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(Transcripts) Financial Results Briefing for 2Q FY2/27

Event Summary

Company Name: TOHO CO., LTD.

Stock Code: TSE 9602

Event Name: Financial Results Briefing for 2Q FY2/27

Date: October 16, 2026

Time: 15:30 - 16:30

Speakers: Hiro Matsuoka, President, CEO

Nobuyuki Tako, Executive Vice President, CFO

Executive Summary for 2Q FY2/27 (Semi-Annual Period)

[Updated]

FY2/27 2Q Results / Full-Year Earnings Forecast	• 2Q results (semi-annual): Recorded operating revenue of ¥185.1 billion and operating profit of ¥30.9 billion. Despite a decline following the previous year's major hit titles and the impact of the time lag in recognition resulting from the company split of TOHO Global, Film Business and IP & Anime Business maintained solid performance. • Film business: In 2Q (Jun–Aug), <i>Chiikawa</i> was a major hit, and sales of related merchandise were also strong. Movie Theater business maintained solid attendance even after the revision of admission fees in July. • IP & Anime business: The impact of the time lag in recognition has been normalized. Operating revenue increased significantly, supported by higher streaming revenue. One-off expense and investments were incurred. - In 2Q, the time lag in recognition resulting from the company split of TOHO Global (for April–May) was reflected. - Increased overseas investments to strengthen our products distribution. While these investments are currently pulling down the profit margin of IP & Anime Business, we aim to deliver IP to more overseas fans and achieve profitability early. • Full-year consolidated earnings forecast • Operating profit: ¥62.0 billion (remains unchanged). Net profit: ¥48.0 billion (up ¥7.0 billion from the initial forecast, reflecting the sale of strategic shareholdings in September). • Results through 2Q were generally in line with expectations. While success from titles like <i>Chiikawa</i> and <i>GODZILLA MINUS Zero</i> was already incorporated, the initial forecast of operating profit remains unchanged while we carefully evaluate the performance of upcoming titles in the second half.
Topics	• <i>GODZILLA MINUS ZERO</i> to be released simultaneously worldwide in November. Aim to make it a major hit through our own global distribution network. • High expectations for a strong lineup of movies and anime from 2027 onward, with further announcements to follow. • Sold some real estate properties (announced on Aug. 17) and a portion of strategic shareholdings (sold on September 15). • "Stability with the Power of Hits": Aim to further improve performance by combining the power of content with a stable business foundation.

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Matsuoka: I'm Matsuoka, the president. Thank you very much for joining our financial results briefing today. I'll start with the executive summary.

For 2Q, we recorded operating revenue of JPY185.1 billion and operating profit of JPY30.9 billion. Profit declined as we faced a difficult comparison with last year's major hits, along with a recognition lag caused by the TOHO Global company split in our IP and anime business. Even so, both the film business and the IP and anime business held up well.

In the film business, *Chiikawa* was a major hit, and related merchandise also sold well. At TOHO Cinemas, we revised some admission prices in July, but attendance has remained solid since then.

In the IP and anime business, the effect of the recognition lag from the company split began to even out in 2Q. Streaming revenue increased, driving a substantial rise in operating revenue. Operating profit was down because of onetime expenses and up-front investments, but we see the underlying business as performing extremely well.

We have kept our full-year consolidated operating profit forecast at JPY62 billion, unchanged from our initial guidance, but raised our net profit forecast by JPY7 billion to JPY48 billion. That reflects our sale of strategic- shareholdings in September. As for why operating profit guidance is unchanged, cumulative results through 2Q were broadly on plan, and we had already factored in a certain degree of success for *Chiikawa* and *Godzilla Minus Zero* from the start. We also took a cautious view of the expected opening performance of the major titles scheduled for H2.

Turning to a few other developments, *Godzilla Minus Zero* will open in Japan on November 3 and North America on November 6, before rolling out to approximately 80 countries around the world. We're aiming for a major hit. We also have high expectations for our major film and TOHO animation lineups from 2027 onward, with announcements to come in stages. To improve capital efficiency, we've sold certain real estate properties and some of our strategic shareholdings. Our goal is to combine our strong business foundation with the blockbuster potential of our content to drive earnings higher.

