

Annual Securities Report

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

Fiscal year: From April 1, 2024
(102nd term) to March 31, 2025

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 25, 2025, 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 25, 2025
Fiscal year:	102nd term (From April 1, 2024 to March 31, 2025)
Company name	TOEI COMPANY, LTD.
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Address of head office:	3-2-17, Ginza, Chuo-ku, Tokyo
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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		98th term	99th term	100th term	101st term	102nd term
Fiscal year		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	*million yen	107,648	117,539	174,358	171,345	179,922
Ordinary profit	*million yen	18,716	23,303	40,172	35,317	39,992
Profit attributable to owners of parent	*million yen	7,284	8,977	15,025	13,971	15,722
Comprehensive income	*million yen	24,771	19,299	25,989	38,816	45,468
Net assets	*million yen	244,133	261,127	283,172	316,230	354,323
Total assets	*million yen	324,197	348,561	379,889	411,406	463,639
Net assets per share	*yen	3,067.67	3,235.25	3,434.50	3,819.35	4,274.51
Basic earnings per share	*yen	116.75	144.66	242.48	225.68	253.96
Diluted earnings per share	*yen	—	—	—	—	—
Equity ratio	*%	58.7	57.6	56.0	57.5	57.1
Return on equity	*%	4.0	4.6	7.3	6.2	6.3
Price-earnings ratio	*times	40.9	23.4	14.2	16.7	19.9
Cash flows from operating activities	*million yen	1,767	14,479	27,323	22,076	33,646
Cash flows from investing activities	*million yen	(7,801)	(17,860)	(7,815)	(9,805)	(17,466)
Cash flows from financing activities	*million yen	5,441	(3,403)	(6,599)	(7,542)	(4,620)
Cash and cash equivalents at end of period	*million yen	63,364	57,390	71,315	77,929	88,987
Number of employees		1,371	1,456	1,488	1,532	1,764
< Additionally, average number of temporary employees >	*persons	< 616 >	< 654 >	< 576 >	< 563 >	< (479) >

(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 98th term
- The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard"), etc. since the beginning of the fiscal year under review. Major management indicators for the previous fiscal year have been adjusted to reflect the application of these accounting standards. The Group applies the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). Accordingly, major management indicators for the fiscal year under review reflect the application of the revised standards.
- In the past, the number of employees was calculated excluding temporary employees. As of the 102nd term, temporary employees are included in the calculation. In addition, numbers of employees shown for the 101st term and previous fiscal years have also been recalculated based on the same standard.

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

Fiscal term		98th term	99th term	100th term	101st term	102nd term
Fiscal year		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	*million yen	32,313	37,754	65,871	55,846	44,372
Ordinary profit	*million yen	1,832	2,979	9,101	7,592	4,921
Profit	*million yen	1,431	2,243	6,021	6,207	4,219
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	73,844,545
Net assets	*million yen	85,433	88,656	92,425	101,580	115,159
Total assets	*million yen	146,608	150,812	160,079	168,551	182,224
Net assets per share	*yen	1,325.65	1,375.71	1,437.48	1,579.86	1,790.96
Dividends per share		60	60	130	135	18
< Interim dividends per share >	*yen	<30>	<30>	<30>	<30>	<6>
Basic earnings per share	*yen	22.22	34.81	93.57	96.54	65.62
Diluted earnings per share	*yen	—	—	—	—	—
Equity ratio	*%	58.3	58.8	57.7	60.3	63.2
Return on equity	*%	1.7	2.6	6.7	6.4	3.9
Price-earnings ratio	*times	215.1	97.4	36.7	39.0	77.1
Dividend payout ratio	*%	54.0	34.5	27.8	28.0	27.4
Number of employees		381	401	412	424	434
< Additionally, average number of temporary employees >	*persons	<35>	<41>	<30>	<20>	<19>
Total shareholder return	*%	176.6	125.9	128.3	141.4	190.0
< Comparison index: TOPIX including dividends >	*%	<113.6>	<115.9>	<122.6>	<173.3>	<170.6>
Stock price high	*yen	24,230	25,180	20,140	3,995 <21,740>	6,530
Stock price low	*yen	12,590	15,110	16,100	3,745 <16,920>	3,375

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

- 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 dividend per share of 12 yen in the end of period included in 18 yen for the fiscal year is to be the agenda of resolutions at the Ordinary General Meeting of Shareholders on June 27, 2025.
- The dividend per share of 18 yen for the fiscal year ended March 31, 2025 includes a special dividend of 6 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 angle brackets.
- 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 98th term. Total shareholder return is calculated taking the effect of the share split into account.
- The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022;

hereinafter referred to as the "2022 Revised Accounting Standard"), etc. since the beginning of the fiscal year under review. Major management indicators for the previous fiscal year have been adjusted to reflect the application of these accounting standards. In addition, we have applied the transitional treatment specified in the proviso of Article 20-3 of the 2022 Revised Accounting Standard. Accordingly, major management indicators for the fiscal year under review reflect the application of the revised standards.

12. In the past, the number of employees was calculated excluding temporary employees. As of the 102nd term, temporary employees are included in the calculation. In addition, numbers of employees shown for the 101st term and previous fiscal years have also been recalculated based on the same standard.

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. 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 and the sales of DVDs and Blu-Ray discs. 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

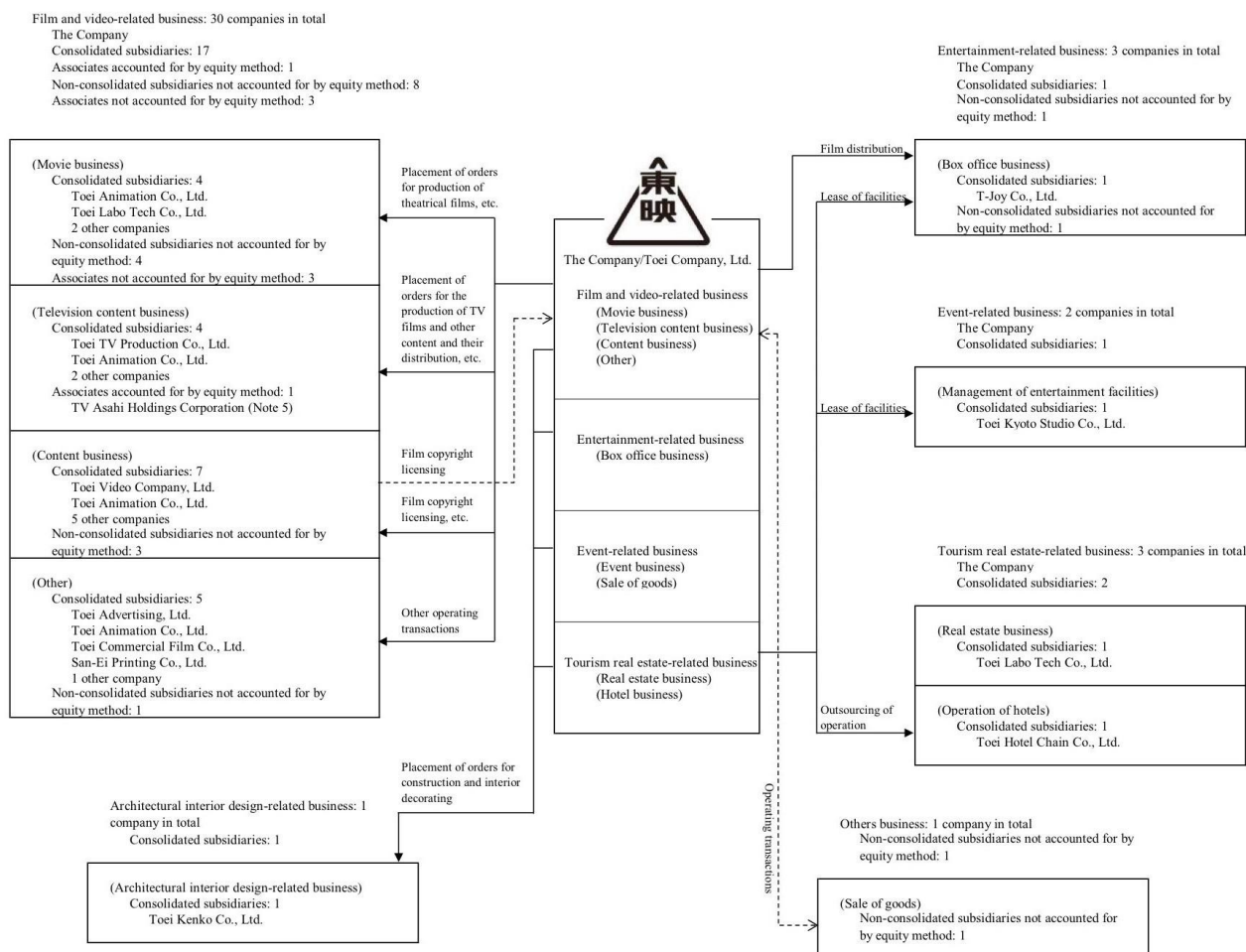
Toei Kenko Co., Ltd., which is a consolidated subsidiary of the Company, undertakes construction work and contract interior decoration.

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 (62.2)	Licensee of home entertainment 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 (0.0)	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	73.7 (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	36,710	Film and video-related business	19.7 (2.1)	Officers serving concurrent positions: 2

(Notes) 1. 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, 2025

Segment	Number of employees	
Film and video-related business	1,324	<6>
Entertainment-related business	183	<417>
Event-related business	71	<13>
Tourism real estate-related business	57	<36>
Architectural interior design-related business	26	<0>
Group-wide (not belonging to any specific segment)	103	<7>
Total	1,764	<479>

- (Notes)
1. The number of employees is the number of full-time employees.
 2. The number of employees includes received assignees from other affiliated companies and part-time employees, and officers, contract employees, and dispatched assignees are not included.
 3. The figures in angle brackets 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, 2025

Number of employees	Average age	Average length of service (years)	Average annual salary (yen)
434 <19>	43.3	14.3	8,716,774

Segment	Number of employees	
Film and video-related business	273	<2>
Entertainment-related business	4	<9>
Event-related business	44	<1>
Tourism real estate-related business	10	<0>
Architectural interior design-related business	0	<0>
Company-wide (not belonging to any specific segment)	103	<7>
Total	434	<19>

- (Notes)
1. The number of employees is the number of full-time employees.
 2. The number of employees includes received assignees from other affiliated companies and part-time employees, and officers, contract employees, and dispatched assignees are not included.
 3. Bonuses and non-standard wages are included in the calculation of the average annual salary.
 4. The figures in angle brackets 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 (4 union members) and Unified Toei Labor Union (83 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
20.3	71.4	76.0	79.5	87.2

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.	25.0	22.2	87.5	88.2	90.9
T-Joy Co., Ltd.	0.0	-	88.6	80.5	97.7

(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 71-6 (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

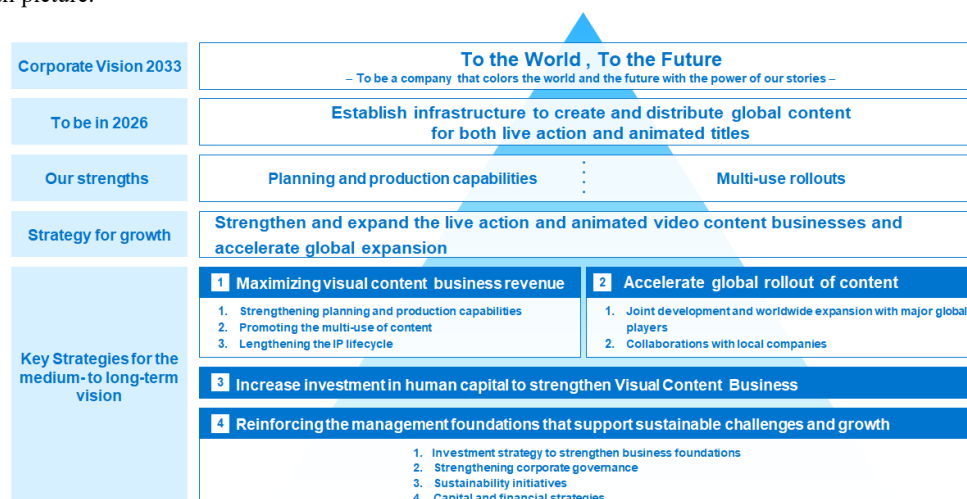
◆ Slogan:

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

Hiring, placement/development that further develops planning, production, and multi-use capabilities; evaluation, compensation/environment that increases engagement

4) Reinforcing the management foundations that support sustainable challenges and growth

Investment strategy to strengthen business foundations (investments in production facilities, investments in real estate), strengthening corporate governance, sustainability initiatives, capital and financial strategies

Capital allocation

Growth investment in the Toei Group towards 2033 (planned)

▼ Investments in content: 240 billion yen

▼ Investments in strengthening business foundations: 60 billion yen*

* <Breakdown> Production equipment-related investments: 36 billion yen

Real estate-related investments: 24 billion yen

The Company will also focus on further enhancing disclosure to give shareholders, investors and other stakeholders a better understanding of the Company for their fair evaluation of the Company. The Company will continue to strive for long-term stable improvements in the Group's corporate value and in benefits for all stakeholders.

(3) Target management indicators

Through rollout of the priority measures described above, the Group will promote the globalization of the IP cycle, from planning to multi-use rollouts, and aim to improve top line and baseline profit, both in Japan and overseas.

- Overseas sales ratio: 50%

- Operating profit (baseline): 25 - 40 billion yen

- ROE: 8% or more

(4) Management environment and challenges to address

The outlook for the global economy remains uncertain amid soaring resource prices and inflation caused by higher geopolitical risks. While the content industry is expected to grow worldwide, the Group's business environment is also challenging given Japan's shrinking population caused by its low birthrate and aging population and increasingly diverse consumer needs and media. Under such conditions, the Group recognizes the following as issues to address.

-Enhance the IP portfolio by bolstering the ability to create new IPs with a focus on original IPs

-Accelerate the global rollout of IPs and maximize revenue per IP by promoting the multi-use of IPs in Japan and overseas

-Lengthen the IP lifecycle to achieve sustainable growth

To address these management challenges, the Group formulated its vision for the coming 10 years entitled Toei Group Medium- to Long-term Vision TOEI NEW WAVE 2033, as described in (2) Medium- to long-term business strategies. For the realization of this vision, the Group will seek to expand business more aggressively and continue to grow as an integrated entertainment company in line with its mission: "Fill the world with stories that bring people joy."

2. Approach to Sustainability and Sustainability Initiatives

(1) Sustainability (General)

The Toei Group is committed to sustainability as one of its key management priorities, based on the following Sustainability Policy outlined in its TOEI NEW WAVE 2033 Medium- to Long-Term Vision, with the aims of contributing to the resolution of social issues and achieving sustainable growth for both society and the Group.

<Sustainability Policy>

The Toei Group has declared the mission of "fill the world with stories that bring people joy," and views the realization of a sustainable society and the enhancement of the Group's medium-to-long-term corporate value as inseparable goals. Accordingly, we will identify material issues (materiality) and work to address them.

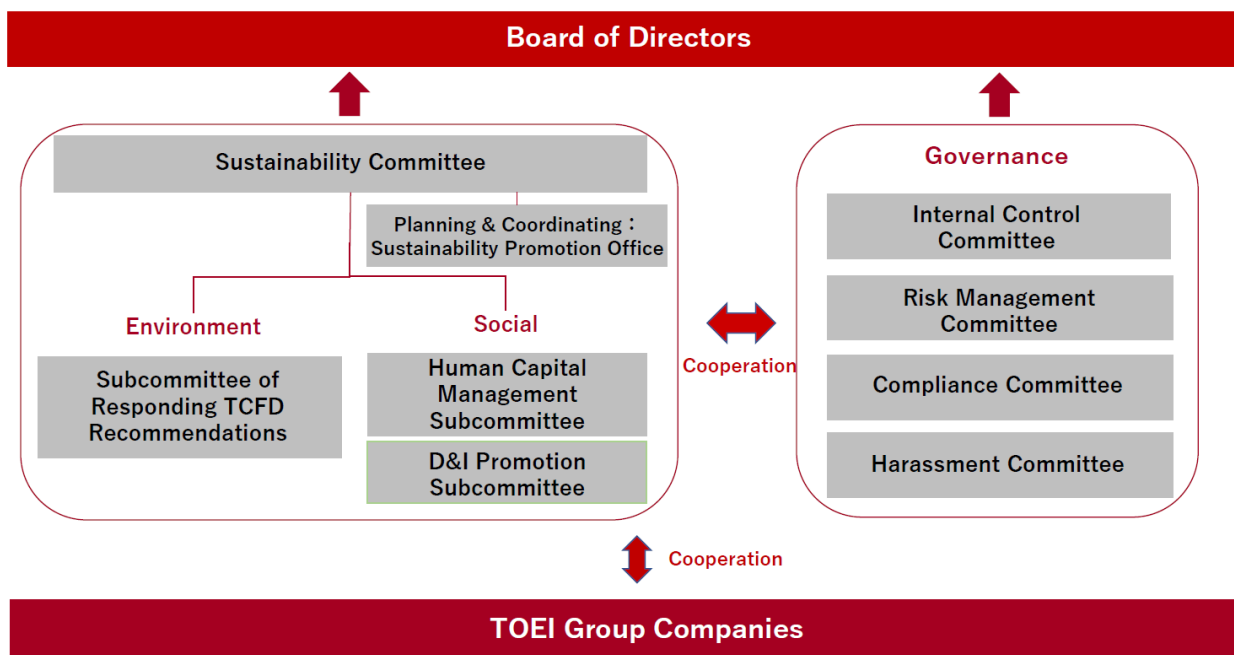
1) Governance

<Sustainability promotion system>

In December 2022, the Group established the Sustainability Committee, which addresses environmental and social sustainability issues, and four committees, the Internal Control Committee, the Risk Management Committee, the Compliance Committee and the Harassment Committee, which handle governance issues, with the aim of establishing a group-wide sustainability management system and continuously improving its sustainability response capabilities. The Sustainability Committee has established three subcommittees—the Human Capital Management Subcommittee, the D&I Promotion Subcommittee, and the Subcommittee to Respond to TCFD Recommendations—to set specific goals and implement measures. The results of discussions held by the Sustainability Committee are reflected in specific policy decisions made by the Board of Directors.

In January 2025, we established a new Sustainability Promotion Office within the Strategic Planning Department, reporting directly to the President and CEO, to serve as a dedicated department responsible for planning and coordinating sustainability initiatives. The office serves as the secretariat for the Sustainability Committee, and coordinates the meetings of the Sustainability Committee and its subcommittees. Under the supervision of the Sustainability Promotion Office, we will continue working to enhance our sustainability strategy and strengthen our initiatives within the Group.

