1) Allowance for doubtful accounts

In case of possible losses caused by bad loans, the Company posts estimated uncollectible amounts in consideration of loan loss ratios for general claims and the collectability of specified claims, including possible bad debts.

2) Provision for bonuses

An estimated amount of bonuses to be paid to employees in the fiscal year under review is posted.

3) Provision for retirement benefits

To cover retirement benefits payments to employees, a provision is provided based on the amounts for the obligation for employees' retirement benefits and pension plan assets at the end of the fiscal year.

- Method of attributing the estimated amount of retirement benefits to the period

To calculate benefit liabilities, the estimated amount of retirement benefits is attributed up to the end of the fiscal year under review on a straight-line basis.

- Method of posting actuarial differences in expenses

Actuarial differences are posted in expenses from the fiscal year following their accruals based on proportional division through the straight-line method for a fixed number of years (12 years) within the average remaining years of service of employees at the time of accruals in each fiscal year.

4) Provision for share awards for directors (and other officers)

To prepare for the provision of shares to the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members, Outside Directors, and non-residents of Japan) and Executive Officers (excluding non-residents of Japan) according to the officers' share delivery regulations, the Company has reserved an amount based on the estimated share payment obligations at the end of the fiscal year under review.

(4) Standards for recognition of revenues and expenses

1) Film and video business

In film and video business, the Group mainly produces and distributes films and videos and licenses copyrights.

Theatrical films are produced by the so-called production committee system in principle, and the Group earns various types of revenue. The purpose of forming a production committee is to maximize revenue, with each production committee collecting investments from multiple business operators with expertise in the film business and each business operator taking charge of the business operations in their specialist business domain, such as the production, distribution and licensing of theatrical films.

In the case of production of a film where the Company takes charge of production under the production committee system, the Company deems that control is transferred and recognizes revenue at the point in time when the Company has held a prescreening of the completed film for each member of the production committee and the delivery and acceptance inspection are over. The consideration of a transaction related to film production is generally received within three months from the time of recognition of revenue.

The Group also provides theatrical film production services and television program production services as a contractor. Production of a film under a contract is judged to be a performance obligation satisfied over time, and revenue is recognized based on the degree of progress in satisfying the performance obligation. For contracts where it is difficult to reasonably estimate the degree of progress, the Group uses the cost recovery method and recognizes as revenue the amount of costs expected to be recovered at the time the performance obligation arises. For contracts with a very short production period, the Group applies the alternative handling prescribed in Paragraph 95 of the Implementation Guidance on Accounting Standard for Revenue Recognition and recognizes revenue at the point in time when the film material is delivered instead of recognizing revenue over time. The consideration of a transaction related to a production contract is received in installments as advances received, with the final installment generally received within three months from the time of delivery, in accordance with the terms and conditions of the contract.

Regarding distribution, the Group grants licenses to show its films mainly to cinema companies. Distribution revenue consisting of such licensing fees is a certain percentage of the cinema company's box office revenue, and the Group recognizes revenue based on a report of the box office revenue from the cinema company at the time the cinema company recognizes its box office revenue. The consideration of a transaction related to distribution is generally received within three months from the time of recognition of revenue.

In the case of copyright licensing, the Company grants customer various licenses (videogram rights, TV broadcasting rights, film and video distribution rights, merchandizing rights, etc.) related to its films. Since these licenses are right to use licenses, in the case where the license fee is a one-off payment only and in the case where the Group receives a minimum guaranteed amount which does not need to be returned, the Group recognizes revenue at the point in time when the customer becomes able to benefit from the license in principle, for example, reaching the license commencement date under the contract. In the case where the license fee is determined based on a certain percentage linked to the customer's sales, the Group recognizes revenue at the point in time when any uncertainty related to the license fee is dispelled based on a report from the customer, etc. In the case where the license fee is determined based on a certain percentage linked to the customer's sales, the Group recognizes revenue at the point in

time when any uncertainty related to the license fee is dispelled based on a report from the customer, etc. The consideration of a transaction related to copyright licensing is generally received within a year from the time of recognition of revenue.

In the case of production of a film or video under the production committee system, the lead company on the production committee provides various administrative services including safeguarding the rights to the film or video, collecting revenue from the other members and distributing it. In the case of production of a film or video under the production committee system, the lead company on the production committee provides various administrative services including safeguarding the rights to the film or video, collecting revenue from the other members and distributing it. In the case of production of a film or video under the production committee system, the lead company on the production committee provides various administrative services including safeguarding the rights to the film or video, collecting revenue from the other members and distributing it.

2) Event business

In event operations, the Group mainly plans and runs character shows and cultural events and recognizes revenue at the end of the events. In the case of the sale of related goods, the Group recognizes revenue when the products are delivered. The consideration of a transaction related to event operation is generally received within three months from the time of recognition of revenue.

3) Real estate business

The real estate business primarily involves the leasing of real estate and hotel management.

Leasing of real estate consists of the leasing of commercial facilities, etc. and revenues are recognized during leasing agreement periods in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007).

In hotel management, accommodation, banquets and restaurant services are provided to customers, and revenues are recognized at the time the services are provided to customers. Consideration of a transaction related to hotel management is generally received within one month from the time of the transaction.

(5) Hedge accounting methods

1) Hedge accounting methods

Because interest rate swaps meet requirements for special treatment, the special treatment is applied.