Business Highlights for 2Q FY2/27 (Semi-Annual Period)

[Updated]

(millions of yen)	2Q FY2/26 (Semi-annual period)	2Q FY2/27 (Semi-annual period)	Change	Percentage change	
Operating revenue	191,677	185,162	-6,515	-3.4%	Revenue decreased, as 2Q FY2/26 benefited from major hits such as <i>Demon Slayer</i> and <i>KOKUHO</i> .
Operating costs	107,004	102,078	-4,926	-4.6%	
Gross profit	84,672	83,083	-1,589	-1.9%	
SG&A	43,525	52,144	8,618	19.8%	
Operating profit	41,146	30,938	-10,207	-24.8%	Operating profit declined due to factors including the impact of the company split, one-off expense, and upfront investments in overseas business.
Non-operating income	2,147	3,497	1,349	62.8%	
Non-operating expenses	1,102	1,308	206	18.7%	
Ordinary profit	42,192	33,127	-9,064	-21.5%	Strategic shareholdings were sold in the same period of the previous fiscal year.
Extraordinary income	8,913	-	-8,913	—	
Extraordinary losses	689	1,256	567	82.3%	
Profit attributable to owners of parent	33,450	20,019	-13,430	-40.2%	Demolition costs increased.

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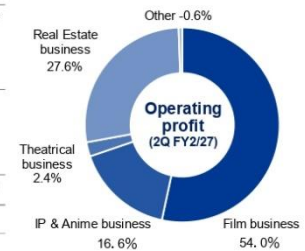
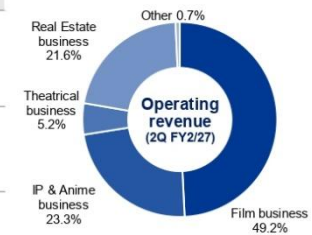
These are the consolidated financial highlights.

Operating revenue and profit were both down YoY. The decline in interim net profit also reflects the sale of strategic shareholdings in the same period last year. This year, we expect to recognize approximately JPY11.1 billion in extraordinary income from strategic shareholding sales in 3Q.

Operating Results by Segment for 2Q FY2/27 (Semi-Annual Period)

[Updated]

	(millions of yen)	2Q FY2/26 (Semi-annual period)	2Q FY2/27 (Semi-annual period)	Change	Change Factors (Top row: Operating revenue Bottom row: Operating profit)
 Film business	Operating revenue	103,709	91,177	-12,532	• Revenue decreased, as 2Q FY2/26 benefited from major hits such as <i>Demon Slayer</i> and <i>KOKUHO</i> .
	Operating profit	23,193	19,400	-3,793	• Profit decreased due to the factors behind the revenue decline, as well as an increase in depreciation expenses, etc.
	OP%	22.4%	21.3%	-1.1 Point	
 IP & Anime business	Operating revenue	37,313	43,132	5,818	• Revenue increased due to higher overseas streaming revenue.
	Operating profit	10,698	5,970	-4,728	• Profit decreased due to factors such as one-off expenses related to contingent consideration and an increase in personnel expenses.
	OP%	28.7%	13.8%	-14.8 Point	
 Theatrical business	Operating revenue	10,698	9,589	-1,108	• Revenue and profit decreased, as 2Q FY2/26 benefited from performances such as <i>Knights' Tale ARENA LIVE</i> and <i>Les Misérables</i> .
	Operating profit	997	845	-151	
	OP%	9.3%	8.8%	-0.5 point	
 Real Estate business	Operating revenue	39,314	40,008	693	• Revenue increased due to the smooth progress of large-scale bridge repair works (road business).
	Operating profit	10,463	9,895	-567	• Profit decreased due to the fading YoY impact of price sliding in the road business.
	OP%	26.6%	24.7%	-1.9 point	
Other business	Operating revenue	641	1,254	613	• Revenue increased mainly due to new TOHO-ONE membership fees.
	Operating profit	71	-207	-279	• Profit decreased mainly due to sales promotion expenses for the TOHO-ONE point program.
	OP%	11.2%	-16.5%	-27.7 point	
Adjustments		-4,278	-4,965	-686	• Increase in depreciation expenses, outsourcing expenses, etc.
Total	Operating revenue	191,677	185,162	-6,515	—
	Operating profit	41,146	30,938	-10,207	—

Composition by business segment
(excluding adjustments)

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Here are the results by segment. I'll leave the details for you to review later.