<Sustainability promotion system>



<Roles, membership, and frequency of meetings of each committee>

Type	Organizational unit	Role	Composition	Frequency of meetings
Environment and society	Sustainability Committee	Discusses initiatives to address environmental and social issues for the creation of a sustainable environment and society and sustainable growth of the Group, and makes recommendations to the Board of Directors	Chief Sustainability Officer: President & Chief Executive Officer, Toei Company, Ltd. Chairperson: Executive Vice President, Toei Company, Ltd. Vice Chairperson: Senior Executive Officer, Toei Company, Ltd. Full-Time Members: two Senior Executive Officers, Toei Company, Ltd. Designated Members: Two Internal Directors, Toei Company, Ltd. Seven Senior Executive Officers, Toei Company, Ltd. Two Executive Officers, Toei Company, Ltd.	Twice a year
Governance	Internal Control Committee	Establishes, maintains, and improves upon an internal control environment that complies with the requirements of the Companies Act and the Financial Instruments and Exchange Act (FIEA)	Chief Sustainability Officer: President & Chief Executive Officer, Toei Company, Ltd. Chairperson: Executive Vice President, Toei Company, Ltd. Vice Chairperson: Senior Executive Officer, Toei Company, Ltd. Full-Time Members: two Senior Executive Officers, Toei Company, Ltd. Designated Members: Two Internal Directors, Toei Company, Ltd. Seven Senior Executive Officers, Toei Company, Ltd. Two Executive Officers, Toei Company, Ltd.	Held as necessary
Governance	Risk Management Committee	Monitors all sustainability issues and other risks within the Group, considers the most appropriate measures, and takes action	Chief Sustainability Officer: President & Chief Executive Officer, Toei Company, Ltd. Chairperson: Executive Vice President, Toei Company, Ltd. Vice Chairperson: Senior Executive Officer, Toei Company, Ltd. Full-Time Members: two Senior Executive Officers, Toei Company, Ltd. Designated Members: Two Internal Directors, Toei Company, Ltd. Seven Senior Executive Officers, Toei Company, Ltd. Two Executive Officers, Toei Company, Ltd.	Twice a year
Governance	Compliance Committee	Implements compliance education and training plans, hears and considers reports from designated committee members in charge of specific issues, and reports	Chief Sustainability Officer: President & Chief Executive Officer, Toei Company, Ltd. Chairperson: Executive Vice President, Toei Company, Ltd. Vice Chairperson: Senior Executive	Held as necessary

		any violations of laws and regulations to the President	Officer, Toei Company, Ltd. Full-Time Members: two Senior Executive Officers, Toei Company, Ltd. Designated Members: Two Internal Directors, Toei Company, Ltd. Seven Senior Executive Officers, Toei Company, Ltd. Two Executive Officers, Toei Company, Ltd.	
Governance	Harassment Committee	Consults, investigates, and makes judgments on various types of harassment, including human rights violations, and works to provide relief to victims and prevent recurrences	Chief Sustainability Officer: President & Chief Executive Officer, Toei Company, Ltd. Chairperson: Executive Vice President, Toei Company, Ltd. Vice Chairperson: Senior Executive Officer, Toei Company, Ltd. Members: Senior Executive Officer, Toei Co., Ltd. Four Department General Managers / Managers	Held as necessary

<Status of deliberations at the 102nd term sustainability meetings>

Date	Organizational unit	Key sustainability issues
June 18, 2024	Board of Directors	- 102nd term risk management plan
October 22, 2024	Board of Directors	- Status of measures to address long working hours - Status of response to new law on freelancers
January 22, 2025	Board of Directors	- Formulation of material issues and value creation process

Date	Organizational unit	Key issues
May 28, 2024	The 4th Sustainability Committee	- Report on greenhouse gas emissions data for the 101st term and planned initiatives for reducing emissions - Formulation of human resource development policy and internal environment improvement policy - Final report on the status of D&I Project activities
December 24, 2024	The 5th Sustainability Committee	- Formulation of material issues and value creation process - Launch of Sustainability Promotion Office

2) Strategy

Under our Group mission of "Fill the world with stories that bring people joy," we established six material issues in January 2025 through the identification processes described in "3) Risk management (i) Process for identifying and evaluating sustainability-related risks and opportunities," with the aim of achieving our TOEI NEW WAVE 2033 Medium- to Long-Term Vision. We will carry out initiatives while incorporating critical measures to address material issues in the management plan and other activities to achieve our ideal vision, with the goals of resolving social issues and enhancing corporate value at the core of our management.

<Toei Group Material Issues>

1. Continuing to create and deliver stories that bring people joy
2. Human investment to exhibit creativity
3. Enhancing the ability to create intellectual property (IP) for global expansion
4. Strengthening collaboration with partners in Japan and overseas
5. Protection and use of intellectual property
6. Increasing the sophistication of sustainable management

<Main Risks and Opportunities in Material Issues>

Material Issues	Main risks	Main opportunities
1. Continuing to create and deliver stories that bring people joy	- Increased labor costs and decreased employee engagement due to an increase in working hours resulting from an increase in the number of works produced, etc.	- Increased sales, customer acquisition, and improved customer satisfaction through maintaining a stable number of works produced, etc.
2. Human investment to exhibit creativity	<ul style="list-style-type: none"> - Decreased employee engagement due to lack of improvement in the work environment - Damage to corporate image, customer defection, and decreased employee engagement due to the neglect of discrimination, prejudice, harassment issues, etc. - Suspension of distribution due to labor environment, human rights issues, or compliance violations within the company or supply chain, decreased social evaluation and sales revenue due to product recalls - Outflow of human resources and difficulty in retaining or securing talent, etc. 	<ul style="list-style-type: none"> - Improved employee engagement due to appropriate improvements in the labor environment through dialogues - Improved productivity through human resources development and career development - Improved competitiveness, stimulated innovation, enhanced corporate image, and improved risk management capabilities through the implementation of D&I management - Increased ease of recruitment through acceptance of diverse human resources, etc.
3. Enhancing the ability to create intellectual property (IP) for global expansion	- Increased operating expenses due to investments such as studio expansions and introduction of new equipment, etc.	<ul style="list-style-type: none"> - Cost reductions through the use of DX technology, such as reductions in shooting and labor costs - Creation of brand value as a leading company in movie / video technologies, etc.
4. Strengthening collaboration with partners in Japan and overseas	- Loss of new value-provision opportunities and a decline in sales revenue due to insufficient collaboration with business partners, resulting in reduced distribution and circulation volumes both in Japan and overseas, etc.	- Securing stable distribution, circulation, and logistics networks, increased sales opportunities for products and services, and increased sales revenue due to strengthening of collaborations with business partners both in Japan and overseas, etc.
5. Protection and use of intellectual property	<ul style="list-style-type: none"> - Damage to corporate image, decrease in sales revenue, and decline in brand value due to infringement of intellectual property rights - Loss of video assets due to failure to store originals in an appropriate environment - Increase in business expenses due to digitization of video originals - Loss of opportunities to provide new value through products and services due to delays in expansion of multi-use (secondary and tertiary use), etc. 	<ul style="list-style-type: none"> - Reduced infringement risks and improved employee awareness through education on protection of intellectual property rights - Preservation of video assets for future generations in semi-permanent form through digitization of video originals - Increased sales opportunities for products and services and increased sales revenues through implementation of multi-use expansion at the appropriate times, etc.

Material Issues	Main risks	Main opportunities
6. Increasing the sophistication of sustainable management	<ul style="list-style-type: none"> - Increase in business costs due to introduction of a carbon tax - Increase in expenditures for capital investment, etc., to reduce CO2 emissions - Fluctuations in electricity prices due to the transition to renewable energy - Physical damage to film studios, movie theaters, and owned real estate due to an increase in natural disasters caused by climate change - Increase in air conditioning use at film studios, movie theaters, and owned real estate due to rising temperatures - Decrease in the number of visitors and sales due to the closure of movie theaters and suspension of events due to an increase in natural disasters caused by climate change - Damage to the company's image and a decline in trust from business partners and customers due to cyberattacks and intentional or negligence-related information leaks by employees and other people, etc. 	<ul style="list-style-type: none"> - Reduction in costs through energy conservation, waste reduction, recycling, and review of energy sources (use of renewable energy) - Reduction of CO2 emissions and waste through the use of virtual production, AI, and other DX technologies - Increased trust from business partners and customers due to enhanced information security - Reduced risk of information leaks and improved employee awareness through information security education, etc.

3) Risk management

(i) Process for identifying and evaluating sustainability-related risks and opportunities

Identification and evaluation of sustainability-related issues that may affect the Group were conducted as part of the process for identifying material issues. These issues were identified based on international guidelines, taking into account their potential impact on the Company's finances, as well as on society and the environment. The process for identifying material issues is described below.

<Process for Identifying Material Issues>

Process for Identifying Material Issues	
Identification and narrowing down of sustainability issues to a long list	Hundreds of themes from international guidelines such as the SASB standards and issues with significant environmental, social, and economic impacts were identified. These were then narrowed down to a long list of approximately 200 issues through procedures such as determining the feasibility of implementation as a company and adjusting for duplication.
Narrowing down the long list to a short list	The long list was narrowed down to a short list of 35 issues by referring to issues faced by the IT and communications industry (entertainment industry) and material issues at other companies in the same industry, taking into account the evaluation criteria required globally for the Group's industry.
Identification of key issues through evaluation of importance	Interviews and surveys were conducted with board members, including outside directors. Based on the results, issues with significant social and business impacts were identified from the short list with the involvement of external experts (securities agency consulting firms).

We believe that our directors possess sufficient skills to identify material issues. Please refer to the following table for the skills matrix of our directors.

<Skills Matrix for Internal and Outside Directors>

Name	Management	Strategic priorities				Governance		
	Corporate management	Planning and production	IP-multi use	Global	Organization and personnel	Finance and accounting	Legal affairs and risk management	Sustainability
Chairperson Noriyuki TADA	○		○		○		○	○
President and Chif Executive Officer Fumio YOSHIMURA	○	○	○	○	○		○	
Executive Vice President Koichi WADA	○				○	○	○	○
Senior Vice President Yuya KAMATA	○		○				○	
Vice President Yuji KOJIMA	○	○	○				○	
Director Hiroshi HAYAKAWA	○	○	○		○		○	○
Independent Director Hirofumi NOMOTO	○		○					○
Independent Director Yoshiharu UEKI	○			○				○
Standing Statutory Auditor Masahiro HORIGUCHI	○						○	○
Statutory Auditor Tomoko SHIOIKE				○			○	
Statutory Auditor Hitoshi SATO	○		○			○	○	
Statutory Auditor Shima KATSURAGAWA						○	○	

(Note) The above skills matrix shows the knowledge, experience and expertise that the Company particularly expects each director to have and does not exhaustively show all of the knowledge and insight that each director has.

(ii) Management system for sustainability-related risks and opportunities

The Group has identified events and factors that could damage corporate value, affect the sustainability of its business, or hinder the achievement of organizational goals, and which require a cross-organizational response as risks relating to corporate management. We have established risk management regulations and a management system to ensure that these risks are addressed appropriately.

The Risk Management Committee (chaired by the director in charge of the Administration and Management Division, and comprising officers at the level of executive officer or above who oversee various departments) conducts group-wide risk management activities, including for sustainability-related risks, such as by prioritizing risk responses. During the risk assessment process, opportunities derived from risks are also simultaneously identified, assessed, and managed. The

opportunities we identify are considered in our business strategy formulation process and utilized to create new business opportunities and enhance corporate value.

For detailed management structure diagrams and details of methods for selecting important risks, please refer to "3. Business Risks."

4) Metrics and targets

The Group has established the following themes as part of its commitment to addressing each material issue in line with its TOEI NEW WAVE 2033 Medium- to Long-Term Vision. Specific metrics and targets are described in (2) Climate change, (4) Metrics and targets for climate-related issues and (3) Human capital, 4) Metrics and targets for human capital-related issues. At present, we are considering specific metrics and targets for other material issues, and will proceed with preparations on an ongoing basis.

Material Issues	Themes
1. Continuing to create and deliver stories that bring people joy	- Contributing to society through the creation and provision of high-quality works
2. Human investment to exhibit creativity	- Respect for human rights - Strategic recruitment and placement - Promotion of diversity and inclusion (D&I) and improvement of the workplace environment - Strengthening of individual attributes and abilities
3. Enhancing the ability to create intellectual property (IP) for global expansion	- Enhancing facilities including Tokyo Studios, Kyoto Studios, and Animation Studio - Investing in advanced imaging technologies and technologies for video production facilities
4. Strengthening collaboration with partners in Japan and overseas	- Building an overseas network - Promoting expansion into events and merchandising - Enhancing data-driven marketing
5. Protection and use of intellectual property	- Strengthening of efforts to protect copyrights and trademarks - Thorough education of employees on intellectual property protection - Preservation of video originals (masters) - Multi-use (secondary and tertiary use) of IP in Japan and overseas
6. Increasing the sophistication of sustainable management	- Strengthening of security to prevent information leaks - Reduction of CO2 emissions through energy conservation and use of renewable energy toward decarbonization - Reduction of waste from plastic products, etc. - Strengthening efforts to conserve water resources, including water saving

(2) Climate change

The Group recognizes climate change as a key management issue and has established 6. Increasing the sophistication of sustainable management as a material issue. We will also continue to disclose information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In the fields of film and animation production, studio operation, movie theater (cinema) box-office distribution, and intellectual property business, climate change presents not only risks but also chances to create new business opportunities. The Group has identified adaptation to a decarbonized society, sustainable content production, and energy conservation and use of renewable energy as key strategies. Going forward, we will simultaneously drive the reduction of climate change risks and improvement of our business competitiveness.

1) Governance

We have established a Subcommittee to Respond to the TCFD Recommendations as a subcommittee of the Sustainability Committee to implement concrete initiatives aimed at reducing greenhouse gas emissions through the use of renewable energy and minimizing environmental impact by reducing waste from plastic products and other materials.

Policies and strategies relating to climate change are discussed by the Sustainability Committee according to their importance, and important matters are submitted to and reported to the Board of Directors for discussion and reporting. Overall activities are supervised by the Board of Directors as appropriate, through regular reports at Board meetings.

<Organizational structure and roles relating to climate change measures>

Organizational unit	Role
Board of Directors	Determination of sustainability strategy policies and monitoring of key risks
Sustainability Committee	Formulation of climate change response strategies, setting of metrics and targets, and management of KPIs
Subcommittee to Respond to the TCFD Recommendations	Driving decarbonization strategies, energy management in studio and theater operations, management of measures to reduce environmental impact at production sites, consideration and formulation of various metrics and targets
Risk Management Committee	Monitoring and response to all climate change-related risks

2) Strategy

The Group provides services that consume energy primarily in the form of electricity, such as theater operations, studio operations, and real estate activities. Going forward, we will continue to examine how to efficiently utilize and reduce the amount of energy necessary for our business activities, including the use of renewable energy. Waste such as paper products, plastic products, and food waste also have a significant impact on climate change. We will continue to actively pursue initiatives to reduce waste.

Specific initiatives being implemented in each segment to address environmental issues are outlined below.

<Specific initiatives by segment>

Segment	Specific initiatives
Company-wide	- Conducting surveys using the emissions survey system
Toei Co., Ltd. and Toei Animation Co., Ltd. offices	- Paperless meetings, electronic approval forms, and electronic contracts - Using 100% renewable energy for electricity (Toei Animation Co., Ltd. Nakano Office)
Film and animation production studio division	- Gradually replacing lighting with LED lighting - Environmentally conscious Oizumi Animation Studio (sustainable design in building exteriors and facilities) - Introduction of digital technologies (use of AI and virtual production) - "Horizontal recycling" of used plastic bottles at Toei Tokyo Studios and Toei Kyoto Studios in collaboration with Ito En, Ltd.
Event division	- Gradually replacing lighting with LED lighting - Simplification of packaging for various promotional materials - Reduction of printed materials such as flyers and leaflets, and transition to web-based media for information distribution to minimize the use of paper resources - Adoption of reusable materials for shopping bags at the Kamen Rider Store

		- Transitioning from paper tickets to digital tickets at events and exhibitions
		- Minimizing the use of wooden panels for exhibition panels used at events and exhibitions, and utilizing reusable panel systems to reduce wood waste
Real estate division		- Gradually replacing lighting at owned properties with LED lighting
		- Gradually updating equipment such as air conditioning systems at owned properties
Box office division		- Introduction of smart entry systems that do not issue paper tickets
		- Switching to biomass straws certified by the Japan BioPlastics Association (JBPA)
		- Gradually replacing lighting with LED lighting
Hotel division		- Local production for local consumption and reduction of waste, including food loss
		- Installation of various amenities in common areas to reduce plastic waste
		- Encouraging guests to use toilet paper until each roll is fully used up
		- Reduction of energy consumption during unnecessary hours (electricity / heavy oil)
		- Shifting to paperless operations by digitalizing reception operations with tablets
		- Gradual replacement of shower heads in guest rooms with water-saving models
		- Introduction of a multi-night eco plan (minimizing linen replacement and room cleaning during consecutive-night stays, reducing the use of detergents and water)
		- Gradually replacing lighting with LED lighting

3) Risk management

The Subcommittee to Respond to the TCFD Recommendations, which drives climate change initiatives, performs annual calculations of the Group's total CO2 emissions, reviews measures to address climate change-related issues, sets specific metrics and targets, and conducts continuous monitoring.

Detailed identification, assessment, and management of risks and opportunities is conducted using scenario analysis as recommended by Japan's Ministry of the Environment (MOE). We plan to conduct analyses during the 103rd term to predict the future impact of climate change on business costs and consider countermeasures.

4) Metrics and targets

The Group recognizes that reducing CO2 emissions is part of its responsibility toward achieving a decarbonized society. Since the 100th term, we have conducted annual surveys of our greenhouse gas emissions, including those at our consolidated subsidiaries, to assess the current situation.

We are engaged in reduction activities and have set a target of reducing CO2 emissions by 46% (compared to the 100th fiscal year) by 2030. We are planning and considering measures such as switching to electricity generated from renewable energy. Going forward, we will continue our efforts to address climate change as a group, aiming to achieve carbon neutrality by 2050.

<Change in CO2 Emissions>

CO2 emissions	FY2022 results (100th term)	FY2023 results (101st term)	FY2024 results (102nd term)	FY2030 target (108th term)	FY2050 target (128th term)
Scope 1	2,459	2,963	3,501	-	0
Scope 2	18,929	17,202	16,589	-	0
Total	21,388	20,165	20,090	11,550	0
Compared to 100th term	0%	(5.7%)	(6.0%)	(46.0%)	(100%)

*Units: t-CO2

*Total value of performance at consolidated subsidiaries.

*Calculated based on market standards.

*Measurements conducted based on the Group's fiscal year (April 1 through March 31 of the following year).

*Some electricity consumption may include renewable energy-derived electricity included in the electricity purchased or contracted by the building owner. We strive to disclose categorizable information to the fullest extent possible, but are unable to obtain sufficient information at the present time.

<Scope 1 and Scope 2 Calculation Process>

Scope 1 includes direct emissions (gasoline, kerosene, heavy oil, gas), and Scope 2 includes indirect emissions (electricity). Emissions are calculated by multiplying the most appropriate emission factors for each usage amount.

Emission factors are based on the Calculation, Reporting, and Disclosure System Calculation Methods and Emission Factors List published by MOE, and the Electric Power Company-Specific Emission Factors (for Calculating Greenhouse Gas Emissions by Specific Emitters).

(3) Human capital

As an entertainment company focused on the production and distribution of films, animation, and TV programs, as well as intellectual property business, Toei recognizes that nurturing creative human resources and fostering an environment where diverse individuals can thrive are key to sustainable growth.

We have identified 2. Human investment to exhibit creativity as a material issue, and will continue to strengthen our investment in human capital, promote employee skill development, enhance job satisfaction, and promote diversity and inclusion (D&I) to fulfill our social responsibilities as a member of the creative industry.

1) Governance

We have established the Human Capital Management Subcommittee and the D&I Promotion Subcommittee as subcommittees under our Sustainability Committee to address specific issues such as diversity management, health and productivity management, talent acquisition, training, and evaluation.

Management policies, strategies, and related systems relating to human capital are discussed by the Sustainability Committee according to their importance, and important matters are submitted to and reported to the Board of Directors for discussion and reporting. Overall activities are supervised by the Board of Directors as appropriate, through regular reports at Board meetings.