Designated hedge accounting is applied to certain monetary payables denominated in foreign currencies hedged by forward exchange that meet the requirements for designated hedge accounting.

2) Hedging methods and hedged transactions

Hedging method: Interest rate swaps and forward exchange contracts

Hedged items: Interest on loans payable, monetary payables denominated in foreign currencies

3) Hedging policy

The Company uses hedging to avoid foreign exchange fluctuation risk and interest-rate fluctuation risk.

4) Methods of assessing hedge effectiveness

Determination of the effectiveness of interest rate swaps is omitted because interest rate swaps meet the requirements for special treatment.

Determination of the effectiveness of forward exchange contracts is also omitted because forward exchange contracts to cover the same foreign currency amounts and the same maturities are allocated in accordance with the risk management policy at the time the contracts are entered into.

(6) Other significant matters that serve as the basis for the preparation of financial statements

Accounting method for retirement benefits

The accounting method for the untreated amount of unrecognized actuarial differences pertaining to retirement benefits is different from the accounting methods in consolidated financial statements.

(Significant accounting estimates)

Fiscal year ended March 31, 2023

Impairment losses on non-current assets

(1) Amounts recorded in the financial statements for the fiscal year ended March 31, 2023

Real estate leasing business* Impairment losses: 1,129 million yen, non-current assets: 6,480 million yen

Hotel business Impairment losses: 94 million yen, non-current assets: 2,732 million yen

* Impairment losses for theme park assets and some of rental assets owned by the Company

(2) Information about significant accounting estimates related to items identified

The information is the same as that stated in the Consolidated Financial Statements, Notes (Significant accounting estimates), Impairment losses on non-current assets.

Fiscal year ended March 31, 2024

Impairment losses on non-current assets

(1) Amounts recorded in the financial statements for the fiscal year under review

Real estate leasing business* Impairment losses: 56 million yen, non-current assets: 4,952 million yen

*The above represents non-current assets in the theme parks owned by the Company.

(2) Information about significant accounting estimates related to items identified

The information is the same as that stated in the Consolidated Financial Statements, Notes (Significant accounting estimates), 1. Impairment losses on non-current assets.

(Changes in presentation method)

(Statement of income)

"Sales commissions," which were separately posted under "Selling, general and administrative expenses" in the previous fiscal year, is included in "Other" from the fiscal year under review because they have become insignificant in monetary terms. "Sales commissions" in the previous fiscal year were 16 million yen.

"Provision for allowance for doubtful accounts," which was under "Other" of "Selling, general and administrative expenses" in the previous fiscal year is separately stated from the fiscal year under review, because it has become significant in monetary terms. "Provision of allowance for doubtful accounts" in the previous fiscal year was 295 million yen.

"Commission expenses," which were separately stated under "Non-operating expenses" in the previous fiscal year, are included in "Other" from the fiscal year under review because they became insignificant in monetary terms. "Commission expenses" in the previous fiscal year were 39 million yen.

"Dismantlement expenses," which were included in "Other" under "Extraordinary loss" in the previous fiscal year, are separately stated from the fiscal year under review because they became significant in monetary terms. "Dismantlement expenses" in the previous fiscal year were 12 million yen.

(Additional information)

(Performance-based stock compensation system)

Notes are omitted as the same information is included in the Consolidated Financial Statements "Additional information".

(Matters related to balance sheet)

*1. Assets pledged as collateral and collateralized loans

Assets pledged as collateral and collateralized loans are as follows.

(1) Assets pledged as collateral

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Buildings	8,896	8,922
Land	13,225	13,225
Investment securities	197	359
Shares of subsidiaries and associates	2,622	3,089
Total	24,942	25,595

(2) Collateralized loans

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Short-term borrowings	-	3,000
Current portion of long-term borrowings	3,000	-
Long-term borrowings	3,000	3,000
Long-term guarantee deposits	1,289	1,289
Total	7,289	7,289

*2 Main receivables and payables in relation to subsidiaries and associates (excluding those set down by classification)

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Short-term monetary receivables from subsidiaries and associates	2,517	2,024
Long-term monetary receivables from subsidiaries and associates	1,611	1,891
Short-term monetary payables to subsidiaries and associates	14,116	15,488
Long-term monetary payables to subsidiaries and associates	4,345	4,277

(Statements of income)

*1 Matters related to subsidiaries and associates

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	7,940	7,458
Cost of purchased goods	19,776	16,709
Selling, general and administrative expenses	3,574	3,436
Non-business transactions	2,368	3,349

(Securities)

Shares of subsidiaries and associates

As of March 31, 2023

(Million yen)

Classification	Balance sheet amount	Fair value	Difference
(1) Shares in subsidiaries	4,309	185,556	181,246
(2) Shares in associates	9,631	27,914	18,282
Total	13,940	213,470	199,529

As of March 31, 2024

(Million yen)

Classification	Balance sheet amount	Fair value	Difference
(1) Shares in subsidiaries	4,309	218,550	214,240
(2) Shares in associates	9,631	39,750	30,118
Total	13,940	258,300	244,359

(Note) Balance sheet amount of shares, etc. whose fair values are very difficult to estimate not included in the above

(Million yen)

Classification	As of March 31, 2023	As of March 31, 2024
Shares of subsidiaries	7,154	7,859
Total	7,154	7,859

(Tax effect accounting)