Film Business: Strong Performance in Film Distribution & Movie Theater

[New]

- **Film Distribution:** The overall industry performed strongly, thanks to hits such as *Detective Conan*, *Chiikawa*, and foreign films.

- **Movie Theater Business (TOHO CINEMAS):**

- Admission fees were partially revised (from July onward)
- TOHO CINEMAS OIMACHI (Mar) and TOHO CINEMAS NAGOYA SAKAE (Jun) opened.
- OS CINEMAS M-INT KOBE and OS CINEMAS KOBE HARBORLAND were added to the Group's theater network (Oct).

- **Development of Live-Action Film Projects:**

Human Vapor was rebooted with Netflix. *The Apothecary Diaries* is scheduled for streaming.

	FY2/26	FY2/27	
		Assumptions at the beginning of FY2/27	Assumptions as of October 15
Domestic box office revenue *Including QOS but excluding live streaming	¥274.4 billion *Jan. to Dec., 2025	¥250.0–¥260.0 billion	¥250.0–¥260.0 billion
Box office revenue of TOHO Japanese Films *Including QOS (TOHO NEXT)	¥139.9 billion	¥90.0–¥100.0 billion *Excluding the overseas box office revenue from GODZILLA MINUS ZERO	¥95.0–¥105.0 billion *Excluding the overseas box office revenue from GODZILLA MINUS ZERO
Number of films distributed by TOHO	44 titles (Including 12 titles under representation, 13 mastered titles, and 19 TOHO NEXT titles)	32 titles (Including 7 titles under representation, 13 mastered titles, and 8 TOHO NEXT titles) *Includes only titles released as of Apr. 14 and including titles scheduled for the year of 2027 onwards with unconfirmed release dates.	48 titles (Including 7 titles under representation, 27 mastered titles, and 12 TOHO NEXT titles) *Includes only titles released as of Oct. 15 and including titles scheduled for the year of 2027 onwards with unconfirmed release dates.



Netflix Series *Human Vapor*
(Streaming exclusively worldwide on Netflix from July 2, 2026)



The Apothecary Diaries
(Scheduled to stream on Prime Video in 2028)

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Let me now go through the developments in each business.

First, our film business. Domestic films, including *Detective Conan* and *Chiikawa*, were hits, as were several foreign films. Attendance has also held up since we adjusted some ticket prices in July. TOHO Cinemas opened theaters in Oimachi in March and Nagoya Sakae in June, and two OS CINEMAS theaters joined the Group in October. That brings TOHO Cinemas to 79 locations and 743 screens in Japan.

On live-action projects, the Netflix drama reboot of *Human Vapor* was extremely well-received. We've also steadily expanded the number of announced films on our distribution slate, and we're very excited about the releases from H2.

GODZILLA MINUS ZERO to Be Released Worldwide in November

[New]

- **GODZILLA MINUS ZERO** to be **released simultaneously worldwide** in November.
- TOHO Global* will fully launch its own distribution network, **aiming to make the film a worldwide hit**.
*GKIDS (North America), Anime Limited (Europe), Toho Entertainment Asia (Asia)

Japan

- **Release date:** November 3 (Tue., national holiday), nationwide theatrical release. *Godzilla Fest 2026* to be held on November 3
- Japan's first Filmed For IMAX title²
- **Promotional activities:** Broadcast of the previous film, *Godzilla Minus One*, on the Friday Roadshow TV program (Oct. 30), airing of special TV programs, screening at the 39th Tokyo International Film Festival, etc. Collaborated with TOHO-ONE.
- **Trailer views** ([official channel](#), Japan): **Over 5 million**¹

Overseas

- Starting with its theatrical release in North America on November 6, the film will be released in approximately 80 countries worldwide.
- **Promotional activities:** Held "Godzilla Minus Zero Night," a special event in collaboration between the Los Angeles Dodgers. World premiere at the 64th New York Film Festival, etc.
- **Trailer views** ([official channel](#)) for overseas: **Over 13 million**¹
- Received a high rating on the film review site Rotten Tomatoes.³

¹ Number of views from its release on September 8 through October 15

² A film shot with IMAX-certified high-resolution cameras and optimized for screening in IMAX theaters

³ Based on 41 reviews with a 95% score (Tomatometer), as of October 15

(As of October 15, 2026)