<Organizational structure and roles related to human capital management>

Organizational unit	Role
Board of Directors	Determination of sustainability strategy policies and monitoring of key risks
Sustainability Committee	Developing human capital management strategies, setting metrics and targets, managing KPIs
Human Capital Management Subcommittee	Driving human resource development programs and improving the internal work environment
D&I Promotion Subcommittee	Driving diversity initiatives
Risk Management Committee	Monitoring and responding to all human capital-related risks
Compliance Committee	Implements compliance education and training plans, hears and considers reports from designated committee members in charge of specific issues, and reports any violations of laws and regulations to the President
Harassment Committee	Consults, investigates, and makes judgments on various types of harassment, including human rights violations, and works to provide relief to victims and prevent recurrences

2) Strategy

We recognize that it is essential to create an environment where all employees can utilize their abilities to the fullest extent and find joy in their work, thereby creating a company and organization that enables the sustainable growth of the Group as a member of the content industry. To ensure respect for employee diversity and promote individual growth, the Group has established the following Human Resource Development Policy and Policy for Internal Environment Development as of October 2023.

<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.

<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 (D & I) and achieve a healthy work-life balance and it is working to prevent harassment and create a safe and secure working environment.

Based on these policies, the Group has identified the following four key areas, and recognizes that practicing human capital management and enhancing employee engagement will contribute to corporate growth.

(i) Respect for human rights

We recognize that enhancing the working environment for creators and production staff and preventing harassment are extremely important in the media industry. We have also established the Toei Group Human Rights Policy for all employees, including those in production, and our partner companies, and are implementing the following initiatives. Through these initiatives, we aim to ensure safety and transparency in production and create an environment where all creators can maximize their abilities.

- Improving harassment prevention regulations (establishing anonymous consultation channels, utilizing external audits)
- Implementing training on preventing harassment and respecting others
- Complying with EITEKI (Japan Motion Picture Production Standards Association) guidelines
- Improving working conditions at production locations (introducing a work hour management system to prevent excessive working hours)
- Reviewing contract standards with external production companies (establishment of appropriate contract terms and fair remuneration systems)

(ii) Strategic recruitment and placement

Strategic recruitment and placement to secure talented individuals and maximize their performance will strengthen our competitiveness and stimulate long-term growth. We are implementing the following measures to recruit and promote individuals who will drive the Company's growth.

- Securing human resources through multi-channel recruitment, including new graduate recruitment and year-round recruitment
- Strengthening recruitment of professional human resources, such as talent and producers, with an eye to expansion into the global market
- Promotion / selection regardless of seniority through the implementation of a new personnel system
- Review of compensation and evaluation systems (proper implementation of performance-based evaluation and ensuring transparency)
- Promotion of inter-group human resources exchanges to enable strategic placement across the Group
- Encouraging transfers between departments/branches to enable employees to accumulate diverse career experience

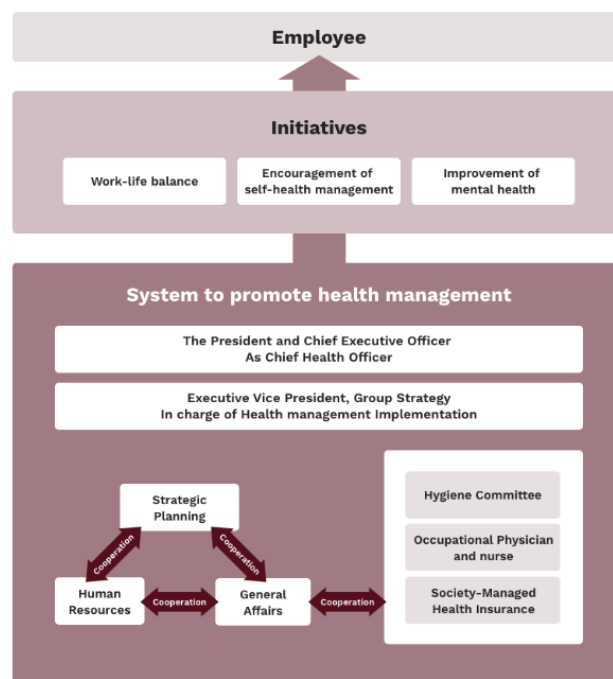
(iii) Promotion of diversity and inclusion (D&I) and improvement of the workplace environment

We aim to build an organization where people with diverse values and backgrounds can thrive, not just as creators, by placing D&I promotion at the core of our management strategy. We are also taking the following initiatives to support the health and well-being of our employees, ensuring they can continue to thrive in the long term.

Through these initiatives, we will create an environment where all employees can maximize their abilities, achieve a healthy work-life balance, and build a comfortable workplace, thereby enhancing employee engagement and contributing to long-term growth of corporate value.

- Increasing the proportion of women in management positions
- Promoting employment of people with disabilities (improving workplace environments, establishing a challenge program for new graduates, and introducing satellite offices)
- Support for balancing work with childcare, caregiving, and medical treatment
- Efforts to reduce work hours
- Flexible work hours- Expansion of remote work options
- Health management (mental health support, enhanced welfare benefits, and events such as TOEI Walking Week)

<Organizational structure for promoting health management>



(iv) Strengthening of individual attributes and abilities

The film, animation, and TV industry is an area of rapid technological innovation, where it is essential to improve the individual skills of human resources. The Toei Group is working to develop systems that support employees' independent learning and growth, skills development (such as level-based training), and career autonomy, and is rolling out the following measures.

By supporting the career development of individual employees and proactively developing their skills, we will nurture human resources who will lead the industry.

- Expansion of skills development support

Training		
New employee training and follow-up training		Pre-hiring and post-hiring training to ensure that employees understand the Company's business operations and organization, and acquire basic business skills
e-Learning		Training in which the Company determines themes and assigns participants to take courses to acquire necessary business knowledge
Position-specific and grade-specific training		Training for each position and grade, to acquire knowledge expected by the company
Self-learning support		
Correspondence course assistance		The Company pays subsidies to employees who complete designated correspondence courses and achieve excellent results
Self-study assistance		If an eligible employee wishes to attend schools or seminars, etc., and is approved based on the Company's selection screening, the Company will pay part of the course fees
Support for acquisition of qualification		
Grants		If the employee obtains a designated qualification and applies to the Company, the Company will provide a lump-sum grant payment
Examination fee assistance		The Company pays examination fees for eligible employees in the relevant departments who take examinations under instruction
Qualification allowance		If the employee obtains a designated qualification, an allowance is added to their monthly salary

- Introduced *the Toei Career Action Program* to support proactive career development

System name				Details
JobTry System (Self-declaration System)	Transfer			Allows employees to experience a variety of jobs
Toei Multiplayer System				Allows employees to engage in work in other departments while remaining in their own department
Career Challenge System (Internal Job Application System)				Creates opportunities for employees to take on challenges toward self-fulfillment
Career Design Sheet				Enables employees to design career plans and develop career development skills
Career Training				

- Hosting *Toei Juku*, a program featuring lectures by internal and external instructors
- Participation in overseas training programs for producers operated by the Visual Industry Promotion Organization (VIPO)

3) Risk management

The Group identifies potential and overt risks and issues relating to human resources, both qualitatively and quantitatively, through interviews using an employee-participation-based human resources platform and regular engagement surveys to measure employee motivation. Based on the results, we set metrics and targets, monitor them, and implement and manage them by reflecting them in specific improvement measures for the workplace environment.

In June 2024, we formulated the Toei Group Human Rights Policy and Toei Group Business Transaction Policy, and revised the Toei Compliance Guidelines, as policies and guidelines to ensure that all Group officers and employees understand and recognize that the human rights of all stakeholders involved in the Group's business activities must be respected, and to identify, address, and avoid sustainability risks.

To respond promptly to human rights risks, we have established the Toei Group Hotline, as a contact point for all Group officers and employees (including contracted workers, contract employees, part-time workers, and others who engage in the Company's business), as well as temporary dispatch staff and Group business partners (including freelancers). Users can report or consult via the hotline whenever they see, hear, or become otherwise aware of an act that violates laws, internal regulations, or other rules, is unethical, or might be considered so, whether at their workplace, among business partners, or outside the Company. The hotline is operated by a specialized external contact that is independent from the Toei Group, and the details of consultations, etc., received by the hotline are reported to the director in charge at Toei Company, Ltd. or to the Compliance Committee secretariat. (In the case of a harassment case, the Compliance Committee secretariat will forward the report to the Harassment Committee.) An investigation is then conducted, and corrective measures are taken if the problem is found to be real.

4) Metrics and targets

The Group has established the following environmental metrics and targets linked to the four priority areas described in (3) Human capital, 2) Strategy, and monitors them on an ongoing basis. Through human capital investment, we will build a strong organizational foundation to realize our TOEI NEW WAVE 2033 Medium- to Long-Term Vision and foster a corporate culture that supports sustainable growth.

With some exceptions, the figures shown are consolidated figures for Toei Company, Ltd., Toei Animation Co., Ltd., and T-Joy Co., Ltd. Other Group companies are currently preparing their internal environment and will disclose figures in due course.

<Metrics and targets relating to human capital management>

Metrics	2023 results (101st term)	2024 results (102nd term)	Medium- to long-term targets
1. Respect for human rights			
Number of employees receiving harassment training	827	1,007	By 2028: All employees should have received training
Percentage of EITEKI-certified films ^{*1}	100%	100%	100% of films submitted for certification
2. Strategic recruitment and placement			
Ratio of mid-career hires to total workforce	49.6%	44.7%	Maintain at approx. 50%
*Including global human resources			
Number of employees exchanged between Group companies ^{*2}	42	55	-
3. Promotion of diversity and inclusion (D&I) and improvement of the workplace environment			
Percentage of women in management positions	20.8%	21.4%	2033: 30%
Gender wage gap among all workers	85.8%	87.0%	-
Percentage of male employees taking childcare leave	50%	43.7%	2030: 85%
4. Strengthening of individual attributes and abilities			
Human resources development and training expenses ^{*3}	46,080,260 yen	62,367,909 yen	-
*Including language training			
Engagement score ^{*4}	63.4	63.5	- Conducted four times a year - Response rate: 80% or more - Score 69

*The above metrics and targets are consolidated figures for Toei Company, Ltd., Toei Animation Co., Ltd., and T-Joy Co., Ltd.

*The Company will consider and prepare for the inclusion of figures for other Group companies in the future.

*1 Figures shown are for Toei Company, Ltd. (non-consolidated) live-action films.

*2 Includes Group companies other than the three companies (such as Toei Video Company, Ltd. and Toei Satellite Broadcasting Co., Ltd.) (Does not include inter-group companies.)

*3 Metrics have been changed as of the current term after reorganization and close examination of efforts with related departments through the Human Capital Management Subcommittee.

*4 Figures are for Toei Company, Ltd. (non-consolidated). A numerical value quantifying the state in which employees have motivation to make voluntary contributions to the organization and their work, and are able to work independently. Full score = 100 points

<Calculation criteria for metrics and targets>

Metrics	Calculation criteria
Number of employees receiving harassment training	Total number of employees who received training in the fiscal year under review
Percentage of EITEKI-certified films	Ratio of films certified to those submitted for certification in the fiscal year under

	review
Ratio of mid-career hires to total workforce	Percentage of total number of workers (including contract employees, part-time employees, and temporary dispatch workers) at the end of the fiscal year under review
Number of employees exchanged between Group companies	Total number of assignees and assignees accepted by the Company as of the end of the fiscal year under review
Percentage of women in management positions	Percentage of managers (Grade M or above, or Grade M equivalent or above for Group companies) as of the end of the fiscal year under review
Gender wage gap among all workers	Gender wage gap among all workers (including contract employees, part-time employees, and temporary dispatch workers) as of the end of the fiscal year under review
Percentage of male employees taking childcare leave	Ratio of male employees taking childcare leave to the number of employees who had a child born during the fiscal year under review
Human resources development and training expenses	Training hours for skills development support (including <i>Toei Juku</i> , harassment training, and overseas expansion training)

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.

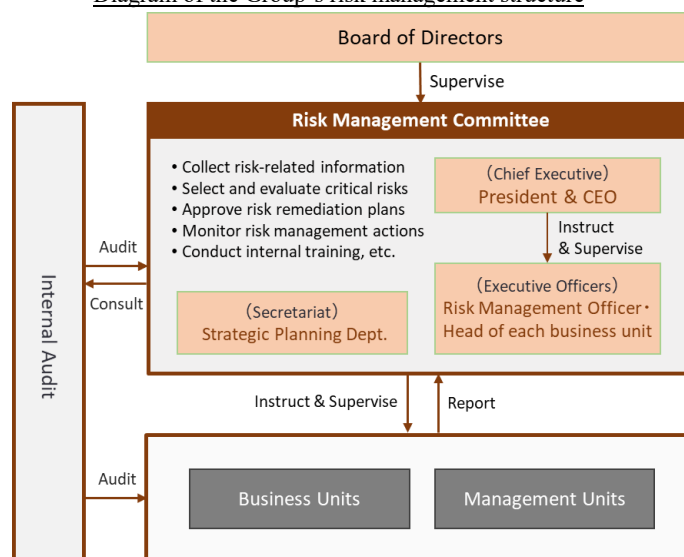
Please note that forward-looking statements in this section are based on judgments made by the Company as of the date of submission of the securities report.

(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

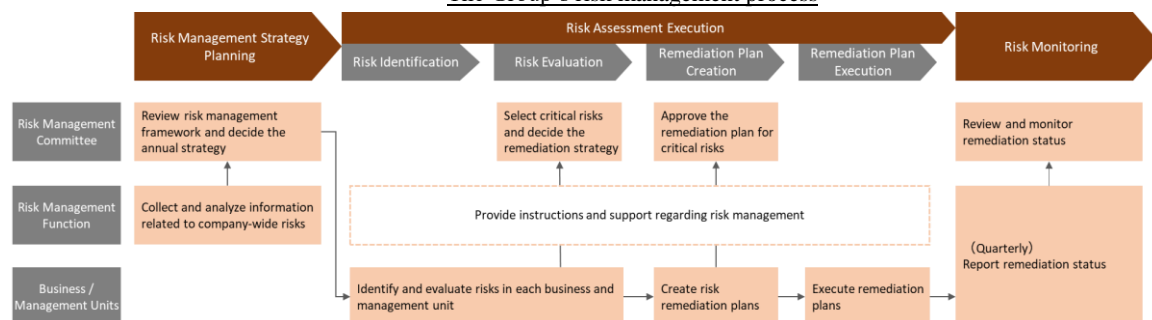


(2) Risk management process

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	Medium
	4) Reputational risks	Medium
	5) Risks related to workplace safety and hygiene	High
	6) Risks related to securing human resources	Medium
	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	High

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 announcement, in addition to implementing regular drills and preparing for emergency supplies.		
2) Infectious disease risks		Degree of priority	Medium
Risk scenario	<p>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 pandemic etc., therefore the events impact the Group's business activities and earnings.</p> <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 pandemic etc., 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	Medium
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	<p>To engage in fair transactions and build sound partnerships, the Group has continued to strengthen its selection management system and ensure the appropriateness of contractual terms in its relationships with business partners, including outsourcing partners. We have also formulated the Toei Group Transaction Policy, to make these efforts even more effective and establish a consistent and high-level management system throughout the Group. Based on this policy, we will strive to reduce risks throughout our supply chain and deepen the level of our mutual sustainable partnerships.</p>		
4) Reputational risks		Degree of priority	Medium
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	<p>In terms of communication of information on social media, we have established a management system to check and approve the content of information posted on social media in advance, and are ensuring its effective operation. We also hold regular in-house seminars with the aim of reducing the possibility of reputational damage, and systematically conduct multifaceted educational/awareness-raising activities to raise the social media literacy and compliance awareness of all employees. In addition, we are focusing on building and strengthening a comprehensive crisis management system within the Company to ensure a rapid and appropriate response in the event of any reputational damage, to minimize the impact on our business.</p>		
5) Risks related to workplace safety and hygiene		Degree of priority	High
Risk scenario	<p>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.</p>		
Countermeasures	<p>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. We have also established a new Human Rights Policy, with the objective of strengthening our response to occupational health and safety-related risks. Based on this policy, we are committed to ensuring respect for the human rights of our employees, and improving health and safety standards in order to reduce such risks.</p>		

6) Risks related to securing human resources		Degree of priority	Medium
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	In terms of employee skills development, we are focused on the continuous training of professional human resources. We are working to create an environment in which each employee feels a sense of work satisfaction, by conducting engagement surveys on a regular basis and reflecting the results in specific improvement measures for the workplace environment. In addition to these efforts, we are working to enhance various systems to support employees' autonomous career development. In terms of recruitment, we have positioned diversity as a key strategy, and are actively hiring personnel with diverse perspectives and values. We are also strategically diversifying our recruitment channels to ensure a stable supply of human resources essential to the actualization of our business strategy.		
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	High
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. We have also formulated a new Human Rights Policy, one of the objectives of which is to strengthen our response to the risk of compliance violations. Based on this policy, we will strive to mitigate such risks by thoroughly respecting human rights in our business activities and fostering an understanding of corporate ethics and the importance of compliance with laws and regulations.		

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 Japanese economy saw an expansion in inbound tourism demand and a recovery in consumer spending. However, the outlook remained uncertain given concerns over surging resource prices and future policy developments in the United States.

In this environment, the Group sought to further strengthen its content business and use resources more efficiently, primarily in the film and video-related business, and strove to implement solid sales initiatives.

As a result, net sales for the fiscal year under review stood at 179,922 million yen, operating profit came to 35,155 million yen, ordinary profit came to 39,992 million yen. A gain on sale of investment securities as other extraordinary income was posted, and Loss on valuation of investment securities as other extraordinary losses were posted, which resulted in a profit attributable to owners of parent was 15,722 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	179,922	35,155	39,992	15,722	253.96
Previous fiscal year	171,345	29,342	35,317	13,971	225.68
Change (%)	5.0	19.8	13.2	12.5	12.5

(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	463,639	109,315	354,323	57.1	4,274.51
At the end of previous fiscal year	411,406	95,175	316,230	57.5	3,819.35
Change (%)	12.7	14.9	12.0	—	11.9

(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.

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	33,646	(17,466)	(4,620)	88,987
Previous fiscal year	22,076	(9,805)	(7,542)	77,929
Change (million yen)	11,570	(7,660)	2,921	11,058

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	125,980	134,024	6.4	26,333	33,655	27.8
Entertainment-related business	20,174	18,966	(6.0)	1,907	782	(59.0)
Event-related business	10,085	11,203	11.1	1,422	1,269	(10.8)
Tourism real estate-related business	6,494	6,838	5.3	2,569	2,542	(1.1)
Architectural interior design-related business	8,610	8,890	3.2	397	496	24.9
Company-wide/eliminations	—	—	—	(3,288)	(3,591)	—
Consolidated	171,345	179,922	5.0	29,342	35,155	19.8

Film and video-related business

In the movie business, we distributed 34 films, including films produced in collaboration with other production companies. *Dangerous Cops -Home coming-* and *Wonderful Precure! the Movie DokiDoki! An Epic Adventure in the Game World* and *THE 35-YEAR PROMISE* were box-office hits. *[OSHI NO KO] -The Final Act, MUROMACHI OUTSIDERS*, Re-screenings of *THE FIRST SLAM DUNK* and *KAMEN RIDER GOTCHARD THE MOVIE: FUTURE DAYBREAK / BAKUAGESSENTAI BOONBOOMGER THE MOVIE: PROMISE THE CIRCUIT* were well received.

In the TV production business, *The Woman of S.R.I. season 24*, *Special Agent Unit 9 season 7*, *AIBOU (partners)season 23*, *With you I bloom*, *Kamen Rider Gotchard*, *KAMEN RIDER GAVV*, *BOONBOOMGER*, *Wonderful Precure!*, *The New Yoshimune Chronicle: Abarenbo Shogun*, and *Hananoren*, among other titles, we sought to enhance those content to receive orders and earn viewers. Domestic sales of merchandise rights for special effect content remained firm as consumer preferences for toys continue to diversify.