1. Breakdown of key factors contributing to deferred tax assets and deferred tax liabilities	(Million yen)	
	As of March 31, 2023	As of March 31, 2024
Deferred tax assets		
Provision for retirement benefits	1,189	1,148
Impairment losses	992	930
Allowance for doubtful accounts	454	575
Asset retirement obligations	224	220
Provision for bonuses	161	170
Provision for share awards for directors (and other officers)	31	58
Other	756	655
Subtotal of deferred tax assets	3,808	3,758
Valuation allowance	(1,246)	(1,066)
Total deferred tax assets	2,562	2,692
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(6,531)	(8,146)
Reserve for tax purpose reduction entry of non-current assets	(391)	(385)
Other	(74)	(63)
Total deferred tax liabilities	(6,998)	(8,595)
Deferred tax assets (liabilities), net	(4,435)	(5,903)

2. Major factors for the difference between statutory tax rate and effective income tax rate after the application of tax effect accounting

	As of March 31, 2023	As of March 31, 2024
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Items that are not permanently deductible, such as entertainment expenses	0.6%	0.5%
Items that are not permanently included in profits, such as dividend income	(7.8)%	(11.8)%
Inhabitant tax on a per capita basis, etc.	0.2%	0.2%
Change in valuation allowance	(0.8)%	(2.4)%
Other	0.4%	(0.2)%
Percentage of effective income tax rate after the application of tax effect accounting	23.2%	16.9%

(Notes to revenue recognition)

Information that becomes the basis of understanding revenue from contracts with customers is also included in “(4) Standards for recognition of revenues and expenses in Notes (Significant accounting policies).” Therefore, descriptions of Notes are omitted.

(Significant subsequent events)

(Company split involving consolidated subsidiary)

The Company resolved at a meeting of the Board of Directors held on January 22, 2024 to transfer the homevideo business (the “Business”) of the Company to Toei Video Co., Ltd., a consolidated subsidiary of the Company, through an absorption-type company split (the “Company-Split”). It concluded an absorption-type demerger agreement on the same day, and conducted the Company-Split as of April 1, 2024.

(1) Purpose of the Company Split

With stable management centered around the Company, the Group will continue to provide high-quality entertainment, including visual content, to the world, in line with its mission "Fill the world with stories that bring people joy." The purpose of the Company Split is to further develop the Business through respective consolidation of business resources of the two companies in order to achieve improvement of management efficiency.

(2) Outline of the Company Split

1) Schedule of the Company Split

Date of resolution by the Board of Directors : January 22, 2024

Date of conclusion of absorption-type company split agreement : January 22, 2024

Effective date : April 1, 2024

(Note) The Company will not hold a general shareholders’ meeting regarding the Company Split because it is a simplified company split for the Company as provided for in Paragraph 2, Article 784 of the Companies Act and does not require approval of general shareholders for the conclusion of the absorption-type split agreement.

2) Method of the Company Split

This will be an absorption-type split in which the Company will be the splitting company and Toei Video will be the succeeding company.

3) Share allotment relating to the Company Split

Toei Video Co., Ltd., the succeeding company, issued 642 shares of common stock as compensation for the Company-Split and allotted all the said shares to the Company, the split company.

4) Treatment of share acquisition rights and bonds with share acquisition rights arising from the Company Split

Not applicable.

5) Increase or decrease in capital stock as result of the Company Split

There will be no increase or decrease in share capital of the Company as a result of the Company Split.

6) Rights and obligations to be assumed by the succeeding company

When the Company Split is implemented, Toei Video will succeed to the Business operated by the Company and assets, liabilities and other rights and obligations and contractual status which the Company owns with regard to the Business, limited to those prescribed in the absorption-type split agreement as of the end of the preceding day of the effective date of the Company Split.

7) Prospect of fulfillment of debt obligations

The Company foresees no problems in the fulfillment of liabilities to be assumed by Toei Video on and after the effective date of the Company Split.

(3) Overview of the subject companies (as of March 31, 2024)

	Splitting company	Succeeding company
(1) Name	TOEI COMPANY, LTD.	Toei Video Co., Ltd.
(2) Head office location	3-2-17, Ginza Chuo-ku, Tokyo, Japan	1-12-22 Tsukiji, Chuo-ku, Tokyo, Japan
(3) Representative	Fumio Yoshimura, President & Chief Executive Officer	Yasuyuki Kaneko, President & Chief Executive Officer
(4) Line of business	Production, distribution, etc. of movies	Planning, production, reproduction, selling, rental, import, export, etc. of recorded or videotaped materials that use record, videotape, audiotape, film and any other media
(5) Share capital	11,707 million yen	27 million yen
(6) Established	October 1, 1949	November 7, 1972

(7)	Accounting period	March 31	March 31
(8)	Financial position and operating results of the immediately preceding fiscal year		
		TOEI COMPANY, LTD. (non-consolidated)	Toei Video Co., Ltd. (non-consolidated)
	Accounting period	As of March 31, 2024	As of March 31, 2024
	Net assets (million yen)	101,580	24,547
	Total assets (million yen)	168,551	35,955

(4) Outline of business to be split

1) Details of businesses to be split

Homevideo business

2) Results of the business to be split (as of March 31, 2024)

Net sales: 5,680 million yen

3) Items and amounts of the assets and liabilities to be split (As of March 31, 2024)

Assets		Liabilities	
Current assets	3,421 million yen	Current liabilities	3,135 million yen
Non-current assets	0 million yen	Non-current liabilities	285 million yen
Total	3,421 million yen	Total	3,421 million yen

(5) Status of the company after the Company Split

There will be no change in the name, location of head office, title or name of the representative person, business description, capital amount, and fiscal year end of the Company and Toei Video.