Collaboration event with the Los Angeles Dodgers



ゴジラ-0.0 11.3 4.0 IMAX

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Comparison with the previous film, GODZILLA MINUS ONE

	GODZILLA MINUS ONE	GODZILLA MINUS ZERO
Release date (Japan/North America)	Nov. 3, 2023 / Dec. 1, 2023	Nov. 3, 2026 / Nov. 6, 2026
Global box office revenue (Japan/Overseas)	Approx. ¥16.0B (¥7.65B / US\$56.0M*)	-
No. of screens in Japan	377 in opening week	383 in opening week
No. of screens in North America	2,308 theaters in opening week	Aim to exceed GODZILLA MINUS ONE
Overseas distribution by TOHO	North America: Toho International Europe: - Asia: -	GKIDS Anime Limited Toho Entertainment Asia
No. of countries (film release)	Approx. 50 countries	Approx. 80 countries
No. of GODZILLA STORE	Japan: 2	Japan: 7 and overseas: 1

*Based on an exchange rate of US\$1 = ¥150

Next is *Godzilla Minus Zero*.

The film opens next month, on November 3 in Japan and November 6 in North America. Our own overseas distribution network, including GKIDS, will now begin operating in earnest. The trailer has already reached 5.3 million views in Japan and exceeded 13 million overseas, and the film has received strong reviews on overseas film review sites.

We're aiming for a worldwide hit, with more release countries and theaters than the previous film. We'll continue promoting it both in Japan and overseas, so we're fully prepared when it opens.

New Anime Title *Phantom Busters* to be Aired in 2027

[New]

- **To be adapted into a TV anime in 2027.**
 - *Phantom Busters* by Neo Shoco is set to be adapted into a TV anime.
 - Currently a highly popular manga serialized in Shueisha's Jump Square.
 - Over 1.4 million copies in circulation (including digital editions).
- **A highly popular title attracting significant attention**
 - Ranked second in the "National Bookstore Employees' Recommended Comics 2025."
 - Ranked fourth in the "Manga We Want to See Animated Ranking 2025."
- *Phantom Busters* has a large fan base not only in Japan but also **overseas**.

Story

Mogari Shishikuno (Mogari), a high school student with "the power to eat ghosts," Eugene Korekishi (Koreshiki), a manga otaku with zero spiritual sensitivity, Kaoru Kanzaki (Zaki), a cool otaku who can see ghosts, and Kotaro Tamon (Tamon), who can talk to ghosts but struggles when dealing with people. A lively, chaotic story about this unique group of four who form Phantom Busters, a club dedicated to exorcising ghosts.



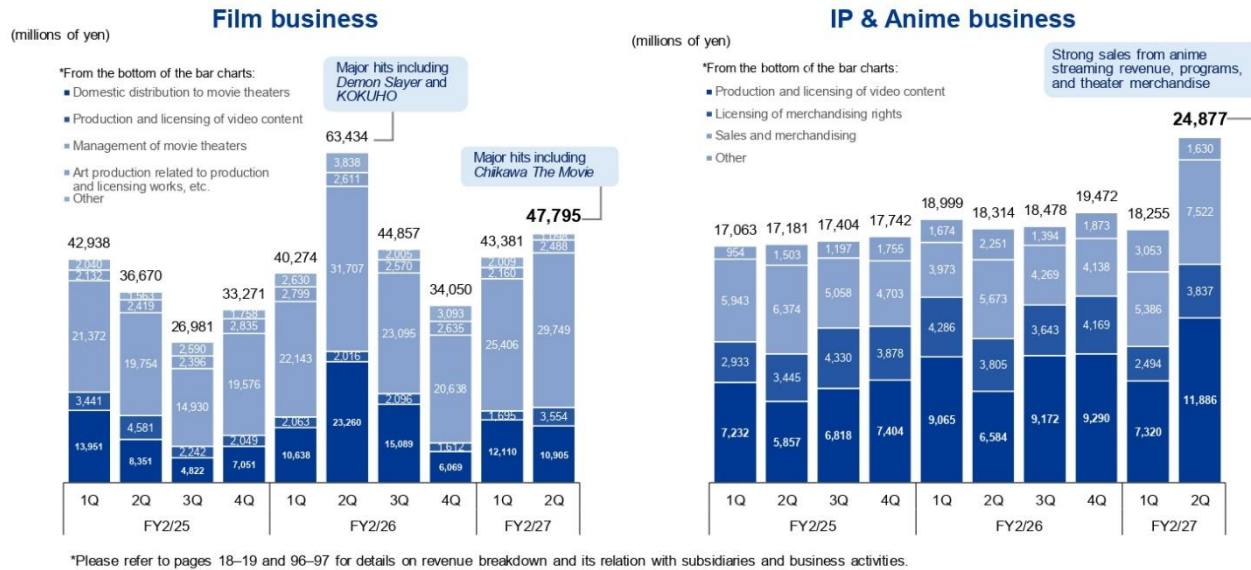
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Next, let me talk about the new anime title we announced recently.