In the domestic content business, we sold terrestrial, BS and CS broadcasting rights, streaming rights and home video rights for theatrical and TV films, including both new and old titles. In streaming rights sales, *11 REBELS*, *[OSHI NO KO] -The Final Act-*, *THE FIRST SLAM DUNK*, *The Birth of KITARO: The Mystery of GeGeGe*, the *ONE PIECE* and *Dragon Ball* series, along with other titles, performed well. In addition, original films for streaming service, such as *[OSHI NO KO]* and *Land of Tanabata*, contributed to net sales. *[OSHI NO KO]* became the most viewed ever Amazon Original title in Japan during the first 30-day period after the start of distribution. In the home video rights business, *The Birth of KITARO: The Mystery of GeGeGe* contributed to net sales. We transferred our home video sales business to Toei Video Co., Ltd., a consolidated subsidiary, to consolidate management resources and enhance management efficiency, and *Dangerous Cops -Home coming-* increased net sales. We also sold overseas theatrical screening rights, streaming rights, and merchandising rights for both new and old theatrical and television films. The *ONE PIECE* and *Dragon Ball* series, *KAMEN RIDER* series, *SUPER-SENTAI* series, *B-Robo Kabutack*, and other titles performed well.

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

In the film and video-related business, net sales came to 134,024 million yen (up 6.4% year on year), and operating profit was 33,655 million yen (up 27.8% year on year).

Entertainment-related business

The management of cinema complexes by T-JOY Co., Ltd., a consolidated subsidiary, is the core business in the box office business. T-JOY has 230 screens at 23 sites, including those jointly managed with partners, such as T-JOY Emi Terrace Tokorozawa, which opened on September 24, 2024. *Detective Conan: The Million-dollar Pentagram*, *Kingdom: Return of the Great General*, *Look Back*, *Last Mile*, *Cells at Work!* and other titles became blockbusters and significantly contributed to results. However, sales and profit fell from the year-ago period when the results were robust.

In the entertainment-related business, net sales came to 18,966 million yen (down 6.0% year on year) and operating profit was 782 million yen (down 59.0% year on year).

Event-related Business

In the event-related business, various events, such as *OHSAMA SENTAI KING-OHGER FINAL LIVE TOUR 2024*, *Wonderful Precure! Let's Play Together! Wonderful World*, *KAMEN RIDER GOTCHARD FINAL STAGE*, and popular character shows, performed well. In addition, sales of film-related merchandise, event merchandise, online store and Kamen Rider Store sales remained steady. At Toei Kyoto Studio Park, using part of the site was limited due to renovation, but results were driven by holding seasonal events such as *Uzumasa Edosakaba* and Japanese version of Halloween, *Kaikai Yokai Festival*.

In the event-related business, net sales came to 11,203 million yen (up 11.1% year on year) and operating profit was 1,269 million yen (down 10.8% year on year).

Tourism real estate-related business

In the real estate leasing business, despite a growing imbalance between supply and demand caused by population decline in regional areas, the leasing operations of retail complexes such as Toei Plazas (Shibuya, Fukuoka, Hiroshima, and Sendai) and the Shinjuku 3-chome East Building, and condominiums, that we own nationwide, remained steady. In the hotel business, inbound tourism demand and tour group use have recovered. However, on the downside, hotels were affected by rising prices, including utility costs. Under such conditions, we sought to generate profit through making efforts for the revision of prices and thorough cost control.

In the tourism real estate-related business, net sales came to 6,838 million yen (up 5.3% year on year) and operating profit was 2,542 million yen (down 1.1% year on year).

Architectural interior design-related business

In the architectural interior design-related business, business environment remained challenging due to persistently high construction materials costs and an increase in labor expenses. Despite this situation, we were proactive in our sales activities to retain existing customers and expand orders involved in the construction of cinema complexes, senior health and care facilities and support facility for people with disabilities.

In the architectural interior design-related business, net sales came to 8,890 million yen (up 3.2% year on year) and operating profit was 496 million yen (up 24.9% 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

(Assets)

Total assets amounted to 463,639 million yen at the end of the fiscal year under review, which was an increase of 52,232 million yen from the end of the previous fiscal year. This was mainly due to increases of 4,947 million yen in notes and accounts receivable – trade and contract assets, 1,254 million yen in merchandise and finished goods, 2,731 million yen in buildings and structures, 1,630 million yen in land, 1,239 million yen in construction in progress, 24,045 million yen in investment securities, and 18,500 million yen in long-term time deposits. These increases were partially offset by decreases of 2,756 million yen in work in process and 2,426 million yen in other current assets.

(Liabilities)

Total liabilities stood at 109,315 million yen, an increase of 14,140 million yen from the end of the previous fiscal year. This was mainly due to increases of 6,075 million yen in the current portion of long-term borrowings, 2,275 million yen in income taxes payable, and 7,595 million yen in deferred tax liabilities, as well as 1,550 million yen in other non-current liabilities. These increases were partially offset by decreases of 2,805 million yen in long-term borrowings.

(Net assets)

Net assets increased 38,092 million yen from the end of the previous fiscal year, to 354,323 million yen. This was a result, in large part, of increases of 13,982 million yen in retained earnings, 12,795 million yen in valuation difference on available-for-sale securities and 9,901 million yen in non-controlling interests.

3) Analysis of cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year under review amounted to 88,987 million yen (compared to 77,929 million yen at the end of the previous fiscal year). This resulted from an increase of 33,646 million yen in cash flows from operating activities, a decrease of 17,466 million yen in cash flows from investing activities, and a decrease of 4,620 million yen in cash flows from financing activities.

Cash flows from operating activities

Net cash provided by operating activities stood at 33,646 million yen (22,076 million yen in cash was generated a year earlier). This was mainly due to cash inflows including 39,312 million yen in profit before income taxes, 4,330 million yen in depreciation, 1,541 million yen in decrease (increase) in inventories, 3,175 million yen in increase (decrease) in other current liabilities, and 3,374 million yen in interest and dividends received. These were partially offset by cash outflows including 2,127 million yen in interest and dividend income, 3,581 million yen in share of profit (loss) of entities accounted for using equity method, 3,760 million yen in decrease (increase) in trade receivables and contract assets, and 8,842 million yen in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities was 17,466 million yen (9,805 million yen in cash was used a year earlier). This was primarily attributable to cash inflow of 58,545 million yen from proceeds from withdrawal of time deposits, and a result of cash outflows including 66,288 million yen in payments into time deposits and 8,276 million yen in purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities was 4,620 million yen (7,542 million yen in cash was used a year earlier).

This was mainly due to cash inflows of 4,500 million yen in long-term borrowing, and cash outflows including 1,276 million yen in repayments of long-term borrowings, 1,739 million yen in payments of dividends paid, 3,597 million yen in dividends paid to non-controlling interests, and 2,049 million yen in purchase of shares of subsidiaries not resulting in change in scope of consolidation.

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. For large-scale investments in video production facilities and real estate leasing facilities, the Company will raise funds through borrowings from financial institutions, as necessary, in addition to internal funds.

While effectively utilizing assets and strengthening our earnings base, we will also examine the appropriate level of cash on hand and prioritize the allocation of free cash flow to growth investments, focusing on priority measures to enhance corporate value as part of our financial strategy. By doing so, we will seek to improve return on equity (ROE) and deliver stable, long-term shareholder returns, which we believe are important.

(ii) Fundraising methods and status

The Group raises working capital and funds for equipment and large-scale investment project 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	240	200	(40)
Current portion of long-term borrowings	1,207	7,282	6,075
Long-term borrowings	12,779	9,928	(2,851)
Total	14,227	17,410	3,183

(iii) Breakdown of demand for funds

The Toei Group's medium- to long-term management strategy, the TOEI NEW WAVE 2033 Medium to Long-Term Vision, formulated in February 2023, calls for investment in growth. The Group's major demand for funds towards 2033 includes content investments of 240 billion yen and 60 billion yen in investments to strengthen its business foundation (36 billion yen in investments relating to production equipment and 24 billion yen in real estate investments).

In addition to the above, a breakdown of demand for operational funds 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 the like.

(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

Not applicable.

6. Research and Development

Not applicable.

III. Facilities

1. Overview of Capital Expenditure, Etc.

Capital expenditures in the consolidated fiscal year under review were 11,001 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 2,484 million yen. A major component of this was the renovation of Toei Animation Co., Ltd.'s headquarters office.

(2) Entertainment-related business

Capital expenditures totaled 2,987 million yen. A major component of this was construction of the newly established cinema complexes of T-Joy Co., Ltd.

(3) Event-related business

Capital expenditures were 1,646 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 3,750 million yen. A major component of this was acquisition of rental condominium owned by Toei Labo Tech Co., Ltd.

(5) Architectural interior design-related business

Capital expenditures were 22 million yen.

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

Capital expenditures were 110 million yen.

2. Major Facilities

(1) Company submitting the securities report

As of March 31, 2025

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)	147	4	6,157 (1,100)	128	6,437	358
Tokyo Studios (Nerima-ku, Tokyo)	Film and video-related business	Stages (Note 2)	1,752	68	7,605 (36,342)	462	9,888	30
Digital Center (Nerima-ku, Tokyo)	Film and video-related business	Editing facility (Note 2)	843	16	—	98	958	5
Kyoto Studios (Kyoto-shi, Kyoto)	Film and video-related business	Stages	1,393	100	2,682 (33,923)	29	4,205	39
Marunouchi TOEI (1) (2) (Chuo-ku, Tokyo)	Entertainment-related business	Movie theater (Note 1)	—	17	—	0	17	2
Fukuoka Toei Hotel and two other hotels (Fukuoka-shi, Fukuoka, etc.)	Tourism real estate-related business	Hotels	630	19	2,137 (12,884)	80	2,868	57 (Note 3)
Toei Kyoto Studio Park (Kyoto-shi, Kyoto)	Event-related business	Theme park (Note 4)	1,063	0	3,908 (40,441)	11	4,983	—

- (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)	2,644	4	4,245 (1,204)	7	6,901
Hiroshima Toei Plaza (Hiroshima-shi, Hiroshima)	Tourism real estate- related business	Rental facilities	1,693	—	1,995 (1,484)	1	3,690
Shinjuku Sanchoe East Bldg. (Shinjuku-ku, Tokyo)	Tourism real estate- related business Entertainment-related business	Rental facilities Cinema complexes (Note 6)	2,060	—	8,177 (1,556) <243>	0	10,238
Oz Studio City (Nerima-ku, Tokyo)	Tourism real estate- related business Entertainment-related business	Rental facilities (Note 2) Cinema complexes (Note 6)	1,053	—	—	2	1,056
Platz Oizumi (Nerima-ku, Tokyo)	Tourism real estate- related business	Rental facilities	1,818	—	3,458 (26,338)	—	5,277

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.”
9. The number of employees includes received assignees from other affiliated companies and part-time employees, while excluding officers, contract employees, and outbound assignees.

(2) Domestic subsidiaries

As of March 31, 2025

Company	Business site (Location)	Segment	Facilities	Book value (million yen)					Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (Area (m2))	Other	Total	
Toei Labo Tech Co., Ltd.	Head office, plant, etc. (Chofu-shi, Tokyo, etc.)	Film and video- related business	Offices, plants	100	164	501 (13,921)	42	808	58
	Rental condominium (Chiyoda-ku, Tokyo)	Tourism real estate-related business	Rental facilities (Note 1)	1,800	—	2,746 (1,213)	—	4,546	—
Toei Animation Co., Ltd.	Oizumi Studio (Nerima-ku, Tokyo)	Film and video- related business	Offices, studios	5,711	—	42 (4,777)	196	5,950	312
	Head office and Nakano office (Nakano-ku, Tokyo)	Film and video- related business	Offices	496	—	—	140	637	384
	Dormitories, facilities, etc. (Nerima-ku, Tokyo)	Film and video- related business	Accommodation	119	—	160 (378)	—	280	—
Toei Kyoto Studio Co., Ltd.	Toei Kyoto Studio Park (Kyoto-shi, Kyoto)	Event-related business	Theme park	1	—	849 (10,276)	17	868	27
T-Joy Co., Ltd.	T-Joy Higashihiroshima (Higashi Hiroshima-shi, Hiroshima, etc.)	Entertainment- related business	Cinema complexes	6,216	1,385	—	1,043	8,645	194

- (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. The number of employees at T-Joy Co., Ltd. includes associate employees.

(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 and Toei Kyoto Studio	Toei Kyoto Studio Park (Kyoto-shi, Kyoto)	Event-related business	Theme parks (Renovation)	15,000	862	Cash on hand and debt financing	January 2024	After 2030

- (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.

(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 by the time of the relocation of the head office.

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	150,000,000
Total	150,000,000

(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, 2025)	Number of shares issued as of the filing date (shares) (June 25, 2025)	Stock exchange where the Company is listed	Details
Common shares	73,844,545	73,844,545	Tokyo Stock Exchange (Prime Market)	One unit: 100 shares
Total	73,844,545	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)
April 1, 2024	59,075,636	73,844,545	-	11,707	-	5,297

(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.

(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	-	27	31	103	171	14	7,306	7,652	-
Number of shares held (unit)	-	113,734	2,348	353,436	128,390	33	139,979	737,920	52,545
Ratio of the number of shares held (%)	-	15.41	0.32	47.90	17.40	0.00	18.97	100.00	-

(Notes) 1. Of 9,403,497 treasury shares, 94,034 units are included in “Individuals, etc.,” and 97 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 15 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 after the stock split

(6) Status of Major Shareholders

As of March 31, 2025

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	12,640	19.62
Tokyo Broadcasting System Television, Inc.	5-3-6 Akasaka, Minato-ku, Tokyo	6,075	9.43
BANDAI NAMCO Holdings Inc.	5-37-8 Shiba, Minato-ku, Tokyo	5,177	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)	4,662	7.24
The Master Trust Bank of Japan, Ltd. (Trust account)	1-8-1 Akasaka, Minato-ku, Tokyo	4,572	7.10
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	3,602	5.59
Tokyu Corporation	5-6 Nanpeidaicho, Shibuya-ku, Tokyo	3,000	4.66
Fuji Media Holdings, Inc.	2-4-8 Daiba, Minato-ku, Tokyo	2,862	4.44
Nippon Television Network Corporation	1-6-1 Higashi-Shimbashi, Minato-ku, Tokyo	2,400	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	1,749	2.71
Total	-	46,739	72.54

(Notes) 1. In addition to the foregoing, the Company holds 9,403 thousand 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 after 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, 2025

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 9,403,400	-	-
Shares with full voting right (others)	Common shares 64,388,600	643,886	(Notes 1 and 2)
Shares less than one unit	Common shares 52,545	-	(Note 3)
Number of shares outstanding	73,844,545	-	-
Total number of voting rights	-	643,886	-

- (Notes) 1. Shares with full voting right (others) include 1,500 shares held under the name of Japan Securities Depository Center, Inc. The number of voting rights includes 15 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 140,565 shares (1,405 voting rights) of the Company's stock held by the executive compensation BIP trust.
3. Shares less than one unit contain 97 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 after the stock split

2) Treasury shares, etc.

As of March 31, 2025

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	9,403,400	-	9,403,400	12.73
Total	-	9,403,400	-	9,403,400	12.73

- (Note) 1. In addition to the foregoing, 140,565 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 after the stock split

(8) Share Ownership Plans for Directors and Employees

1) Details of performance-based stock compensation plan

(i) 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, Non-executive Directors, Outside Directors, and residents outside 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, 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. Additionally, the Company resolved to continue the performance-based stock compensation plan at a meeting of the Board of Directors held on May 14, 2025 for three years from the end of fiscal year on March 31, 2026 until the end of fiscal year on March 31, 2028.

(ii) 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).

(iii) 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 of Audit and Supervisory Committee, Non-executive directors, Outside directors, and directors residing overseas)

2) Details of the Employee Shareholding Association

(i) Overview of the Employee Shareholding Association

At a meeting of the Board of Directors held on January 22, 2025, the Company resolved to introduce an Employee Shareholding Association. The purpose of this scheme is to create an environment in which eligible participants (employees of the Company and certain employees of Group companies) can acquire and hold shares in the Company while mitigating insider trading risks, thereby promoting asset formation among employees, increasing their awareness of participation in corporate management, and contributing to the future enhancement of corporate value.

(ii) Total number of shares the Company plans to allot for Employee Shareholding Association

There is no limit to the total number of shares that can be acquired.

(iii) Persons eligible to be beneficiaries and/or have other rights under the Employee Shareholding Association

Employees of the Company and certain employees of Group companies

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	452	2
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, 2025 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 and the Employee Shareholding Association 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	9,403,497	-	9,403,497	-

- (Notes)
1. The Company implemented a 5-for-1 split of its common stock as of April 1, 2024, and the number of the above shares 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, 2025 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 (140,565 shares during the fiscal year under review and 140,565 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 12 yen, which includes a regular dividend of 6 yen per share and a special dividend of 6 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, 2024 Resolution of the Board of Directors	386	6
June 27, 2025 Resolution of the Ordinary General Meeting of Shareholders (Scheduled)	773	12

(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 after the stock split.

4. Corporate Governance

(1) Overview of Corporate Governance

1) Corporate governance policy

With stable management centered around the Toei Group, the Group has continued to provide high-quality entertainment since its foundation, including visual content, to the world, in line with its mission "Fill the world with stories that bring people joy." The source of the Group's corporate value is found both in its planning and production capabilities for creating a quality content and in its ability to develop multi-use approach that maximizes revenue. Our slogan from TOEI NEW WAVE 2033, the Toei Group's Medium- to Long-Term Vision, is "To the World, To the Future — To be a company that colors the world and the future with the power of our stories —." As we move forward under this slogan, we will work to achieve sustainable growth and increase our medium-to-long-term corporate value by actively developing businesses, including in related fields.

Going forward, the Company will continue working to improve its corporate governance with respect for the purport and spirit of the Corporate Governance Code, with the goals of achieving sustainable growth and improving our corporate value in the medium- to long-term as mentioned above.

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

The Company has an Audit and Supervisory Committee, and established a voluntary Nomination and Compensation Committee, which consists of a majority of Outside Directors and is chaired by an Outside Director. 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 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 102nd 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 (June 25, 2025), 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	○				
Outside Director	Hirofumi Nomoto	○				
Outside Director	Yoshiharu Ueki	○				
Director (Standing Statutory Auditor)	Masahiro Horiguchi	○		○	◎	
Outside Director (Statutory Auditor)	Tomoko Shioike	○			○	○
Outside Director (Statutory Auditor)	Hitoshi Sato	○			○	◎
Outside Director (Statutory Auditor)	Shima Katsuragawa	○			○	○

(Note) If the second item to be resolved (Election of eight Directors (excluding Directors who are Audit and Supervisory Committee Members)) is approved as proposed at the 102nd Ordinary General Meeting of Shareholders scheduled to be held on June 27,

2025, then the number of Directors who are not Audit and Supervisory Committee Members will be eight (including two Outside Directors), and there will be no change in the composition of the organization.

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	13/13	
Senior Vice President	Yuya Kamata	13/13	
Vice President Studio Business	Yuji Kojima	13/13	
Director	Hiroshi Hayakawa	11/13	
Outside Director	Hirofumi Nomoto	12/13	
Outside Director	Yoshiharu Ueki	9/9	Assigned at the closing of Ordinary General Meeting of shareholders held on June 27, 2024. The number of attendances counts after his assignment.
Director (Standing Statutory Auditor)	Masahiro Horiguchi	13/13	
Outside Director (Statutory Auditor	Shinichi Kozu	4/4	Retired due to the expiration of the assignment on June 27, 2024.
Outside Director (Statutory Auditor)	Tomoko Shioike	13/13	
Outside Director (Statutory Auditor)	Hitoshi Sato	13/13	
Outside Director (Statutory Auditor)	Shima Katsuragawa	9/9	Assigned at the closing of Ordinary General Meeting of shareholders held on June 27, 2024. The number of attendances counts after his assignment.

(Note) The number of Board of Directors' meetings held during the fiscal year under review was thirteen (13) and nine (9) of these were held after the 101st Ordinary General Meeting of Shareholders held on June 27, 2024.