(6) Outline of accounting treatment implemented

The transaction was treated as one under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

(Redevelopment of head office building and relocation of head office)

Notes are omitted as the same information is included in “Notes (important subsequent events)” of the consolidated financial statements.

4) Supplementary schedules

Itemized account of property, plant and equipment, etc.

(Million yen)

Classification	Asset type	Balance at beginning of period	Increase during period	Decrease during period	Amortization of goodwill	Balance at end of period	Accumulated depreciation
Property, plant and equipment	Buildings	23,456	771	84 (48)	1,281	22,862	38,610
	Structures	355	6	8 (7)	49	304	2,355
	Machinery and equipment	418	33	0 (0)	128	323	2,725
	Land	52,063 <19,393>	-	- (-)	-	52,063 <19,393>	-
	Construction in progress	-	1,111	-	-	1,111	-

Classification	Asset type	Balance at beginning of period	Increase during period	Decrease during period	Amortization of goodwill	Balance at end of period	Accumulated depreciation
	Other	1,341	146	5 (-)	404	1,077	2,324
	Total	77,635	2,068	99 (56)	1,864	77,741	46,015
Intangible assets	Intangible assets	326	81	0 (-)	87	320	-

(Notes) 1. A major component of “Increase during the fiscal year under review” was construction costs under “Construction in progress” related to the development of condominiums for lease.

2. The numbers in the parenthesis attached to “Decrease during period” represent the amounts posted as impairment losses.

3. The figures in angle brackets in the “Land” section represent the difference compared with book value before revaluation of land implemented pursuant to the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998). “Decrease during the fiscal year ended March 31, 2024” represents amount of impairment loss recognized.

Itemized account of allowances

(Million yen)

Classification	Balance at beginning of period	Increase during period	Decrease during period	Balance at end of period
Allowance for doubtful accounts	1,477	398	2	1,872
Provision for bonuses	526	558	526	558
Provision for share awards for directors (and other officers)	102	97	9	190

(2) Details of Major Assets and Liabilities

The presentation of this information is omitted due to the ongoing preparation of consolidated financial statements.

(3) Other

Not applicable.

VI. Stock Information of the Reporting Company

Fiscal year	From April 1 to March 31																	
Ordinary General Meeting of Shareholders	Late June																	
Record date	March 31																	
Record date for distribution of dividends of surplus	September 30 and March 31																	
Number of shares constituting one unit	100 shares																	
Purchase and addition of odd-lot shares	<p>(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust Banking Corporation Stock Transfer Agency Department</p> <p>(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation</p> <p>Forward office -</p> <p>Fees for purchasing and adding Free of charge</p>																	
Method of public notice	<p>Public notices are posted electronically. However, if the Company is unable to issue its public notices electronically due to accidents or for any other unavoidable reasons, it shall issue such public notices in the Nihon Keizai Shimbun.</p> <p>The electronic notices are posted on the Company's website at the following address. (EN) https://www.toei.co.jp/en/ (JP) https://www.toei.co.jp/</p>																	
Special benefit for shareholders (Shareholder benefit for shareholders who are registered or recorded in the shareholder register as of Monday, September 30, 2024)	<p>The Company issues shareholder coupons based on the following standards.</p> <p>1. Number of coupons issued</p> <table border="1"> <thead> <tr> <th>Threshold number of shares</th> <th>Special QUO card (issued on a yearly basis) Record date End of March</th> <th>Number of coupons issued (issued on a half-yearly basis) Record date End of March and September</th> </tr> </thead> <tbody> <tr> <td>100 shares or more</td> <td>Equivalent to 1,000 yen</td> <td>-</td> </tr> <tr> <td>500 shares or more</td> <td>Equivalent to 1,000 yen</td> <td>1 book of 6 coupons</td> </tr> <tr> <td>1,000 shares or more</td> <td>Equivalent to 1,000 yen</td> <td>2 books of 6 coupons</td> </tr> </tbody> </table> <p>3. Shareholder benefit designated theaters (facilities) 24 designated movie theaters nationwide and Toei Kyoto Studio Park</p> <p>4. <Content of long-term shareholders special benefit plan> In addition to the special benefit described in (2), the Company will prepare the long-term shareholders special benefit plan to present TOKYO or KYOTO STUDIOS tours, goods or others (with recipients to be chosen by lot out of applicants) to shareholders holding no less than one unit (100 shares) who are registered or recorded on the shareholder registry as of the end of March and September every year at least three consecutive times under the same shareholder numbers.</p> <table border="1"> <thead> <tr> <th>Threshold number of shares</th> <th>Content of long-term shareholders special benefit plan</th> </tr> </thead> <tbody> <tr> <td>100 shares or more</td> <td>TOKYO or KYOTO STUDIOS tours, goods or others (to be chosen by lot out of applicants)</td> </tr> </tbody> </table> <p>The shareholding period for eligible shareholders for the long-term shareholders special benefit plan will be judged retrospectively from September 30, 2024.</p>		Threshold number of shares	Special QUO card (issued on a yearly basis) Record date End of March	Number of coupons issued (issued on a half-yearly basis) Record date End of March and September	100 shares or more	Equivalent to 1,000 yen	-	500 shares or more	Equivalent to 1,000 yen	1 book of 6 coupons	1,000 shares or more	Equivalent to 1,000 yen	2 books of 6 coupons	Threshold number of shares	Content of long-term shareholders special benefit plan	100 shares or more	TOKYO or KYOTO STUDIOS tours, goods or others (to be chosen by lot out of applicants)
Threshold number of shares	Special QUO card (issued on a yearly basis) Record date End of March	Number of coupons issued (issued on a half-yearly basis) Record date End of March and September																
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Threshold number of shares	Content of long-term shareholders special benefit plan																	
100 shares or more	TOKYO or KYOTO STUDIOS tours, goods or others (to be chosen by lot out of applicants)																	