Phantom Busters, a hugely popular manga serialized in Shueisha's *Jump Square*, is being adapted into a TV anime in 2027. It has a large fan base both in Japan and overseas. Given its popularity as an IP, we'd like to develop it into a continuing series, along the lines of *Jujutsu Kaisen*, *My Hero Academia* or *Haikyuu!!*.

Operating Revenue by Segment: Film Business and IP & Anime Business (Revenue Breakdown, Quarterly)



Next, let's look at quarterly operating revenue for the film and IP and anime businesses.

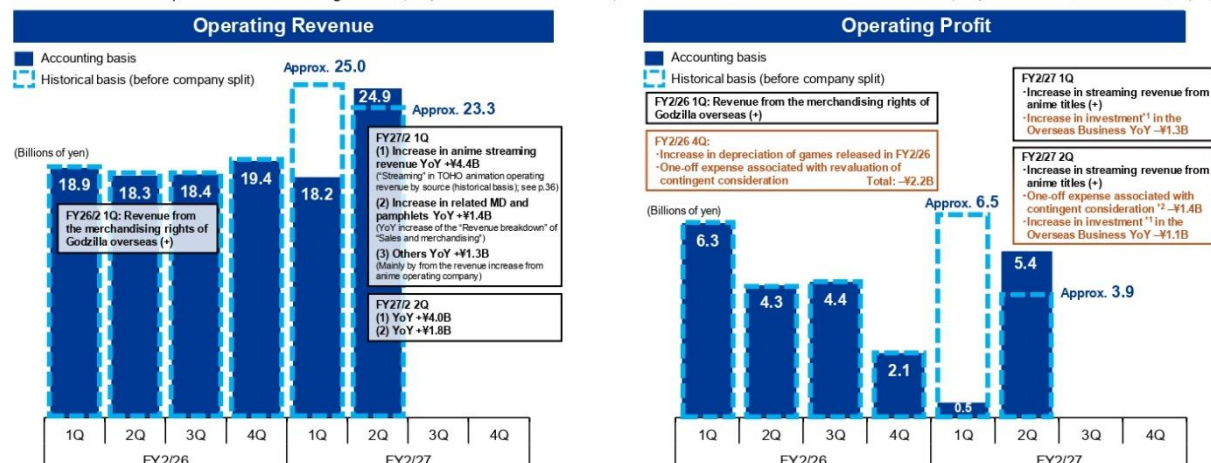
In the film business, revenue in 2Q last year was exceptionally high thanks to record-breaking hits, such as *Demon Slayer* and *KOKUHO*. *Chiikawa* also performed very well this 2Q and continued to support our results.

The IP and anime business has generated steady operating revenue over time. In 1Q, the TOHO Global company split had a negative accounting impact, but growth in overseas anime streaming revenue kept the decline in profit from becoming too large. In 2Q, the impact of the split largely evened out. Anime streaming revenue continued to grow, as it had in 1Q, and sales of programs and theater merchandise, particularly *Chiikawa* merchandise, were also strong.

IP & Anime Business: Revenue Growth / Upfront Investments

[New]

- **Operating revenue:** Increased significantly due to higher streaming revenue from anime titles other than new releases.
- **Operating profit:** Profit fell due to **one-off expense** and **increased SG&A expenses from upfront investments**.
- **From 3Q onward:** Expect continued streaming revenue (mainly from anime titles other than new releases) and contributions from *GODZILLA MINUS ZERO* (mainly overseas distribution, related merchandise, and pamphlets).



*1 Total SG&A expenses of the following subsidiaries: TOHO Global Inc., Toho International, Inc., TOHO Entertainment Asia Pte. Ltd., GKIDS, INC., TOHO Europe Limited, and Anime Limited. See p.75 for details on the increase in overseas personnel.