○ Major deliberation themes

During the fiscal year under review, the Board deliberated on the following issues: redevelopment of the Marunouchi Toei Kaikan, establishment of the Toei Succession Plan, revisions to internal regulations on officer mandatory retirement and executive officer regulations, formulation of material issues and value creation processes, reports on the activities of the Sustainability Committee, risk management plan for the 102nd fiscal year, measures to achieve management that considers cost of capital and stock prices, the status of cross-shareholdings, implementation of a survey on the effectiveness of the Board of Directors, compliance with the Corporate Governance Code, preparation of statutory documents such as business reports and financial statements, convocation of the Ordinary General Meeting of Shareholders, and other matters relating to financial results, budgets, borrowings, major personnel changes, and organizational changes.

Voluntary Nomination and Compensation Committee

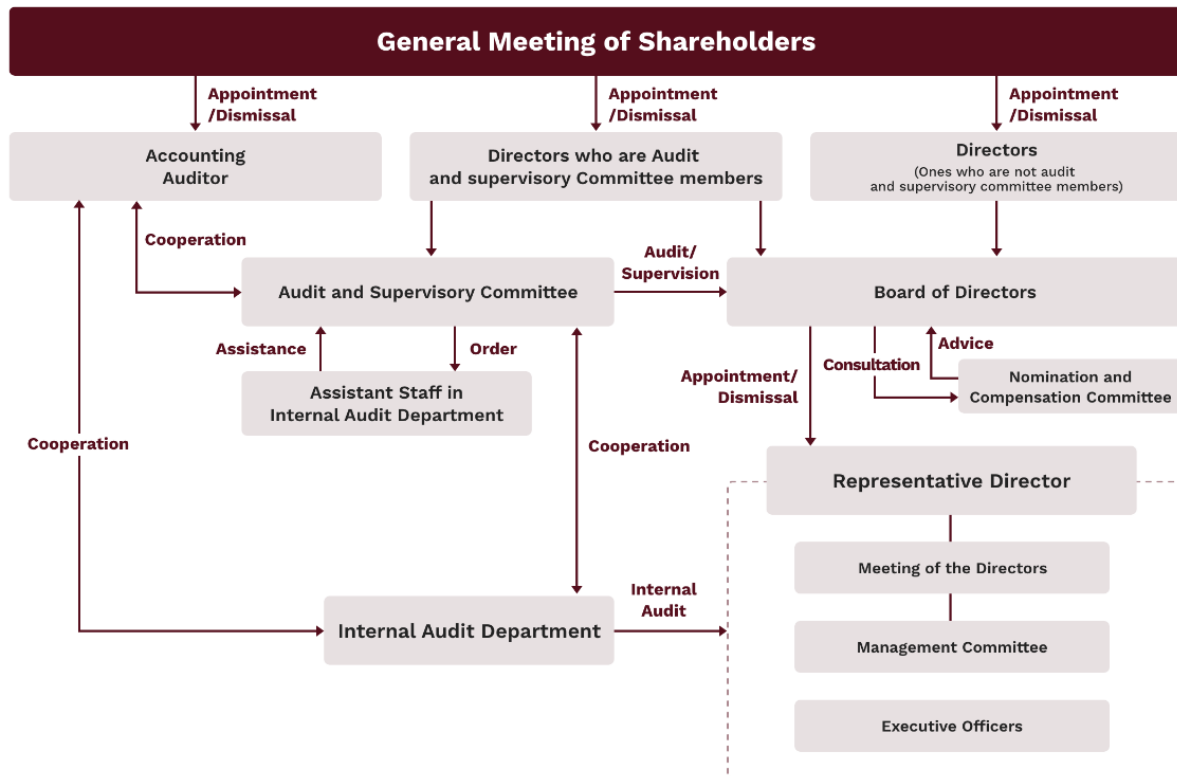
Job title	Name	Attendance	Remarks
Chairperson	Noriyuki Tada	3/3	
President and Chief Executive Officer	Fumio Yoshimura	3/3	
Outside Director (Statutory Auditor)	Tomoko Shioike	3/3	
Outside Director (Statutory Auditor)	Hitoshi Sato	3/3	
Outside Director (Statutory Auditor)	Shima Katsuragawa	3/3	

Note. The Committee was convened 3 times (January 22, 2025, March 18, 2025 and April 25, 2025) before the 102nd Ordinary General Meeting of Shareholders.

○ Major deliberation themes

The Committee deliberated the Toei Succession Plan, the performance-based bonuses plan, continuation of the performance-based stock compensation plan (BPI trust), partially revision of the performance-based bonuses plan, skills matrix, nomination of Directors, and 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 Regulations on Duties, the Regulations on Duties and Authorities 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

<Basic policy for the way of persons to control the management of decisions regarding finance and business policies as of June 25, 2025>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 of June 25, 2025 (the date of submission for Annual Securities Report) 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 Co., Ltd. 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 "Response Policies").

Under these Response Policies, 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 Response Policies

a. Response Policies are based on the reasonable intentions of shareholders

The period of validity of the Response Policies 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 Response Policies may be abolished by a resolution of the Board of Directors made up of Directors elected at a general meeting of shareholders.

Furthermore, the Response Policies 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 Response Policies 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 Response Policies 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 Response Policies, when resolving whether or not to implement the Retaliatory Measure against a large-scale purchase 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 Response Policies 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 Response Policies 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 Response Policies, 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 Response Policies 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 Response Policies 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 Response Policies 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 Response Policies 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.

<Basic policy for the way of persons to control the management of decisions regarding finance and business policies adopted after the closing of the 102nd Ordinary General Meeting of Shareholders held on June 27, 2025 as of June 25, 2025>

The Company proposes the Continuation of Policy against the Large-scale Purchase of Shares (Response to TOB) as the agenda (Resolutions) planned at the 102nd Ordinary General Meeting of Shareholders on June 27, 2025, and after the agenda is approved as an original plan, the basic policy for the way of persons to control the management of decisions regarding finance and business policies are to be partially revised as follows.

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

With stable management centered around the Toei Group, 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," while keeping abreast of changes in the world and adapting to new media.

The business environment surrounding the Group is changing rapidly due to the declining birthrate and aging population in Japan and the accompanying population decline, together with the diversification of consumer needs and communication media. The Group recognizes the following as management issues.

- Enhance the IP portfolio by bolstering the ability to create new IPs with a focus on original IPs
- Accelerate the global rollout of IPs and maximize revenue per IP by promoting the multi-use of IPs in Japan and overseas
- Lengthen the IP lifecycle to achieve sustainable growth

To effectively address these management issues, the Group is executing the TOEI Group Medium- to Long-term Vision "TOEI NEW WAVE 2033," which was adopted and announced in February 2023 as the Group's medium- to long-term growth strategy. The Group recognizes that the Toei Group's strengths lie in its planning and production capabilities, which are the source of diverse and appealing productions, and its multi-use development capabilities, which maximize earnings as an IP holder.

- ① Maximizing visual content business revenue
- ② Accelerate global rollout of content
- ③ Increase investment in human capital to strengthen visual content business
- ④ Reinforcing the management foundations that support sustainable challenges and growth

The Group will continue to consider initiatives for the future that follow the above, and when specific details are determined, it will make them public through its official website and other means.

Furthermore, the Company will deliberate the fulfillment of Corporate Governance, build up the long-term relationship of trust, and intend to strive for the sustainable growth of our group and the long-term, stable increase in our corporate value and the common interests of shareholders.

(ii) Policy on 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 films, animation and other content which has 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 regular 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.

(Notes 1) A large-scale purchase action means (i) a purchase action 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.)), (ii) a tender offer that results in the total ownership ratio of the shares to 20% or more of the tender offeror and its special related parties, or (iii) an action conducted by a specific shareholder of the Company between the Company and other shareholders of the Company, regardless of whether the actions in (i) or (ii) above are implemented. It also refers to any agreement or other action that results in the other shareholder becoming a joint holder of the specific shareholder, or any action that establishes a relationship between the specific shareholder and the other shareholder in which one party effectively controls the other, or in which they act jointly or in concert, excluding any that have been approved in advance by the Board of Directors of the Company.

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

(iii) Purpose and basic framework for introduction of the Policy

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 conduct of a large-scale purchase in accordance with such rules on large-scale purchases (the "Large-Scale Purchase Rules," the details of which are described below in 2. Details of the Large-Scale Purchase Rules.") will help ensure and enhance the Company's corporate value and shareholders' interests.

Under the Policy, when a large-scale purchaser does not comply with the Large-Scale Purchase Rules or, even if the large-scale purchaser does comply with the Large-Scale Purchase Rules but the Board of Directors ultimately determines that the large-scale purchase may significantly damage the Company's corporate value and the common interests of shareholders, the Board of Directors may, upon respecting the recommendation of the Special Committee (see 3. "Establishment of the Special Committee" below) to the maximum extent possible, resolve to implement a gratis allotment of stock acquisition rights (see 5. "Resolutions by the Board of Directors and Details of the Retaliatory Measure" below and Appendix 1 "Outline of Gratis Allotment of Stock Acquisition Rights") (the "Retaliatory Measure") as a countermeasure.

In addition, when making recommendations, the Special Committee may recommend the convocation of a general meeting of shareholders to confirm shareholders' intentions (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 who are entitled to exercise their voting rights, 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 Response Policies

a. Response Policies are based on the reasonable intentions of shareholders

The period of validity of the Response Policies is from the close of the 102nd Ordinary General Meeting of Shareholders held on June 27, 2025 until the close of the Company's Ordinary General Meeting of Shareholders for the fiscal year ending March, 2028 to be held in June 2028 and, even before the period of validity expires, the Response Policies may be abolished by a resolution of the Board of Directors made up of Directors elected at a general meeting of shareholders.

Furthermore, the Response Policies 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 Response Policies 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 Response Policies are thus based on the rational intentions of the Company's shareholders.

b. Emphasis on the judgment of highly independent outsiders

Under the Plan, when resolving whether or not to implement the retaliatory measure against a large-scale purchase 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. (There is no room for the Company's Board of Directors to exercise the retaliatory measure solely on its own judgment.)

c. Satisfying the requirements in the guidelines regarding policies to respond to acquisition

The Policy satisfies the three principles (the principle of corporate value and the common interests of shareholders, the principle of shareholders' intentions, and the principle of transparency) stipulated in the "Guidelines for Corporate Takeovers — Enhancing Corporate Value and Securing Shareholders' Interests—" announced by METI on August 31, 2023.

The Policy also takes into account the report "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008, "Principle 1.5 Anti-Takeover Measures" of the Japan's Corporate Governance Code revised by the Tokyo Stock Exchange on June 11, 2021 and "Guidelines for Corporate Takeovers" announced by METI on August 31, 2023. Accordingly, under the Policy, even if the Company acquires share acquisition rights (see the Exhibit for details) 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. The Plan is neither a dead-hand takeover defense nor a slow-hand takeover defense

The Plan 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 Plan 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 Plan is 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). The term of office of directors (excluding directors who are members of the Audit and Supervisory Committee) is one year, and that of directors who are members of the Audit and Supervisory Committee is two years, as stipulated in the Companies Act, and the so-called staggered term system is not adopted. Therefore, the Policy is not a slow-hand takeover defense measure (a takeover defense measure that requires time to prevent its triggering due to the fact that the members of the Board of Directors cannot be immediately replaced).

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

The Company's officers as of June 25, 2025 (date of submission of the Annual Securities Report) are as follows.

Please note that we have proposed the Election of eight Directors (excluding Directors who are Audit and Supervisory Committee Members) as an item to be resolved at the Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2025. If this resolution is approved, the status and terms of office of the Company's officers will remain unchanged from the information provided below. The positions, etc., of the officers described below include the contents of items to be resolved (positions, etc.) at the meeting of the Board of Directors to be held immediately after the above Ordinary General Meeting of Shareholders.

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	<p>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</p> <p>Joined the Company Hokkaido Branch Manager Senior Executive Manager of Motion Picture Marketing Senior Executive Manager 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)</p>	(Note 3)	50
President and Chief Executive Officer, Chief of Media Business Operations	Fumio Yoshimura	February 3, 1965	<p>April 1988 June 2016 June 2018 June 2020 June 2020 April 2021 June 2021 July 2022 April 2023 April 2023 April 2024</p> <p>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)</p>	(Note 3)	25
Executive Vice President, Group Strategy	Koichi Wada	September 7, 1965	<p>April 1988 June 2014 June 2016 June 2018 June 2020 June 2021 July 2022 June 2023</p> <p>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)</p>	(Note 3)	10
Senior Vice President, Real Estate	Yuya Kamata	April 2, 1968	<p>April 1991 June 2016 June 2018 June 2021 June 2022 July 2022 June 2023</p> <p>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)</p>	(Note 3)	18

Job title	Name	Date of birth	Career profile		Term	Number of shares owned (100 shares)
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
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 June 2024 June 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. External Affairs Representative of Japan Airlines Co., Ltd.(current position) 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

Job title	Name	Date of birth	Career profile		Term	Number of shares owned (100 shares)
Statutory Auditor	Tomoko Shioike =	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
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						133

(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, 2025.

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 3,000,000 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 190,000 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 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. Ms. Shima Katsuragawa was selected as a new Outside Director and Statutory Auditor at the above Ordinary General Meeting of Shareholders.

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	4/4
Statutory Auditor (Outside)	Tomoko Shioike	13/13
Statutory Auditor (Outside)	Hitoshi Sato	13/13
Statutory Auditor (Outside)	Shima Katsuragawa	9/9

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

Resolutions: 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, agreement of election of Directors as Audit and Supervisory Committee members, election of the Chair and Standing Statutory Auditor of Audit and Supervisory Committee, election of Selected Auditor and Specific Auditor 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 (initiatives regarding human capital management) 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, Sustainability Committee, Risk Management 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 mid-term 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.
	Daisuke Ishida	Continuous audit period: Since 1976

(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

Eight (8) certified public accountants and twenty-two (22) others

(iii) Policy and reasons for selection of audit corporation

The Company's Audit and Supervisory Committee has adopted the Standards for Selection and Evaluation of Accounting Auditors. These standards, originally established by the Board of Company Auditors on December 4, 2015, were reviewed and confirmed for their appropriateness by the current Committee. Based on these standards, the Audit and Supervisory Committee selects the Accounting Auditor. The selection process involves obtaining written information from each candidate accounting auditor that describe their firm's profile, the audit execution system, etc. and estimated audit fees. This is followed by interviews and direct question.

(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	71	-	71	-
Consolidated subsidiaries	74	23	60	9
Total	145	23	131	9

*Non-audit services provided by consolidated subsidiaries in the previous consolidated fiscal year and the consolidated 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	-	-	-	-
Consolidated subsidiaries	41	18	48	13
Total	41	18	48	13

* Non-audit services at consolidated subsidiaries in the previous consolidated fiscal year and fiscal year under review were mainly tax related services.

(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 14, 2025, the Company resolved to revise the policy and Directors' Compensation Regulation for determining the details of individual remuneration, etc. for Directors which will become effective after the 102nd Ordinary General Meeting of Shareholders held on June 27, 2025.

<Policy on determining the details of compensation, etc. for individual Directors resolved on June 27, 2024>

(i) 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.

(ii) 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 officers 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.

(iii) 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.

(iv) 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.

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

The compensation, etc. for individual Directors who are not Audit and Supervisory Committee Members (excluding Non-executive Directors and Outside Directors) consists of basic compensation, bonuses and performance-based stock compensation, while all of the compensation, etc. for Directors who are Audit and Supervisory Committee Members, Non-executive Directors and Outside Directors is basic compensation. Regarding the percentage of compensation paid to individual Directors who are not Audit and Supervisory Committee Members (excluding Non-executive Directors and Outside Directors) that is basic compensation, bonuses or performance-based stock compensation, appropriate percentages are determined to ensure that compensation functions as a

healthy incentive.

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

a Basic remuneration

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

b Bonuses

Bonuses are linked to the Company's non-consolidated operating 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.

c 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.

(vii) 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 (Chief of Media Business Operations) 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.

<Policy for determining the details of individual remuneration, etc. for Directors which will become effective after the 102nd Ordinary General Meeting of Shareholders held on June 27, 2025>

(i) 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.

(ii) 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 officers 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.

(iii) 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.

(iv) 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.

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

The compensation, etc. for individual Directors who are not Audit and Supervisory Committee Members (excluding Non-executive Directors and Outside Directors) consists of basic compensation, bonuses and performance-based stock compensation, while all of the compensation, etc. for Directors who are Audit and Supervisory Committee Members, Non-executive Directors and Outside Directors is basic compensation. Regarding the percentage of compensation paid to individual Directors who are not Audit and Supervisory Committee Members (excluding Non-executive Directors and Outside Directors) that is basic compensation, bonuses or performance-based stock compensation, appropriate percentages are determined to ensure that compensation functions as a healthy incentive.

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

a Basic remuneration

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

b Bonuses

Bonuses are linked to the Company's non-consolidated operating 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.

c 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.

(vii) 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). 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).

At the 99th Ordinary General Meeting of Shareholders on June 29, 2022, it is resolved to set the limit of compensation for Directors who are Audit and Supervisory Committee Members at 70 million yen per year. The number of Directors serving as Audit and Supervisory Committee Members at the closing of the Ordinary General Meeting of Shareholders 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 1 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). At a meeting of the Board of Directors held on May 14, 2025, it was resolved to continue this system and extend the trust period by three years.

- Matters relating to performance-based compensation, etc.

In 2022, the Company introduced a performance-based stock compensation system through a BIP trust for officer compensation. Performance-based stock compensation is intended to clarify the link between compensation for Directors (excluding Non-executive Directors, Outside Directors, and Directors who are Audit and Supervisory Committee Members) and the Company's performance and shareholder value, with the aims of enhancing Directors' motivation to contribute to the improvement of the Company's medium- to long-term performance and increase corporate value, and sharing the returns and risks associated with stock price fluctuations with shareholders.

The indicators for performance-based stock compensation are non-consolidated operating profit and profit attributable to owners of parent. Actual results for each indicator for the fiscal year ended March 31, 2025, were 885 million yen and 15,722 million yen, respectively.

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) (Outside Directors)	264 (11)	201 (11)	63 (-)	63 (-)	8 (2)
Directors who are Audit and Supervisory Committee Members (Outside Directors)	36 (16)	36 (16)	- (-)	- (-)	5 (4)

(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 21 million yen (includes bonuses of 7 million yen) for the Directors who also hold the employee position.

3). The number of members of Directors as the above Audit and Supervisory Committee members includes one (1) Outside Director (a member of Audit and Supervisory Committee) who retired at the closing of the 101st Ordinary General Meeting of Shareholders on June 27, 2024.