(Note) The Articles of Incorporation of the Company stipulate that shareholders of the Company may not exercise rights other than those listed below concerning their odd-lot shares.

- (1) The rights specified in the items of Article 189, Paragraph 2 of the Companies Act
- (2) The right to make a claim as specified in Article 166, Paragraph 1 of the Companies Act
- (3) The right to receive an allotment of shares for subscription and an allotment of share acquisition rights according to the number of shares held by shareholders
- (4) The right to demand the sale of units of shares, including the shares less than one unit that the shareholder holds

VII. Reference Information on the Reporting Company

1. Information on Parent Entities of the Reporting Company

The Company has no parent company, etc.

2. Other Reference Information

The Company submitted the following documents between the first day of the fiscal year under review and the day of submitting the securities report.

(1)	Annual Securities Report and documents attached, and Representation from Management	Fiscal year (100th term)	(April 1, 2022 – March 31, 2023)	Submitted to the Director-General of Kanto Local Finance Bureau on June 30, 2023
(2)	Revised annual securities report and documents attached, and Representation from Management	Fiscal year (100th term)	(April 1, 2022 – March 31, 2023)	Submitted to the Director-General of Kanto Local Finance Bureau on July 11, 2023
(3)	Internal Control Report	Fiscal year (100th term)	(April 1, 2022 – March 31, 2023)	Submitted to the Director-General of Kanto Local Finance Bureau on June 30, 2023.
(4)	Quarterly Report and Representation from Management	First quarter of 101st term	(April 1, 2023 – June 30, 2023)	Submitted to the Director-General of Kanto Local Finance Bureau on August 10, 2023.
		Second quarter of 101st term	(July 1, 2023 – September 30, 2023)	Submitted to the Director-General of Kanto Local Finance Bureau on November 14, 2023.
		Third quarter of 101st term	(October 1, 2023 – December 31, 2023)	Submitted to the Director-General of Kanto Local Finance Bureau on February 14, 2024.
(5)	Extraordinary Report	An extraordinary report pursuant to the provisions of Item (ix)-2 (result of exercising voting rights at the general meeting of shareholders), Article 19, Paragraph (2) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc.		Submitted to the Director-General of Kanto Local Finance Bureau on June 30, 2023.

An extraordinary report pursuant to the provisions of Item (vii) (absorption-type Company Split), Article 19, Paragraph (2) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc.

Submitted to the Director-General of Kanto Local Finance Bureau on January 22, 2024.

Part II. Information Concerning Guarantors of the Reporting Company

Not applicable.

Independent Auditors' Audit Report and Internal Control Audit Report

June 27, 2024

Toei Company, Ltd.
To the Board of Directors

Ernst & Young ShinNihon LLC.
Tokyo office

Masahiro Okonogi Certified public accountant
Designated Limited Liability Partner / Managing Partner

Daisuke Ishida Certified public accountant
Designated Limited Liability Partner / Managing Partner

Audit of Financial Statements

Audit opinion

To conduct audit certification as prescribed in the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Toei Company, Ltd. for the consolidated fiscal year from April 1, 2023 to March 31, 2024 included in the Financial Information, namely, the consolidated balance sheet, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, significant matters that serve as the basis for the preparation of consolidated financial statements, other notes and consolidated supplementary schedules.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Toei Company, Ltd. and its consolidated subsidiaries as of March 31, 2024, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles for consolidated financial statements generally accepted in Japan.

Basis for auditor's opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethical regulations that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Major considerations in auditing

The major considerations in auditing are matters that the auditor as a professional considers particularly important in the audit of the consolidated financial statements for the consolidated fiscal year under review. The major considerations in auditing are matters that the auditor took into consideration in the process of auditing consolidated financial statements as a whole and the formation of the auditor's opinions. The auditor does not express any opinions about individual matters.