3. Total Consolidated Remuneration for Each Officer

As there are no officers with total consolidated remuneration of 100 million yen or more, this information is not disclosed.(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	25	734
Stocks other than unlisted stocks	28	55,510

(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	39	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	0
Stocks other than unlisted stocks	5	372

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	7,077,072	The Company holds the shares of BANDAI NAMCO Holdings Inc. for the purpose of building a stronger relationship and pursuing collaboration, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with subsidiaries such as Bandai Namco Entertainment Inc., in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	Yes
	35,413	20,013		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with subsidiaries such as Nippon Television Network Corporation in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	No (Note 2)
	5,459	4,146		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with subsidiaries, such as Tokyo Broadcasting System Television, Inc., in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	No (Note 2)
	4,154	4,246		
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, with the aim of maximizing visual content business revenue and reinforcing the management foundations that support sustainable challenges and growth, as set forth under its medium- to long-term vision. In addition to Tokyu Corporation itself, the Company also has transactions with subsidiaries (such as Tokyu Recreation, Co. Ltd.) in the film and video-related business and the tourism and real estate-related business, including maximizing visual content business revenue from visual content distributed by the Company, securing stable sources of revenue to support the highly volatile visual content business, and increasing the value of currently owned properties.	Yes
	2,445	2,675		

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)		
Sumitomo Mitsui Financial Group, Inc.	470,451	156,817	The Company holds the shares of Sumitomo Mitsui Financial Group, Inc. for the purpose of building a stronger relationship and pursuing collaboration, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. The Company also has transactions with its subsidiary Sumitomo Mitsui Banking Corporation, as a means of securing stable and agile sources of financing to support the highly volatile visual content business. The number of shares increased as a result of the stock split (1:3) on October 1, 2024.	No (Note 2)
	1,785	1,397		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with subsidiaries such as Fuji Television Network, Inc. in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	Yes
	1,634	1,270		
TOC Co., Ltd.	1,520,000	1,520,000	The Company holds the shares of TOC Co., Ltd. for the purpose of building a stronger relationship and pursuing collaboration, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. The Company also has transactions with TOC Co., Ltd. in the tourism and real estate-related business, including securing stable sources of revenue to support the highly volatile visual content business and increasing the value of currently owned properties.	Yes
	978	1,103		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with subsidiaries such as Dentsu, Inc., in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	Yes
	789	1,006		
Mitsubishi UFJ Financial Group, Inc.	242,650	242,650	The Company holds the shares of Mitsubishi UFJ Financial Group, Inc. for the purpose of building a stronger relationship and pursuing collaboration, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. The Company also has transactions with its subsidiary MUFG Bank, Ltd., as a means of securing stable and agile sources of financing to support the highly volatile visual content business.	No (Note 2)
	487	377		

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, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. Shares are held mainly in connection with business information gathering in relation to the tourism and real estate-related business, including securing stable sources of revenue to support the highly volatile visual content business and increasing the value of currently owned properties.	Yes
	460	422		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with subsidiaries such as TV TOKYO Corporation, in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	No (Note 2)
	348	292		
Sumitomo Mitsui Trust Holdings, Inc.	57,434	57,434	The Company holds the shares of Sumitomo Mitsui Trust Holdings, Inc. for the purpose of building a stronger relationship and pursuing collaboration, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. The Company also has transactions with its subsidiary Sumitomo Mitsui Trust Bank, Limited, as a means of securing stable and agile sources of financing to support the highly volatile visual content business.	No
	213	189		
Washington Hotel Corporation	158,400	158,400	The Company holds the shares of Washington Hotel Corporation for the purpose of building a stronger relationship and pursuing collaboration, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. Shares are held mainly in connection with business information gathering in relation to the tourism and real estate-related business, which supports the highly volatile visual content business.	No
	190	133		
Tohokushinsha Film Corporation	299,100	99,700	The Company holds the shares of Tohokushinsha Film Corporation for the purpose of building a stronger relationship and pursuing collaboration, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with Tohokushinsha Film Corporation in the film and video-related business, including lengthening the IP lifecycle of co-produced works. The number of shares increased as a result of the stock split (1:3) on July 1, 2024.	Yes
	171	139		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with Greenland Resort Co., Ltd. in the event-related business, including lengthening the IP lifecycle of character IP owned by the Company.	No
	141	177		

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)		
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, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. The Company also has transactions with Shimizu Corporation in the real estate redevelopment-related business, including securing stable sources of revenue to support the highly volatile visual content business and increasing the value of currently owned properties.	Yes
	133	101		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with subsidiaries, such as Asahi Television Broadcasting Corporation, in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	Yes
	130	132		
Nippon Telegraph and Telephone Corporation	856,800	856,800	The Company holds the shares of Nippon Telegraph and Telephone Corporation for the purpose of building a stronger relationship and pursuing collaboration, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with subsidiaries such as NTT Communications Corporation, in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	No
	123	154		
Resona Holdings, Inc.	72,100	72,100	The Company holds the shares of Resona Holdings, Inc. for the purpose of building a stronger relationship and pursuing collaboration, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. Shares are held to maintain and strengthen relationship, including business information gathering in the finance and accounting division, which supports the highly volatile visual content business.	No
	92	68		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with IMAGICA GROUP Inc. in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	Yes
	82	109		

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)		
MS&AD Insurance Group Holdings, Inc.	24,048	24,048	The Company holds the shares of MS&AD Insurance Group Holdings, Inc. for the purpose of building a stronger relationship and pursuing collaboration, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. The Company also has insurance-related transactions with its subsidiary Aioi Nissay Dowa Insurance Co., Ltd. The number of shares increased as a result of the stock split (1:3) on April 1, 2024.	No (Note 2)
	77	65		
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, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. The Company also has transactions with BICCAMERA Inc. in the tourism and real estate-related business, including securing stable sources of revenue to support the highly volatile visual content business and increasing the value of currently owned properties in which BICCAMERA Inc. operates stores as a tenant.	No
	48	38		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with Nippon BS Broadcasting Corporation in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	No
	42	43		
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, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. Shares are held mainly in connection with business information gathering in relation to the event-related business, which supports the highly volatile visual content business.	No
	31	34		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with WOWOW Inc. in the film and video-related business, including lengthening the IP lifecycle of co-produced works.	No
	28	31		
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, with the aim of maximizing visual content business revenue as set forth under its medium- to long-term vision. The Company also has transactions with subsidiaries, such as ALL NIPPON AIRWAYS TRADING CO., LTD., in the film and video-related business, including sales of rights to show works owned by the Company during flights.	No
	27	32		

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)		
Daiwa Securities Group Inc.	16,000	16,000	The Company holds the shares of Daiwa Securities Group Inc. for the purpose of building a stronger relationship and pursuing collaboration, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. Shares are held mainly in connection with improving governance and business information gathering.	No
	15	18		
Nomura Holdings, Inc.	1,177	1,177	The Company holds the shares of Nomura Holdings, Inc. for the purpose of building a stronger relationship and pursuing collaboration, with the aim of reinforcing the management foundations that support sustainable challenges and growth as set forth under its medium- to long-term vision. Shares are held mainly in connection with improving governance and business information gathering.	No (Note 2)
	1	1		
Hirogin Holdings, Inc.	-	114,450	The Company sold all its shares in Hirogin Holdings, Inc. in the fiscal year under review.	No
	-	124		
Dai-ichi Life Holdings, Inc.	-	900	The Company sold all its shares in Dai-ichi Life Holdings, Inc. in the fiscal year under review.	No
	-	3		
Nippon Chemiphar Co., Ltd.	-	33,400	The Company sold all its shares in Nippon Chemiphar Co., Ltd. in the fiscal year under review.	No
	-	55		
Kajima Corporation	-	26,250	The Company sold all its shares in Kajima Corporation in the fiscal year under review.	No
	-	82		
Daiwa House Industry Co., Ltd.	-	21,780	The Company sold all its shares in Daiwa House Industry Co., Ltd. in the fiscal year under review.	No
	-	98		

- (Notes) 1. It is difficult to state the effects of shareholdings quantitatively, because of the difficulty in quantifying the extent to which shareholdings contribute directly to the objectives of building stronger relationships and pursuing collaboration, or what would happen if no shares were held. The rationality of holding shares is verified comprehensively by the Board of Directors based on operating results, financial standing, dividend status, and stock prices, etc., of the issuing companies of shares held for the most recent fiscal year.
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.	840,300	280,100	The Company has the authority to direct the exercise of voting rights vis-a-vis the trustee of the retirement benefit trust. The number of shares increased due to stock split (1:3) on October 1, 2024.	No (Note)
	3,188	2,495		

(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, 2024 to March 31, 2025) and the non-consolidated financial statements for the fiscal year (from April 1, 2024 to March 31, 2025) 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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	*2 105,182	*2 105,448
Notes and accounts receivable - trade, and contract assets	*3 38,939	*3 43,887
Merchandise and finished goods	2,209	3,464
Work in process	14,467	11,711
Raw materials and supplies	656	647
Other	8,296	5,869
Allowance for doubtful accounts	(90)	(177)
Total current assets	169,661	170,851
Non-current assets		
Property, plant and equipment		
Buildings and structures	*2 84,702	*2 89,396
Accumulated depreciation	(50,565)	(52,528)
Buildings and structures, net	34,136	36,868
Machinery, equipment and vehicles	6,183	6,704
Accumulated depreciation	(4,755)	(4,888)
Machinery, equipment and vehicles, net	1,427	1,816
Tools, furniture and fixtures	6,410	6,706
Accumulated depreciation	(5,495)	(5,647)
Tools, furniture and fixtures, net	915	1,058
Land	*2 51,963	*2 53,594
Leased assets	2,143	2,484
Accumulated depreciation	(968)	(1,000)
Leased assets, net	1,175	1,484
Construction in progress	1,957	3,197
Total property, plant and equipment	91,576	98,020
Intangible assets	1,973	2,049
Investments and other assets		
Investment securities	*1, *2 126,319	*1, 23 150,364
Long-term loans receivable	261	208
Retirement benefit asset	4,021	4,982
Deferred tax assets	274	795
Guarantee deposits	3,419	3,548
Long-term time deposits	12,000	30,500
Other	2,007	2,431
Allowance for doubtful accounts	(108)	(114)
Total investments and other assets	148,195	192,717
Total non-current assets	241,744	292,787
Total assets	411,406	463,639

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	*2 33,538	*2 33,362
Short-term borrowings	240	200
Current portion of long-term borrowings	1,207	7,282
Income taxes payable	3,628	5,903
Provision for bonuses	1,437	1,640
Other	*4 13,875	*4 13,477
Total current liabilities	53,927	61,866
Non-current liabilities		
Long-term borrowings	12,779	9,928
Deferred tax liabilities	7,579	15,175
Deferred tax liabilities for revaluation	7,943	8,177
Provision for retirement benefits for directors (and other officers)	228	241
Provision for share awards for directors (and other officers)	366	489
Defined benefit liability	4,706	4,298
Long-term guarantee deposits	*2 4,496	*2 4,440
Other	3,147	4,698
Total non-current liabilities	41,248	47,449
Total liabilities	95,175	109,315
Net assets		
Shareholders' equity		
Share capital	11,707	11,707
Capital surplus	22,760	22,878
Retained earnings	169,065	183,047
Treasury shares	(11,594)	(11,583)
Total shareholders' equity	191,937	206,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,644	41,439
Deferred gains or losses on hedges	(5)	(7)
Revaluation reserve for land	11,449	11,216
Foreign currency translation adjustment	2,469	3,020
Remeasurements of defined benefit plans	1,954	2,922
Total accumulated other comprehensive income	44,512	58,590
Non-controlling interests	79,780	89,682
Total net assets	316,230	354,323
Total liabilities and net assets	411,406	463,639

2) Consolidated statements of income and comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	*1 171,345	*1 179,922
Cost of sales	*4 104,452	*4 104,629
Gross profit	66,892	75,292
Selling, general and administrative expenses		
Personnel expense	14,900	15,684
Advertising expenses	4,213	4,312
Provision for bonuses	1,120	1,346
Retirement benefit expenses	489	231
Rent expenses on land and buildings	3,270	3,380
Provision for allowance for doubtful accounts	44	128
Provision for share awards for directors (and other officers)	158	135
Other	13,352	14,917
Total selling, general and administrative expenses	37,550	40,137
Operating profit	29,342	35,155
Non-operating income		
Interest income	861	1,136
Dividend income	968	991
Share of profit of entities accounted for using equity method	2,119	3,581
Foreign exchange gains	1,896	—
Other	253	344
Total non-operating income	6,098	6,053
Non-operating expenses		
Interest expenses	87	139
Foreign exchange losses	—	787
Compensation expenses	—	194
Other	36	95
Total non-operating expenses	124	1,216
Ordinary profit	35,317	39,992
Extraordinary income		
Gain on sale of investment securities	430	242
Other	19	—
Total extraordinary income	450	242
Extraordinary losses		
Loss on valuation of investment securities	32	372
Dismantlement expenses	41	252
Impairment losses	*3 224	*3 213
Loss on retirement of non-current assets	*2 55	*2 48
Other	2	36
Total extraordinary losses	356	923
Profit before income taxes	35,410	39,312
Income taxes - current	9,894	10,578
Income taxes - deferred	421	(455)
Total income taxes	10,316	10,122
Profit	25,094	29,189
Profit attributable to non-controlling interests	11,122	13,466
Profit attributable to owners of parent	13,971	15,722

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	25,094	29,189
Other comprehensive income		
Valuation difference on available-for-sale securities	7,404	14,536
Deferred gains or losses on hedges	4	(5)
Revaluation reserve for land	—	(233)
Foreign currency translation adjustment	2,560	1,200
Remeasurements of defined benefit plans, net of tax	1,086	616
Share of other comprehensive income of entities accounted for using equity method	2,667	164
Total other comprehensive income	*1 13,722	*1 16,279
Comprehensive income	38,816	45,468
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,396	29,801
Comprehensive income attributable to non-controlling interests	13,420	15,666

3) Consolidated statement of changes in equity

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)
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)
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

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,707	22,760	169,065	(11,594)	191,937
Changes during period					
Dividends of surplus			(1,739)		(1,739)
Profit attributable to owners of parent			15,722		15,722
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares by stocks payment trust				12	12
Purchase of treasury shares of consolidated subsidiaries		(0)			(0)
Disposal of treasury shares of consolidated subsidiaries					—
Additional purchase of shares of consolidated subsidiaries		118			118
Net changes in items other than shareholders' equity					
Total changes during period	-	118	13,982	10	14,112
Balance at end of period	11,707	22,878	183,047	(11,583)	206,050

	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	28,644	(5)	11,449	2,469	1,954	44,512	79,780	316,230
Changes during period								
Dividends of surplus								(1,739)
Profit attributable to owners of parent								15,722
Purchase of treasury shares								(2)
Disposal of treasury shares by stocks payment trust								12
Purchase of treasury shares of consolidated subsidiaries								(0)
Disposal of treasury shares of consolidated subsidiaries								—
Additional purchase of shares of consolidated subsidiaries								118
Net changes in items other than shareholders' equity	12,795	(2)	(233)	551	967	14,078	9,901	23,979
Total changes during period	12,795	(2)	(233)	551	967	14,078	9,901	38,092
Balance at end of period	41,439	(7)	11,216	3,020	2,922	58,590	89,682	354,323

4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	35,410	39,312
Depreciation	3,665	4,330
Impairment losses	224	213
Increase (decrease) in allowance for doubtful accounts	(10)	93
Increase (decrease) in retirement benefit liability	(58)	(238)
Decrease (increase) in net defined benefit asset	(42)	(1)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(81)	13
Increase (decrease) in provision for share awards for directors (and other officers)	105	135
Increase (decrease) in provision for bonuses	33	202
Decrease (increase) in unrealized income accounted for using equity method	23	(4)
Interest and dividend income	(1,830)	(2,127)
Interest expenses	87	139
Compensation expenses	-	194
Share of loss (profit) of entities accounted for using equity method	(2,119)	(3,581)
Loss (gain) on sale of investment securities	(427)	(206)
Loss (gain) on investments in capital	32	372
Loss on retirement of non-current assets	55	48
Dismantlement expenses	41	252
Decrease (increase) in trade receivables and contract assets	(293)	(3,760)
Increase (decrease) in trade payables	508	(1,136)
Decrease (increase) in inventories	1,442	1,541
Decrease (increase) in other current assets	(3,556)	3,175
Increase (decrease) in accrued consumption taxes	(1,408)	49
Increase (decrease) in other current liabilities	288	(1,269)
Increase (decrease) in guarantee deposits received	(158)	(55)
Increase (decrease) in other non-current liabilities	(117)	87
Other, net	790	1,542
Subtotal	32,606	39,323
Interest and dividends received	2,868	3,374
Interest paid	(87)	(135)
Income taxes paid	(13,413)	(8,842)
Compensation expenses paid	-	(194)
Other	101	122
Net cash provided by (used in) operating activities	22,076	33,646

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(26,451)	(66,288)
Proceeds from withdrawal of time deposits	22,527	58,545
Purchase of property, plant and equipment	(4,353)	(8,276)
Purchase of intangible assets	(741)	(747)
Purchase of investment securities	(602)	(320)
Proceeds from sale of investment securities	604	381
Loan advances	(22)	(30)
Proceeds from collection of loans receivable	104	84
Decrease (increase) in guarantee deposits	(684)	(125)
Other, net	(186)	(689)
Net cash provided by (used in) investing activities	(9,805)	(17,466)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(110)	(40)
Proceeds from long-term borrowings	—	4,500
Repayments of long-term borrowings	(1,229)	(1,276)
Repayments of lease liabilities	(441)	(412)
Dividends paid	(1,675)	(1,739)
Dividends paid to non-controlling interests	(3,584)	(3,597)
Proceeds from sale of treasury shares	9	—
Purchase of treasury shares	(5)	(2)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(554)	(2,049)
Other, net	49	(3)
Net cash provided by (used in) financing activities	(7,542)	(4,620)
Effect of exchange rate change on cash and cash equivalents	1,885	(501)
Net increase (decrease) in cash and cash equivalents	6,614	11,058
Cash and cash equivalents at beginning of period	71,315	77,929
Cash and cash equivalents at end of period	*1 77,929	*1 88,987

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 theatrical 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. 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, 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.

Fiscal year ended March 31, 2025

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: 45 million yen, non-current assets: 7,081 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

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 asset groups showing signs of impairment, if the recoverable amount is less than the book value of the non-current assets, the Group reduces the book value of non-current assets to a recoverable amount and recognizes the reduced amount as an impairment loss.

The recoverable amounts of each group of assets related to the event-related businesses are measured based on their value in use, using future cash flows estimated based on business budgets and business plans approved by the Board of Directors, etc. In the consolidated fiscal year under review, no impairment losses were recognized because the total amount of future cash flows (before discount) expected to be generated from each group of assets exceeded the book value of non-current assets. In addition, some idle assets have been grouped by individual property, and their book values have been reduced to their recoverable amounts (net realizable value).

2) Main assumptions used in significant accounting estimates

Estimates of future cash flows are based on forecasts of theme park attendance and average spend per visitor, which form the basis of the business plan. These estimates incorporate the main assumptions that the renewal of facilities and services accompanying the redevelopment of the theme park will result in an expansion of the customer base and an increase in average spend per visitor.

3) 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: 26 million yen, products: 109 million yen, work in progress: 8,281 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

1) 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.

2) 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.

3) 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.

(Changes in accounting policies)

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

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

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

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

(Accounting standards issued but not yet adopted)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024, Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024, Accounting Standards Board of Japan), etc.

(1) Overview

As part of its efforts to ensure the global consistency of Japanese accounting standards, the Accounting Standards Board of Japan conducted reviews based on international accounting standards with an eye toward the development of an accounting standard for leases to recognize assets and liabilities regarding all the leases of a lessee and announced its accounting standard for leases, etc. as a basic policy. Building on the existing single lessee accounting model introduced by IFRS 16, these accounting standards, etc. aim to be simple and highly convenient standards by adopting only the major clauses of IFRS 16, not all of the clauses, and by basically requiring no corrections when using IFRS 16 clauses in individual financial statements.

As an accounting treatment using the expense allotment method for a lessee's leases, a single lessee accounting model is adopted in the same manner as IFRS 16, under which depreciation regarding right of use assets for all leases, regardless of whether a lease is classified as finance or operating, and interest amount regarding lease liabilities is posted.

(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, 2028.

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

The Company is currently evaluating the impact of the Accounting Standard for Leases, etc. on financial statements.

(Changes in presentation method)

(Consolidated balance sheet)

“Long-term time deposits” that were included in “Other” under “Investments and other assets” in the previous fiscal year are separately stated from the fiscal year under review, because it exceeded 5/100 of total assets. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 14,007 million yen of “Other” under “Investments and other assets” in the previous consolidated balance sheet has been restated as 12,000 million yen under “Long-term time deposits” and 2,007 million yen under “Other.”