Revenue recognition (existence of net sales regarding copyright licensing of visual content and the appropriateness of recording net sales in the proper period)	
Major considerations in auditing and reasons why they are major considerations	How our audit addressed the issues
<p>The Company conducts with customers transactions involving copyright licensing regarding visual content held by the Group, including videogram rights, television broadcasting rights, film and video distribution rights, commercialization rights and various other rights.</p> <p>As stated in 1. Information on breakdown of revenue generated from contracts with customers, Notes to consolidated financial statements (Notes to revenue recognition) of the fiscal year under review, net sales from transactions of copyright licensing of visual content were 84,156 million yen, comprising 49% of net sales in the consolidated income statement.</p> <p>As stated in (5) Accounting standards for significant revenues and expenses, 4. Matters concerning accounting policy, (Significant matters that serve as basis for preparation of consolidated financial statements), in the case of copyright licensing regarding visual content, if such licensing means granting the right to use and if licensing fee is a one-off payment only or if the Company receives a minimum guaranteed amount which does not need to be returned, the Company recognizes revenue at the point in time when the customer, who is a licensee, becomes able to benefit from the license, for example, on reaching the license commencement date under the relevant contract. In the case where the license fee is determined based on a certain percentage linked to the customer's sales, the Group recognizes revenue at the point in time when any uncertainty related to the license fee is dispelled based on a report from the customer, etc.</p> <p>As transactions of copyright licensing regarding visual content are based on contracts with various details due to the diverse media used for copyright, each contract has different performance obligations and a different time framework in which performance obligations are satisfied. Accordingly, there may be discrepancies in posting the amounts of net sales and the time of posting sales.</p> <p>Based on the above, we considered that reviews of the existence of net sales from transactions of copyright licensing regarding visual content and the appropriateness of recording net sales in the proper period are particularly important for the fiscal year under review and fall under major considerations in auditing.</p>	<p>In considering the existence of net sales from transactions involving copyright licensing regarding visual content and the appropriateness of recording net sales in the proper period, we mainly performed the following audit procedures.</p> <p>(1) Evaluation of internal controls</p> <p>We mainly evaluated the status of the development and operation of the following internal controls with respect to operational processes for transactions involving copyright licensing related to visual content.</p> <p>Control under which managers of departments issuing slips confirm and approve that net sales are posted at the time when performance obligations under the relevant contract regarding copyright licensing is satisfied in accordance with the relevant contract, which we evaluated by comparison with the said contract and other evidentiary documents.</p> <p>(2) Reviews of the existence of net sales regarding the copyright licensing of visual content and the appropriateness of recording net sales in the proper period</p> <ul style="list-style-type: none"> - For all transactions that exceed certain thresholds and transactions with new business partners that exceed certain thresholds, we reviewed whether net sales were posted at the time the performance obligation under the relevant contract regarding copyright licensing was satisfied, that amounts posted are valid and that the cost of sales corresponding to sales was posted by inspecting the relevant contracts and other evidentiary documents. - Of the negative figures in the list of net sales in the accounting treatment for a certain period of the next fiscal year, we inspected evidentiary documents for transactions that exceed certain thresholds and examined if there were any net sales that should have been cancelled and treated them as net sales of the fiscal year under review. - Regarding the balance of accounts receivable-trade, we implemented procedures to confirm the balances of accounts receivable-trade of customers that exceed certain thresholds. In addition, for transactions that exceed certain thresholds for the period between the base date for confirmation of the balance and the end of a fiscal period, we reviewed the existence of accounts receivable-trade by inspecting contracts regarding copyright licensing and other evidentiary documents and payment vouchers.

Other information

Other information is information included in the annual securities report which is not covered by the consolidated financial statements and non-consolidated financial statements as well as their audit reports. Management is responsible for the preparation and disclosure of the other information. In addition, the Auditors and Board of Company Auditors are responsible for overseeing the Directors' performance of their duties in the development and operation of the reporting process of the other information.

The subject of the audit opinion on the consolidated financial statements does not include other information, and we do not express an opinion on the other information.

Our responsibilities in auditing the consolidated financial statements are to read through the other information to consider whether there is any major differences between the other information and the consolidated financial statements or the knowledge that we acquire in the process of the audit, and to pay attention to any signs of material errors in information other than those major differences.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have no matters to report with respect to the other information.

Responsibilities of the management and the Auditors and Board of Company Auditors pertaining to consolidated financial statements

Management is responsible for the preparation and appropriate presentation of consolidated financial statements in

accordance with the generally accepted accounting principles of Japan. Such responsibilities include the establishment and implementation of internal control that management determines is necessary for the preparation and appropriate presentation of consolidated financial statements that are free of any material misstatements due to frauds or errors.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the generally accepted accounting principles of Japan.

The responsibilities of the Auditors and Board of Company Auditors lie in monitoring the Directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit as below:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. These audit procedures are selected and performed, depending on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to assess the risk and design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. The auditor's conclusions are based on audit evidence obtained on or before the audit report date, but the risk remains that the company is unable to survive as a going concern due to matters or circumstances in the future.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with auditing standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by the auditing standards to the Auditors and Board of Company Auditors.

We report to the Audit & Supervisory Committee in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

We define those matters discussed with the Auditors and Board of Company Auditors which are deemed particularly important in the audit of the consolidated financial statements for the consolidated fiscal year under review as key issues of the audit and state them in the audit report. However, we do not state the matters in the case where publication of these matters is prohibited by laws, ordinances or suchlike or in the very rare case that we judge that they should not be reported on the grounds of reasonably expected disadvantages from the reporting in the audit report that would exceed the public interest.

Internal Control Audit

Audit opinion

To provide audit certification as provided for in Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we have audited the internal control report of Toei Company, Ltd. dated March 31, 2024.

We consider that the aforementioned internal control report, in which Toei Company, Ltd. indicates that effective internal control is maintained pertaining to financial reporting as of March 31, 2024, properly reflects the evaluation results of internal control over financial reporting in all important respects, in compliance with internal control evaluation standards for financial reporting that are generally considered fair and reasonable in Japan.

Basis for auditor's opinion

We have conducted the internal control audit in accordance with internal control audit standards over financial reporting that are generally considered fair and reasonable in Japan. Our responsibilities under the auditing standards for internal control over financial reporting are further described in the "Auditor's responsibilities for the audit of internal control" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethical regulations that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management and Board of Company Auditors for the internal control report

Management is responsible for the establishment and implementation of internal control as it pertains to financial reporting, as well as the preparation and appropriate presentation of internal control reports, in accordance with internal control evaluation standards over financial reporting that are considered generally fair and reasonable in Japan.

Board of Company Auditors are responsible for overseeing and examining the design and operation of internal control over financial reporting.

It may not be possible, however, to fully prevent or identify the presentation of misstatements due to internal control over financial reporting.

Auditor's responsibilities for the audit of internal control

Our responsibilities are to obtain reasonable assurance about whether the internal control report is free from material misstatement based on our audit of internal control and to issue an audit report that includes our opinion.

As part of our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit as below:

- Perform procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. The procedures for the audit of the internal control report are selected and performed, depending on the auditor's judgment, based on significance of effect on the reliability of financial reporting.
- Evaluate the overall presentation of the internal control report, including the appropriateness of the scope, procedures and result of the assessments that management presents.
- Obtain sufficient and appropriate audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision and performance of the audit of the internal control report. We remain solely responsible for our audit opinion.

We communicate with Board of Company Auditors regarding the planned scope and timing of our audit of internal control, the results thereof, material weaknesses in internal control identified during our audit of internal control and those that were remediated, and other matters specified by the internal control standards.

We report to the Audit & Supervisory Committee in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

<Information related to compensation>

Fees paid to persons belonging to the same network as our accounting auditor or an accounting firm we use for audits and attestation services of the Company and its subsidiaries and non-audit services are stated under (3) "Audits," "Corporate governance," "Company submitting the securities report."

Conflicts of interest

There is no conflict of interest between the Company and its consolidated subsidiaries and us or its engagement partners which should be disclosed under the provisions of the Certified Public Accountants Act.

End

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- *1. The original of the above audit report is kept by the Company (a company that submits securities reports), separately.
 2. XBRL data are not within the scope of audits.

Independent Auditors' Report

June 27, 2024

Toei Company, Ltd.
To the Board of Directors

Ernst & Young ShinNihon LLC.
Tokyo office

Masahiro Okonogi Certified public accountant
Designated Limited Liability Partner / Managing Partner

Daisuke Ishida Certified public accountant
Designated Limited Liability Partner / Managing Partner

Audit opinion

To conduct the audit certification as prescribed in the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we audited the financial statements of Toei Company, Ltd. for the 101st term starting from April 1, 2023 to March 31, 2024 included in the Financial Information, namely, the balance sheet, the statement of income, the statement of changes in equity, significant accounting policies, other notes and the supplementary schedules.

We consider that the aforementioned financial statements properly reflect the financial position of Toei Company, Ltd. as of March 31, 2024, and its financial results in the fiscal year that ended on the same day, in all important respects, in compliance with accounting standards that are generally considered fair and reasonable in Japan.

Basis for auditor's opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Major considerations in auditing

The major considerations in auditing are matters that the auditor as a professional considers particularly important in the audit of the financial statements for the fiscal year under review. The major considerations in auditing are matters that we take into consideration in the process of the audit of the entire financial statements and the formation of our opinions. We do not express any opinions about such matters separately.

The existence of net sales regarding copyright licensing of visual content and the appropriateness of recording net sales in the proper period

The information is omitted as it is essentially the same as Major considerations in auditing (The existence of net sales regarding copyright licensing of visual content and the appropriateness of recording net sales in the proper period) included in the audit report for the consolidated financial statements.

Other information

Other information is information included in the annual securities report which is not covered by the consolidated financial statements and non-consolidated financial statements as well as their audit reports. Management is responsible for the preparation and disclosure of the other information. In addition, Board of Company Auditors are responsible for overseeing the Directors' performance of their duties in the development and operation of the reporting process of the other information.

The subject of the audit opinion on the financial statements does not include other information, and we do not express an opinion on the other information.

Our responsibilities in auditing financial statements are to read through the other information to consider whether there are any major differences between the other information and financial statements or the knowledge that we acquire in the process of the audit, and to pay attention to any signs of material errors in information other than those major differences.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are

required to report that fact.

We have no matters to report with respect to the other information.

Responsibilities of the management and Board of Company Auditors pertaining to financial statements

Management is responsible for the preparation and appropriate presentation of financial statements in accordance with the generally accepted accounting principles of Japan. Such responsibilities include the establishment and implementation of internal control that management determines is necessary for the preparation and appropriate presentation of financial statements that are free of any material misstatements due to frauds or errors.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the generally accepted accounting principles of Japan.

The responsibilities of Board of Company Auditors lie in monitoring the Directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit as below:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. These audit procedures are selected and performed, depending on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to assess the risk and design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. The auditor's conclusions are based on audit evidence obtained on or before the audit report date, but the risk remains that the company is unable to survive as a going concern due to matters or circumstances in the future.
- Evaluate whether the presentation and disclosures in the financial statements are in accordance with auditing standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We report the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by the auditing standards to Board of Company Auditors.