(Consolidated statement of income)

“Loss on investments in capital,” which was separately presented under “non-operating 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 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, “Loss on investments in capital” of 22 million yen and “Other” of 13 million yen under “Non-operating expenses” in the consolidated statements of income for the previous fiscal year have been restated as “Other” of 36 million yen.

“Loss on valuation of investment securities” that were included in “Other” under “Extraordinary losses” in the previous fiscal year are separately stated from the fiscal year under review, because it exceeded 10/100 of total extraordinary losses. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 34 million yen shown as “Other” under “Extraordinary losses” in the consolidated statements of income for the previous fiscal year have been restated as “Loss on valuation of investment securities” of 32 million yen and “Other” of 2 million yen.

(Consolidated statement of cash flows)

“Loss (gain) on investments in capital” 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.

“Loss on valuation of investment securities” 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.

As a result, “Loss (gain) on investments in capital” of 22 million yen under “Net cash provided by (used in) operating activities” and “Other” of 799 million yen above “Subtotal” in the consolidated statements of cash flows for the previous fiscal year have been restated as “Loss (gain) on valuation of investment securities” of 32 million yen and “Other” of 790 million yen above “Subtotal.”

“Purchase of shares of subsidiaries not resulting in change in scope of consolidation,” which was included in “Other” under “Net cash provided by (used in) financing activities” in the previous consolidated fiscal year is presented separately from the consolidated fiscal year under review due to increased financial materiality. 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 (505) million yen in “Net cash provided by (used in) financing activities” in the consolidated statements of cash flows for the previous fiscal year, have been restated as “Purchase of shares of subsidiaries not resulting in change in scope of consolidation” of (554) million yen and “Other” of 49 million yen.

(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, Non-executive Directors, Outside Directors or non-residents of Japan) and Senior Executive Officers (excluding non-residents of Japan; these Directors and Senior 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.

Furthermore, at the Board of Directors meeting held on May 14, 2025, it was resolved to continue this scheme and extend the trusts period by three years.

(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 530 million yen (543 million yen in previous fiscal year) and the number of the said shares was 140,000 (28,000 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 in the previous fiscal year 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, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Investment securities (stock)	71,459	73,964

*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, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Deposits	81	81
Buildings	8,922	8,783
Land	13,225	13,225
Investment securities	10,173	10,662
Total	32,402	32,753

(2) Collateralized loans (Million yen)

	Fiscal year ended March 31, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Notes and accounts payable - trade	1	41
Long-term guarantee deposits	1,289	1,289
Total	1,290	1,330

*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, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Notes receivable	352	127
Accounts receivable	38,009	41,075
Contract assets	578	2,684

*4 Of current liabilities, contract liabilities are as follows. (Million yen)

	Fiscal year ended March 31, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Contract liabilities	5,259	5,029

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, 2024	Fiscal year ended March 31, 2025
Buildings and structures	44	15
Machinery, equipment and vehicles	0	26
Tools, furniture and fixtures	9	2
Leased assets	-	0
Intangible assets	1	3
Total	55	48

*3 Details of impairment losses

The Group posted impairment losses in the asset groups below.

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.

Fiscal year ended March 31, 2025

Use	Type	Location	Impairment losses (million yen)
Idle assets	Construction in progress	Kyoto	45
Game app business assets	Intangible assets	Tokyo	167

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, in accordance with the decision to revise the construction plan, the book value of assets that are no longer expected to be used in the future and assets whose

profitability has declined due to deteriorating market conditions has been reduced to their recoverable amounts, and the resulting decrease has been posted as an impairment loss of 213 million yen under extraordinary losses. The breakdown of the impairment losses is 45 million yen for construction in progress and 167 million yen for intangible assets.

The recoverable amount of idle assets is measured based on their net realizable value. For assets that are not expected to be used in the future and are difficult to sell, the recoverable amount is calculated as zero. The recoverable amount of game app business assets is measured based on their value in use. Since future cash flows are not expected, the recoverable amount is calculated as 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, 2024	Fiscal year ended March 31, 2025
	3,699	45

(Notes to consolidated statement of comprehensive income)

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

(Million yen)		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities		
Amount arisen in fiscal year under review	10,582	21,969
Reclassification adjustment	(221)	(209)
Income taxes and before tax effect adjustment	10,360	21,760
Income taxes and tax effect	(2,956)	(7,224)
Valuation difference on available-for-sale securities	7,404	14,536
Deferred gains or losses on hedges		
Amount arisen in fiscal year under review	5	(7)
Income taxes and before tax effect adjustment	5	(7)
Income taxes and tax effect	(1)	2
Deferred gains or losses on hedges	4	(5)
Revaluation reserve for land		
Income taxes and tax effect	—	(233)
Foreign currency translation adjustment		
Amount arisen in fiscal year under review	2,560	1,200
Remeasurements of defined benefit plans, net of tax		
Amount arisen in fiscal year under review	1,640	1,129
Reclassification adjustment	(74)	(203)
Income taxes and before tax effect adjustment	1,565	925
Income Taxes & tax effect	(479)	(309)
Remeasurements of defined benefit plans, net of tax	1,086	616
Share of other comprehensive income of entities accounted for using equity method		
Amount arisen in fiscal year under review	3,183	1,171
Reclassification adjustment	(515)	(1,006)
Share of other comprehensive income of entities accounted for using equity method	2,667	164
Total other comprehensive income	13,72	16,279

(Notes to consolidated statement of changes in equity)

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.

Fiscal year ended March 31, 2025

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	59,075,636	–	73,844,545

(Note) On April 1, 2024, the Company conducted a 5-for-1 split of its common stock.

(Overview of reason for change)

Increase due to stock split: 59,075,636 shares

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	2,387,214	9,549,308	3,405	11,933,117

(Notes) 1. The treasury shares at the end of the consolidated fiscal year under review include 140,565 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.

(Overview of reason for change)

Increase due to stock split: 9,548,856 shares

Increase due to purchases of shares of less than one unit: 452 shares

Decrease due to the provision of Company shares held by BIP trust to retiring directors, etc. : 3,405 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 27, 2024 Ordinary General Meeting of Shareholders	Common shares	1,353	105	March 31, 2024	June 28, 2024
November 14, 2024 Board of Directors	Common shares	386	6	September 30, 2024	December 2, 2024

(Notes) 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 amount of dividend of 105 yen per share based on the resolution of the ordinary general meeting of shareholders held on June 27, 2024 includes a special dividend of 75 yen.

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.

4. Total dividends resolved at the Board of Directors' meeting on November 14, 2024 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

The following items are scheduled to be submitted for approval at the Ordinary General Meeting of Shareholders to be held on June 27, 2025.

Resolution	Class of shares	Funds for dividends	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
June 27, 2025 Ordinary General Meeting of Shareholders	Common shares	Retained earnings	773	12	March 31, 2025	June 30, 2025

(Notes) 1. Total dividends resolved at the Ordinary General Meeting of Shareholders on June 27, 2025 included dividends associated with shares of the Company held by the executive compensation BIP trust amounting to 1 million yen.

2. The amount of dividend of 12 yen per share based on the resolution of the ordinary general meeting of shareholders held

on June 27, 2025 includes a special dividend of 6 yen.

(Notes to consolidated statement of cash flows)

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

	(Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits	105,182	105,448
Time deposits whose deposit term exceeds 3 months	(27,316)	(16,548)
Securities	63	87
Cash and cash equivalents	77,929	88,987

(Lease transactions)

1. Operating lease transactions

(Lessor)

Noncancelable future operating lease payments

	(Million yen)	
	Fiscal year ended March 31, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Within 1 year	334	407
More than a year	679	1,123
Total	1,013	1,531

(Lessee)

Noncancelable future operating lease payments

	(Million yen)	
	Fiscal year ended March 31, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Within 1 year	1,673	1,774
More than a year	11,374	11,599
Total	13,047	13,373

(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, 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 angle brackets.

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

	Consolidated balance sheet amount	Fair value	Difference
Securities and investment securities			
Held-to-maturity bonds	92	91	(0)
Available-for-sale securities	75,336	75,336	—
Shares in associates	73,372	52,623	(20,748)
Long-term deposit	30,500	30,237	(262)
Total assets	179,300	158,289	(21,010)
Long-term borrowings (*1)	17,210	17,117	(92)
Total liabilities	17,210	17,117	(92)
Derivative transactions (*2)	< 3 >	< 3 >	—

(*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 angle brackets.

(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)	1,712	1,656
Ownership stakes in partnerships, etc. (*2)	279	439

(*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, 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	-

Fiscal year ended March 31, 2024 (As of March 31, 2025)

(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	101,190	—	—	—
Notes and accounts receivable – trade	41,201	0	0	—
Securities and investment securities				
Held-to-maturity securities (Government bonds, municipal bonds, etc.)	92	—	—	—
Held-to-maturity securities (Corporate bonds)	—	—	—	—
Available-for-sale securities with maturities (Government bonds)	—	10	—	—
Total	142,484	10	0	—

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

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(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	7,282	2,317	742	1,742	742	4,383
Total	7,282	2,317	742	1,742	742	4,383

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, 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

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(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	75,326	—	—	75,326
Total assets	75,336	—	—	75,336
Derivative transactions				
Currencies	—	3	—	3
Total liabilities	—	3	—	3

(2) Financial instruments other than those recorded at fair value in the consolidated balance sheet
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
Long-term deposit	-	-	-	-
Total assets	44,548	85	-	44,634
Long-term borrowings	-	13,944	-	13,944
Total liabilities	-	13,944	-	13,944

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(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.	—	91	—	91
Shares in associates				
Shares	52,623	—	—	52,623
Long-term deposit	—	30,237	—	30,237
Total assets	52,623	30,329	—	82,953
Long-term borrowings	—	17,117	—	17,117
Total liabilities	—	17,117	—	17,117

(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.

Long-term Deposit

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

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, 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)

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(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	92	91	(0)
Total	92	91	(0)

2. Available-for-sale securities

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)
Total	53,739	16,876	36,863

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(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	74,685	15,992	58,693
2) Bonds	—	—	—
Subtotal	74,685	15,992	58,693
Consolidated balance sheet amount does not exceed acquisition cost			
1) Shares	640	709	(68)
2) Bonds	9	10	0
Subtotal	650	719	(68)

Classification	Consolidated balance sheet amount as of the consolidated closing date	Acquisition cost	Difference
Total	75,336	16,711	58,624

3. Available-for-sale securities sold during the consolidated fiscal year under review

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

Fiscal year ended March 31, 2025

(Million yen)

Classification	Sale price (million yen)	Total gain on sale (million yen)	Total loss on sale (million yen)
Shares	372	242	36
Total	372	242	36

4. Securities on which impairment losses were posted

Fiscal year ended March 31, 2024

The notes are omitted because it has little significance.

Fiscal year ended March 31, 2025

The Company recorded an impairment loss of 372 million yen of securities.

(Notes to derivative transactions)

1. Derivative transactions to which hedge accounting is not applied

(1) Currency derivatives

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

The notes are omitted because it has little significance.

Fiscal year ended March 31, 2025 (As of March 31, 2025)

The notes are omitted because it has little significance.

(2) Interest rate derivatives

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

Not applicable.

Fiscal year ended March 31, 2025 (As of March 31, 2025)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

(1) Currency derivatives

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

The notes are omitted because it has little significance.

Fiscal year ended March 31, 2025 (As of March 31, 2025)

The notes are omitted because it has little significance.

(2) Interest rate derivatives

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

Not applicable.

Fiscal year ended March 31, 2025 (As of March 31, 2025)

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, 2024	Fiscal year ended March 31, 2025
Beginning balance of retirement benefit obligations	11,127	11,093
Service costs	761	761
Interest costs	67	95
Amount of net actuarial gain/loss	(140)	(629)
Retirement benefits paid	(862)	(909)
Unrecognized past service liabilities	124	(68)
Other	15	16
Ending balance of retirement benefit obligations	11,093	10,359

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

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Beginning balance of pension assets	8,701	10,408
Expected return on pension assets	169	165
Amount of net actuarial gain/loss	1,658	618
Employer contribution	141	139
Retirement benefits paid	(344)	(252)
Other	80	(35)
Ending balance of pension assets	10,408	11,043

(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, 2024)	Fiscal year ended March 31, 2024 (As of March 31, 2025)
Defined benefit obligation for funded plan	9,468	8,849
Pension assets	(10,408)	(11,043)
	(939)	(2,194)
Defined benefit obligation for unfunded plan	1,624	1,510
Net amount of liability and asset on the consolidated balance sheets	685	(683)
Defined benefit liability	4,706	4,298
Retirement benefit asset	(4,021)	(4,982)
Net amount of liability and asset on the consolidated	685	(683)

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

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Service costs	761	761
Interest costs	67	95
Expected return on plan assets	(169)	(165)
Expense for actuarial losses	(232)	(322)
Past service liabilities charged to expense	124	(68)
Other	28	18
Retirement benefit expenses related to defined benefit plan	579	318

(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, 2024	Fiscal year ended March 31, 2025
Actuarial gains and losses	1,565	925

(6) Remeasurements of defined benefit plans

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, 2024	Fiscal year ended March 31, 2025
Unrecognized actuarial gains and losses	(2,188)	(3,113)

(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, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Shares	40%	42%
Bonds	12%	12%
Insurance assets (general account)	10%	9%
Cash and deposits	4%	13%
Other	34%	24%
Total	100%	100%

(Note) A retirement benefit trust established for corporate pension plans and retirement lump-sum plans accounts for 54.9% and 57.6% of pension assets for the fiscal years ended March 31, 2024 and 2025, 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, 2024	Fiscal year ended March 31, 2025
Discount rate	Primarily 0.9%	Primarily 1.5%
Expected long-term rate of return	0.0-3.0 %	0.0-3.6 %
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 7 million yen for the fiscal years ended March 31, 2024 and 2025, 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, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Deferred tax assets		
Tax losses carried forward (Note)	944	1,077
Defined benefit liability	2,422	2,402
Provision for bonuses	445	508
Provision for retirement benefits for directors (and other officers)	77	90
Provision for share awards for directors (and other officers)	112	154
Loss on valuation of investment securities	188	222
Asset retirement obligations	568	982
Accrued enterprise taxes	205	330
Unrealized gain on inventories	56	60
Unrealized gain on property, plant and equipment	1,910	1,921
Unrealized gain on investment securities	1,157	1,157
Loss on valuation of inventories	182	107
Loss on valuation of golf club membership	41	25
Allowance for doubtful accounts	330	477
Impairment losses and the portion of depreciation expenses that exceeds the statutory limit.	1,171	1,479
Excess amount of exchange gain over the compression limit	83	86
Other	1,188	1,709
Subtotal of deferred tax assets	11,107	11,791
Valuation allowance related to tax losses carried forward (Note)	(944)	(1,077)
Valuation allowance related to deductible temporary differences	(2,872)	(2,470)
Valuation allowance subtotal	(3,817)	(3,548)
Total deferred tax assets	7,290	8,243
Deferred tax liabilities		
Reserve for tax purpose reduction entry of non-current assets	(876)	(875)
Valuation difference on available-for-sale securities	(11,382)	(18,607)
Application of tax effect accounting in relation to dividends commensurate with retained earnings at foreign subsidiaries	(585)	(649)
Other	(1,751)	(12,491)
Total deferred tax liabilities	(14,595)	(22,622)
Deferred tax assets (liabilities), net	(7,305)	(14,379)

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

Fiscal year ended March 31, 2025 (As of March 31, 2025)

(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	—	—	19	122	933	1,077
Valuation allowance	(1)	—	—	(19)	(122)	(933)	(1,077)
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, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Statutory tax rate		30.6%
(Adjustment)		
Items that are not permanently deductible, such as entertainment expenses		0.3
Items that are not permanently included in profits, such as dividend income		(0.4)
Inhabitant tax on a per capita basis		0.2
Change in valuation allowance		(0.8)
Share of profit (loss) of entities accounted for using equity method		(2.8)
Impact of consolidated elimination of dividend income		1.1
Foreign tax credits		(2.4)
Increase in deferred tax assets at the end of the fiscal year due to tax rate changes		(0.3)
Other		0.3
Percentage of effective income tax rate after the application of tax effect accounting		25.8

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.

3. Modification to the amount of deferred tax assets and liabilities due to changes in corporate taxation rates

The Act Amending the Income Tax Act (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and the Special Defense Corporation Tax will be levied starting from the fiscal year beginning April 1, 2026.

Due to this change, the Company has changed the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities resulting from temporary differences between accounting and tax values that will become deductible from the fiscal year beginning

April 1, 2026. The tax rate has changed from 30.6% to 31.5%.

As a result of this change, deferred tax liabilities for the fiscal year under review (amount after deduction of deferred tax assets) increased by 433 million yen, while income taxes - deferred decreased by 115 million yen, valuation difference on available-for-sale securities decreased by 523 million yen, and remeasurements of defined benefit plans decreased by 25 million yen.

Deferred tax liabilities for land revaluation increased 233 million yen. Revaluation reserve for land decreased by the same amount.

(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, 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).

During the fiscal year ended March 31, 2025, net rent income from these rental properties amounted to 2,550 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, 2024	Fiscal year ended March 31, 2025
Consolidated balance sheet amount	Beginning balance	44,715	44,686
	Changes during the year	(29)	2,133
	Ending balance	44,686	46,819
Fair value at end of year		73,860	76,193

(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, 2024 include the capital expenditure in maintenance and renovation (573 million yen), and major decreases include depreciation. The major increases during the fiscal year ended March 31, 2025 include the acquisition of condominiums for lease (2,585 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 1,277 million yen at the end of the previous accounting year and 1,952 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, 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

Fiscal year ended March 31, 2025

(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	4,137	—	—	—	—	4,137
Services related to the production and distribution of television programs	10,082	—	—	—	—	10,082
Copyright licensing for film and video content	98,435	—	—	—	—	98,435
Management of directly managed theaters and cinema complexes	—	18,966	—	—	—	18,966
Operation of events and entertainment facilities	—	—	11,203	—	—	11,203
Undertaking of construction work and interior decorating under contract	—	—	—	—	8,890	8,890
Other	21,368	—	—	2,302	—	23,670

Revenue from contracts with customers	134,024	18,966	11,203	2,302	8,890	175,386
Other revenue	—	—	—	4,536	—	4,536
Sales to external customers	134,024	18,966	11,203	6,838	8,890	179,922

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)	37,015	38,361
Receivables from contracts with customers (ending balance)	38,361	41,202
Contract assets (beginning balance)	934	578
Contract assets (ending balance)	578	2,684
Contract liabilities (beginning balance)	5,219	5,259
Contract liabilities (ending balance)	5,259	5,029

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, 2024 included in the balance of contract liabilities at the beginning of the fiscal year is 2,400 million yen.

The 355 million yen decrease in contract assets in the previous consolidated fiscal year was mainly attributable to a decrease in transactions relating to construction and interior decoration work as mentioned earlier. Meanwhile, the 39 million yen increase in contract liabilities is mainly attributable to an increase in transactions relating to construction and interior decoration work as mentioned earlier.

The amount of revenue recognized in the fiscal year ended March 31, 2024 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 3,725 million yen.

The 2,106 million yen increase in contract assets in the consolidated fiscal year under review is mainly attributable to an increase in unbilled transactions relating to the production of films and videos and construction and interior decoration work as mentioned earlier. Meanwhile, the 229 million yen decrease in contract liabilities is mainly attributable to a decrease in transactions relating to construction and interior decoration work as 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, profits or loss, assets, liabilities and other items by reportable segment

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.

Fiscal year ended March 31, 2025

(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	134,024	18,966	11,203	6,838	8,890	179,922	—	179,922
Intersegment sales or transfers	2,315	214	596	828	1,025	4,980	(4,980)	—
Total	136,340	19,180	11,799	7,666	9,916	184,903	(4,980)	179,922
Segment profit	33,655	782	1,269	2,542	496	38,746	(3,591)	35,155
Segment assets	306,724	20,921	10,227	54,634	7,470	399,978	63,660	463,639
Other items								
Depreciation	1,533	899	323	875	8	3,640	690	4,330
Increase in property, plant and equipment and intangible assets	2,484	2,987	1,646	3,750	22	10,891	110	11,001

(Notes) 1. Adjustments are as follows.

- (1) The segment profit adjustment of (3,591) million yen includes the elimination of inter-segment transactions of (113) million yen and company-wide expenses of (3,477) 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 63,660 million yen includes company-wide assets of 72,073 million yen that are not allocated to each reportable segment and the elimination through offsetting receivables and payables of (8,413) 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, 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

Fiscal year ended March 31, 2025

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
115,337	21,758	24,614	18,212	179,922

(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

Because net sales to specific customers among external customers is less than 10% of net sales in the consolidated statement of income, disclosure of information by major customer is omitted.

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

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

Fiscal year ended March 31, 2025

(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	167	—	45	—	—	213	—	213

Amortization of goodwill and unamortized balance by reporting segment

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

Gain on bargain purchase by reporting segment

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

Related party information

1. Transactions with related parties

Fiscal year ended March 31, 2024

The information is omitted because it has little significance.

Fiscal year ended March 31, 2025

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, 2024, 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, 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

In the fiscal year ended March 31, 2025, 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, 2025
Total current assets	176,941
Total non-current assets	382,616
Total current liabilities	82,858
Total non-current liabilities	28,857
Total net assets	447,842
Net sales	324,056
Profit before income taxes	36,220
Profit attributable to owners of parent	25,816

(Per share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	3,819.35 yen	4,274.51 yen
Basic earnings per share	225.68 yen	253.96 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. (143 thousand shares for the previous fiscal year and 140 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. (144 thousand shares for the previous fiscal year and 141 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, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (million yen)	13,971	15,722
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent pertaining to common shares (million yen)	13,971	15,722
Average number of common shares outstanding during the period (thousand shares)	61,908	61,910

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	240	200	1.2	-
Current portion of long-term borrowings	1,207	7,282	1.0	-
Current portion of lease liabilities	441	443	—	-
Long-term borrowings (excluding current portion of long-term borrowings)	12,779	9,928	1.1	2026 - 2037
Lease liabilities (excluding the current portion of lease liabilities)	855	1,158	—	2026 - 2032
Other interest-bearing debt / Employees' deposits received	215	197	0.6	-
Total	15,739	19,210	—	-

(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	2,317	742	1,742	742
Lease liabilities	386	289	159	101

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

Semi- annual information in the fiscal year under review

(Year to date)	Interim period	Fiscal year under review
Net sales (million yen)	87,764	179,922
Profit before income taxes (million yen)	20,168	39,312
Profit attributable to owners of parent (million yen)	7,592	15,722
Earnings per share (yen)	122.64	253.96

2. Financial Statements, Etc.

(1) Financial Statements

1) Balance sheet

(Million yen)

	As of March 31, 2024		As of March 31, 2025	
Assets				
Current assets				
Cash and deposits		6,153		4,798
Notes receivable		1		1
Accounts receivable	*2	12,297	*2	9,690
Contract assets		-		301
Merchandise and finished goods		386		1,256
Work in process		4,871		1,752
Raw materials and supplies		462		442
Other	*2	2,050	*2	1,499
Allowance for doubtful accounts		(1)		(1)
Total current assets		26,221		19,739
Non-current assets				
Property, plant and equipment				
Buildings	*1	22,862	*1	22,376
Structures		304		315
Machinery and equipment		323		237
Land	*1	52,063	*1	52,063
Construction in progress		1,111		1,951
Other		1,077		855
Total property, plant and equipment		77,741		77,799
Intangible assets		320		297
Investments and other assets				
Investment securities	*1	39,687	*1	56,357
Shares of subsidiaries and associates	*1	21,800	*1	24,092
Long overdue accounts receivable	*2	1,960	*2	3,080
Prepaid pension costs		1,361		1,672
Other	*2	1,330	*2	1,317
Allowance for doubtful accounts		(1,871)		(2,132)
Total investments and other assets		64,267		84,388
Total non-current assets		142,329		162,484
Total assets		168,551		182,224

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable - trade	268	355
Accounts payable - trade	*2 9,206	*2 5,644
Short-term borrowings	*1,*2 9,800	*2 6,800
Current portion of long-term borrowings	1,207	*1,*2 10,207
Accounts payable - other	*2 2,827	*2 2,766
Income taxes payable	757	153
Advances received	423	527
Provision for bonuses	558	661
Contract liabilities	1,025	989
Other	1,203	1,061
Total current liabilities	27,276	29,168
Non-current liabilities		
Long-term borrowings	*1, *2 15,779	8,572
Deferred tax liabilities	5,903	11,447
Deferred tax liabilities for land revaluation	7,943	8,177
Provision for retirement benefits	2,583	2,590
Provision for share awards for directors (and other officers)	190	259
Long-term guarantee deposits	*1, *2 5,704	*1, *2 5,442
Other	1,588	1,406
Total non-current liabilities	39,693	37,896
Total liabilities	66,970	67,065
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	873	848
Retained earnings brought forward	49,729	52,233
Total retained earnings	53,529	56,008
Treasury shares	(7,578)	(7,567)
Total shareholders' equity	71,529	74,019
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	18,601	29,923
Revaluation reserve for land .	11,449	11,216
Total valuation and translation adjustments, etc.	30,051	41,139
Total net assets	101,580	115,159
Total liabilities and net assets	168,551	182,224

2) Statement of income

(Million yen)

	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Net sales	*1	55,846	*1	44,372
Cost of sales	*1	38,212	*1	29,850
Gross profit		17,633		14,521
Selling, general and administrative expenses				
Personnel expense		4,648		4,802
Advertising expenses		3,048		2,160
Provision for bonuses		539		637
Retirement benefit expenses		181		(18)
Depreciation		558		994
Outsourcing expenses		2,035		2,191
Provision for allowance for doubtful accounts		396		261
Provision for share awards for directors (and other officers)		97		81
Other		2,484		2,523
Total selling, general and administrative expenses	*1	13,989	*1	13,653
Operating profit		3,644		885
Non-operating income				
Interest and dividend income	*1	4,042	*1	4,238
Other		53	*1	42
Total non-operating income		4,095		4,280
Non-operating expenses				
Interest expenses	*1	144	*1	190
Archaeological excavation costs		-		52
Other		3		3
Total non-operating expenses		147		245
Ordinary profit		7,592		4,921
Extraordinary income				
Gain on sale of investment securities		133		242
Gain on non-cash distribution		-	*1, *2	44
Total extraordinary income		133		287
Extraordinary losses				
Dismantlement expense		121		194
Loss on valuation of investment securities		32		190
Impairment losses		56		45
Loss on retirement of non-current assets		43		4
Other		2		36
Total extraordinary losses		256		471
Profit before income taxes		7,469		4,737
Income taxes - current		1,410		534
Income taxes - deferred		(147)		(16)
Profit		6,207		4,219

Cost of sales statement

	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Classification	Amount (million yen)	Component ratio (%)	Amount (million yen)	Component ratio (%)
I Film and video -related business				
(1) Film and video business				
Production cost	2,378		1,306	
Other cost	5,833		934	
Film and Video business cost	8,212		2,241	
(2) Television business				
Television business cost	4,922		4,906	
(3) Content business				
Content business cost	9,786		4,554	
(4) Other business				
Other business cost	4,662		7,075	
Total of Film and Video-related business cost	27,584	72.2	18,778	62.9
II Event-related business				
Event business cost	7,617	19.9	7,815	26.2
III Tourism real estate-related business				
1) Real estate releasing business				
Real estate releasing business cost	2,610		2,854	
2) Hotel business				
Hotel business cost	399		402	
Total of Tourism real estate-related business cost	3,010	7.9	3,256	10.9
Cost of sales	38,212	100.0	29,850	100.0

3) Statement of changes in equity

Fiscal year ended March 31, 2024

(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		Other retained earnings		
						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	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)
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)
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

Fiscal year ended March 31, 2025

(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		Other retained earnings		
						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	873	49,729	53,529
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets						(25)	25	-
Dividends of surplus							(1,739)	(1,739)

Profit							4,219	4,219
Purchase of treasury shares								
Disposal of treasury shares by stocks payment trust								
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	(25)	2,504	2,479
Balance at end of period	11,707	5,297	8,575	13,872	2,926	848	52,233	56,008

	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	(7,578)	71,529	18,601	11,449	30,051	101,580
Changes during period						
Reversal of reserve for tax purpose reduction entry of non-current assets		—				—
Dividends of surplus		(1,739)				(1,739)
Profit		4,219				4,219
Purchase of treasury shares	(2)	(2)				(2)
Disposal of treasury shares by stocks payment trust	12	12				12
Net changes in items other than shareholders' equity			11,322	(233)	11,088	11,088
Total changes during period	10	2,490	11,322	(233)	11,088	13,578
Balance at end of period	(7,567)	74,019	29,923	11,216	41,139	115,159

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 theatrical 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, Non-executive directors, Outside Directors, and non-residents of Japan) and Senior 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. 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, 2024

Impairment losses on non-current assets

(1) Amounts recorded in the financial statements for the fiscal year ended March 31, 2024

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.

Fiscal year ended March 31, 2025

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: 45 million yen, non-current assets: 5,568million 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 accounting policies)

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

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

Regarding the revision to the accounting classification for income taxes, the Company adheres to a transitional provision included in paragraph 20-3 of the Revised Accounting Standard 2022. This change in accounting policies has no impact on the financial statements.

(Changes in accounting estimates)

(Change in useful lives of assets)

At the meeting held on May 15, 2024, the Board of Directors passed a resolution to redevelop the Marunouchi Toei Kaikan (head office building) and relocate the head office. The useful lives of non-current assets that are expected to become unnecessary due to the redevelopment and relocation have been shortened to complete depreciation by the relocation date. This change has been applied prospectively.

As a result of this change, operating profit, ordinary profit, and profit before income taxes for the fiscal year under review each decreased by 484 million yen compared to the previous method.

(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, 2024	As of March 31, 2025
Buildings	8,922	8,783
Land	13,225	13,225
Investment securities	359	463
Shares of subsidiaries and associates	3,089	2,285
Total	25,595	24,757

(2) Collateralized loans		(Million yen)
	As of March 31, 2024	As of March 31, 2025
Short-term borrowings	3,000	-
Current portion of long-term borrowings	-	3,000
Long-term borrowings	3,000	-
Long-term guarantee deposits	1,289	1,289
Total	7,289	4,289

*2 Main receivables and payables in relation to subsidiaries and associates (excluding those set down by classification)

		(Million yen)
	As of March 31, 2024	As of March 31, 2025
Short-term monetary receivables from subsidiaries and associates	2,024	2,072
Long-term monetary receivables from subsidiaries and associates	1,891	3,011
Short-term monetary payables to subsidiaries and associates	15,488	12,384
Long-term monetary payables to subsidiaries and associates	4,277	1,209

*3 Contingent Liabilities

We provide debt guarantees to financial institutions for the following company.

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Toei Labo Tech Co., Ltd	–	1,431

(Statements of income)

*1 Matters related to subsidiaries and associates

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	7,458	5,083
Cost of purchased goods	16,709	8,156
Selling, general and administrative expenses	3,436	3,539
Non-business transactions	3,349	3,494

*2 Exchange gains associated with dividends in kind

Fiscal year ended March 31, 2025

As a result of the transfer of non-current assets (golf club membership rights) held by Toei Commercial Film Co., Ltd. (a consolidated subsidiary of the Company) to the Company through dividends in kind, the difference between the book value of the non-current assets received by the Company and the book value of the subsidiary shares held by the Company to the extent deemed to have been exchanged for the non-current assets received has been posted as an exchange gain on dividends in kind under extraordinary income.

(Securities)

Shares of subsidiaries and associates

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

As of March 31, 2025

(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	46,955	37,323
Total	13,940	265,505	251,564

(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, 2024	As of March 31, 2025
Shares of subsidiaries	7,859	10,151
Total	7,859	10,151

(Tax effect accounting)

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

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Provision for retirement benefits	1,148	1,085
Impairment losses and the portion of depreciation expenses that exceeds the statutory limit	930	1,077
Allowance for doubtful accounts	575	674
Asset retirement obligations	220	224

	As of March 31, 2024	As of March 31, 2025
Provision for bonuses	170	202
Provision for share awards for directors (and other officers)	58	81
Other	655	574
Subtotal of deferred tax assets	3,758	3,920
Valuation allowance	(1,066)	(1,208)
Total deferred tax assets	2,692	2,712
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(8,146)	(13,707)
Reserve for tax purpose reduction entry of non-current assets	(385)	(390)
Other	(63)	(61)
Total deferred tax liabilities	(8,595)	(14,160)
Deferred tax assets (liabilities), net	(5,903)	(11,447)

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, 2024	As of March 31, 2025
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Items that are not permanently deductible, such as entertainment expenses	0.5	0.5
Items that are not permanently included in profits, such as dividend income	(11.8)	(19.9)
Inhabitant tax on a per capita basis, etc.	0.2	0.4
Change in valuation allowance	(2.4)	2.3
Tax credit for salary or other payments increase	-	(0.9)
Increase in deferred tax assets at the end of the fiscal year due to tax rate changes	-	(1.1)
Other	(0.2)	(1.0)
Percentage of effective income tax rate after the application of tax effect accounting	16.9	10.9

3. Modification to the amount of deferred tax assets and liabilities due to changes in corporate taxation rates

The Act Amending the Income Tax Act (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and the Special Defense Corporation Tax will be levied starting from the fiscal year beginning April 1, 2026.

Due to this change, the Company has changed the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities resulting from temporary differences between accounting and tax values that will become deductible from the fiscal year beginning April 1, 2026. The tax rate has changed from 30.6% to 31.5%.

As a result, the amount of deferred tax liabilities in the fiscal year under review (amount obtained by deducting deferred tax assets) increased by 338 million yen, income taxes - deferred decreased by 52 million yen, and valuation difference on available-for-sale securities decreased by 391 million yen.

Deferred tax liabilities for land revaluation increased 233 million yen. Revaluation reserve for land decreased by the same amount.

(Business combinations)

(Transactions under common control)

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) Transaction overview

1) Name and description of the business subject to the transaction

Name of business: Home video business

Description of business: Sales of DVDs and Blu-ray discs.

2) Date of business combination

April 1, 2024

3) Legal form of business combination

Absorption-type split in which the Company will be the splitting company and Toei Video Company, Ltd. will be the succeeding company

4) Name of the company after business combination

Toei Video Company, Ltd.

5) Other matters related to the outline of the transaction

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 was conducted 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 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).

(3) Matters related to the acquisition of additional shares in the subsidiary

1) Cost of acquisition of additional shares in the subsidiary and a breakdown by type of consideration

Consideration for acquisition Current assets: 3,421 million yen

Non-current assets: 0 million yen

Total assets: 3,421 million yen

Current liabilities: 3,135 million yen

Non-current liabilities: 285 million yen

Total liabilities: 3,421 million yen

Acquisition cost (millions of yen)

2) Number of shares in the subsidiary acquired by the Company and basis for calculation

(i) Allotment of shares

The Company acquired 642 shares of common stock newly issued by Toei Video Company, Ltd. as consideration for the company split.

(ii) Basis for calculating the number of shares allocated

The company split was decided through discussions between the parties based on a report submitted by an independent third-party organization requested by the Company and Toei Video Company, Ltd., to calculate the allocation ratio and other matters.

(Revenue recognition)

Information that becomes the basis of understanding revenue from contracts with customers is included also in "4. Standards for recognition of revenues and expenses in Notes (Significant accounting policies)." Therefore, descriptions of Notes are omitted.

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	22,862	1,293	3 (—)	1,775	22, 376	39,954
	Structures	304	67	0 (—)	56	315	2, 396
	Machinery and equipment	323	41	0 (—)	127	237	2, 824
	Land	52,063 <19,393>	—	— (—) <—>	—	52,063 <19,393>	—
	Construction in progress	-1,111	1, 259	419 (45)	—	1, 951	—
	Other	1, 077	146	0 (—)	368	855	2, 433
	Total	77, 741	2, 810	423 (45)	2,328	77, 799	47,609
Intangible assets	Intangible assets	320	73	— (—)	96	297	—

(Notes) 1. A major component of "Increase during the fiscal year under review" was construction costs under "Buildings" related to the renovation of Toei Kyoto Studio park and 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).

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	1,872	265	4	2,134
Provision for bonuses	558	661	558	661
Provision for share awards for directors (and other officers)	190	81	12	259

(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	<p>The Company issues shareholder coupons based on the following standards.</p> <p>1. Number of coupons issued</p>	
	Threshold number of shares	<p>Special QUO card (issued on a yearly basis) Record date End of March</p> <p>Number of coupons issued (issued on a half-yearly basis) Record date End of March and September</p>
	100 shares or more	Equivalent to 1,000 yen
	500 shares or more	Equivalent to 1,000 yen
	1,000 shares or more	Equivalent to 1,000 yen
	<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>	
	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)
	<p>The shareholding period for eligible shareholders for the long-term shareholders special benefit plan will be judged retrospectively from September 30, 2024.</p>	

(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 (101st term)	(April 1, 2023 – March 31, 2024)	Submitted to the Director-General of Kanto Local Finance Bureau on June 28, 2024
(2)	Internal Control report	Fiscal year (101st term)	(April 1, 2023 – March 31, 2024)	Submitted to the Director-General of Kanto Local Finance Bureau on June 28, 2024
(3)	Semi-annual Report and Representation from Management	Fiscal year (During 102nd term)	(April 1, 2024 – September 30, 2024)	Submitted to the Director-General of Kanto Local Finance Bureau on November 14, 2024.
(4)	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 28, 2024.
	Extraordinary Report	An extraordinary report pursuant to the provisions of Item (vi)-2 (Share exchange), 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 17, 2025.

Part II. Information Concerning Guarantors of the Reporting Company

Not applicable.

Independent Auditors' Audit Report and Internal Control Audit Report

June 24, 2025

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, 2024 to March 31, 2025 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, 2025, 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 98,435 million yen, comprising 54% 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> <p>– For all transactions among the net sales recorded during a specified period of the following consolidated fiscal year 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 and that amounts posted are valid and that the cost of sales corresponding to sales was posted by inspecting the appropriate copyright license agreements and other evidentiary documents.</p> <p>For all transactions among the net sales recorded during a specified period of next fiscal year 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 and that amounts posted are valid by inspecting the appropriate copyright license agreements and other evidentiary documents.</p> <p>– 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.</p> <p>– 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.</p>

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.
- Plan and perform an audit of the consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and review 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, 2025.

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, 2025, 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.
- We plan and implement the audit of the internal control in order to 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 also responsible for the direction, supervision and inspection 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 24, 2025

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 102nd term starting from April 1, 2024 to March 31, 2025 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, 2025, 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 25, 2025

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, 2025, 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 as well as the likelihood of occurrence. 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.

Regarding the scope of evaluation of internal controls relating to business processes, for the Group, which mainly engages in video-related businesses, we determined that net sales are an appropriate indicator of business scale. Accordingly, we calculated the net sales of each business site, starting with those with the highest amounts, and identified eight business sites that account for approximately two-thirds of consolidated net sales as "significant business sites." At the selected significant business sites, 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, we have also included business processes related to business sites that are engaged in transactions involving estimates or forecasts for important accounts where there is a high possibility of material misstatements occurring, as well as transactions with significant risk in the scope, taking into consideration the 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 at the end of the fiscal year under review.

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 25, 2025

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 102nd Term (from April 1, 2024 to March 31, 2025) was appropriate in accordance with the Financial Instruments and Exchange Act.

2. Special Notes

There is nothing of note to report regarding representation.