We report to the Audit & Supervisory Committee in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

We define those matters discussed with Board of Company Auditors which are deemed particularly important in the audit of the financial statements for the fiscal year under review as key issues of the audit and state them in the audit report. However, we do not state the matters in the case where publication of these matters is prohibited by laws, ordinances or suchlike or in the very rare case that we judge that they should not be reported on the grounds of reasonably expected disadvantages from the reporting in the audit report that would exceed the public interest.

<Information related to compensation>

Information regarding compensation is stated in the audit report in the consolidated financial statements.

Conflicts of interest

Neither we nor our engagement partners have any interest in the Company that should be disclosed pursuant to the provisions

of the Certified Public Accountants Act of Japan.

End

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- *1. The original of the above audit report is kept by the Company (a company that submits securities reports), separately.
 2. XBRL data are not within the scope of audits.

Cover Page

Document filed: Internal Control Reports
Applicable law: Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act
Filed with: Director, Kanto Local Finance Bureau
Filing date: June 28, 2024

Company name: TOEI COMPANY, LTD.
Name and title of representative: Fumio Yoshimura, President & Chief Executive Officer
Name and title of Chief Financial Officer: Not applicable.
Address of head office: 3-2-17, Ginza, Chuo-ku, Tokyo
Place for public inspection: Tokyo Stock Exchange, Inc.
(2-1 Nihonbashikabutocho, Chuo-ku, Tokyo)

1. Matters Relating to the Basic Framework for Internal Control over Financial Reporting

Mr. Fumio Yoshimura, President and Chief Executive Officer, is responsible for the development and operation of internal control over financial reporting at the Company and its consolidated subsidiaries (the “Group”).

The Group develops and operates internal controls over financial reporting in accordance with “Revision of the standards for the assessment and audits of internal control in connection with the Standards for Management Assessment and Audit concerning Internal Control over Financial Reporting and the Internal Control over Financial Reporting (Opinion).”

Internal control seeks to achieve its goals within a reasonable range through the organic combination of the basic elements of internal control that function in an integrated way. It is, therefore, possible that the Group will not be able to completely prevent or detect false statements in financial reports due to the limitations of internal control, for example, if internal control stops functioning effectively as a result of collusion by more than one person in charge or if the Group does not always adapt to changes in the internal or external environment that were not initially anticipated.

2. Matters Relating to Scope of Assessment, Record Date, and Assessment Procedures

The assessment of internal control over financial reporting was conducted with a record date of March 31, 2024, which was the last day of the fiscal year under review, in accordance with assessment standards for internal control over financial reporting generally accepted as fair and appropriate.

In this assessment, based on the results of the evaluation of internal control (company-wide internal control) which significantly impacts financial reporting on a consolidated basis as a whole, the operational processes to be assessed were selected. In the assessment of operational processes, the selected operational processes were analyzed, based on which key points of control that seriously affect the reliability of financial reporting were identified, and the maintenance and operational status of these key control points were evaluated to assess the effectiveness of the internal control.

The scope of the assessment of internal control over financial reporting including the Company, its consolidated subsidiaries, and its equity method affiliates was determined from the viewpoint of the materiality of the effect on the reliability of financial reporting. The materiality of the effect on the reliability of financial reporting was determined taking into account the monetary and qualitative impacts. Based on the results of the assessment of company-wide internal control, the scope of the assessment of internal control over operational processes was rationally determined. Consolidated subsidiaries that are judged to be insignificant in monetary and qualitative terms are not included in the scope of the assessment of company-wide internal control.

Concerning the scope of the assessment of internal control over operational processes, taking into consideration the relation of each business unit with the Company’s main film and video-related business and not only net sales but also the profit margin, seven business sites that accounted for approximately two-thirds of consolidated net sales were designated as significant business sites. At the selected significant business sites, mainly operational processes leading to accounts that are significantly related to the Group’s business purposes, namely net sales, accounts receivable-trade and inventories were assessed. In addition to the selected significant business sites, operational processes related to important accounts which have a high possibility of material misstatements and which involve estimations and projections, as well as operational processes related to business sites involved in high-risk transactions, have been added to the scope of the assessment, taking into account their impact on financial reporting.

3. Matters Relating to the Results of the Assessment

As a result of implementation of the above assessment procedure, the Group’s internal control over financial reporting was judged to be effective as of March 31, 2024.

4. Supplementary Matters

Not applicable.

5. Special Notes

Not applicable.

Cover Page

Document filed: Representation from Management
Applicable law: Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act
Filed with: Director, Kanto Local Finance Bureau
Filing date: June 28, 2024

Company name: TOEI COMPANY, LTD.
Name and title of representative: Fumio Yoshimura, President & Chief Executive Officer
Name and title of Chief Financial Officer: Not applicable.
Address of head office: 3-2-17, Chuo-ku, Tokyo
Place for public inspection: Tokyo Stock Exchange, Inc.
(2-1 Nihonbashikabutocho, Chuo-ku, Tokyo)

1. Matters Related to the Appropriateness of the Content of the Annual Securities Report

Mr. Fumio Yoshimura, President and Chief Executive Officer of the Company confirmed that the content of the Annual Securities Report for the Company's 101st Term (from April 1, 2023 to March 31, 2024) was appropriate in accordance with the Financial Instruments and Exchange Act.

2. Special Notes

There is nothing of note to report regarding representation.