*2 One-off expense associated with contingent consideration due to steady progress in key initiatives at the acquired business. The one-off expense in 4Q FY2/26 were recorded resulting from an increase in the payment obligation for the consideration, while those in 2Q FY2/27 resulted from the final settlement. No similar expenses will be incurred from 3Q FY2/27 onward.

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Now let me explain operating revenue and operating profit for the IP and anime business.

Operating revenue rose substantially as streaming revenue increased from anime titles that began airing last fiscal year, including *Jujutsu Kaisen*. The higher streaming revenue helped profit, but onetime expenses and higher SG&A from up-front overseas investments weighed on operating profit.

The impact of the two-month difference in reporting periods caused by the TOHO Global company split in March is still with us. From 3Q onward, we're looking forward to continued streaming revenue, as well as contributions from overseas distribution of *Godzilla Minus Zero*, related merchandise, programs, and other items.

For comparison, the bar charts also include figures calculated on the same basis as before the company split. On that basis, operating revenue this fiscal year is substantially higher than in past periods, thanks in part to increased anime streaming revenue. 2Q operating profit, however, was down YoY even on that basis, reflecting a onetime expense from revaluing contingent consideration, up-front investment in the overseas business, and other factors.

Operating revenue has been exceptionally strong. I hope you can see that the decline in operating profit reflects onetime expenses that should bring returns in the future, together with up-front investments to expand our geographic footprint and our own value chain. We are making those investments to raise the market value of our IP and anime around the world.

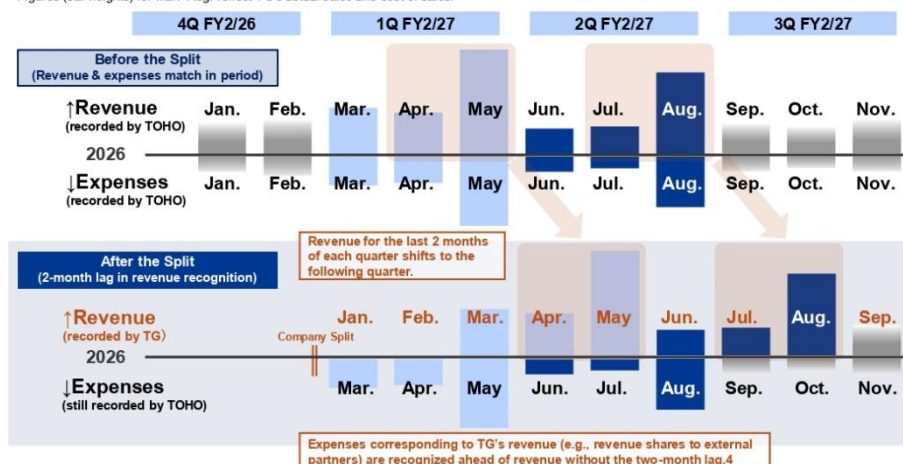
IP & Anime Business: Time Lag in Revenue Due to Company Split

[Updated]

- **Company split** (executed in March 2026): **Transitioned to a structure** under which overseas subsidiary **TOHO Global (TG)** directly recognizes overseas revenue.
- **Difference in fiscal year-ends:** The difference in fiscal year-ends between TOHO (February) and TG (December) **results in a consolidation adjustment (time lag).**
- **Factors behind the increased lag:** The consolidation adjustment increased due to a **significant anime streaming revenue** (particularly in May and August).

Comparison of Overseas Revenue: Before and After the Company Split

*Figures (bar heights) for Mar.–Aug. reflect TG's actual sales and cost of sales.



Comparison of Overseas Revenue Recognition Entities and Roles

	Up to Feb. 2026	From Mar. 2026
Entity	TOHO (TG is outsourced)	TOHO Global (Direct sales)
FY End	February	December
Role	TOHO outsourced overseas sales to TG.	TG directly handles overseas sales.
Revenue Recognition Method	TOHO records operating revenue. TG records outsourcing fees from TOHO.	TG records operating revenue. Toho receives revenue shares from TG and distributes them to production committees.

(Reference) "Notice Concerning Company Split (Simplified Absorption-type Company Split) with Consolidated Subsidiary" (Disclosed on Jan 14, 2026)

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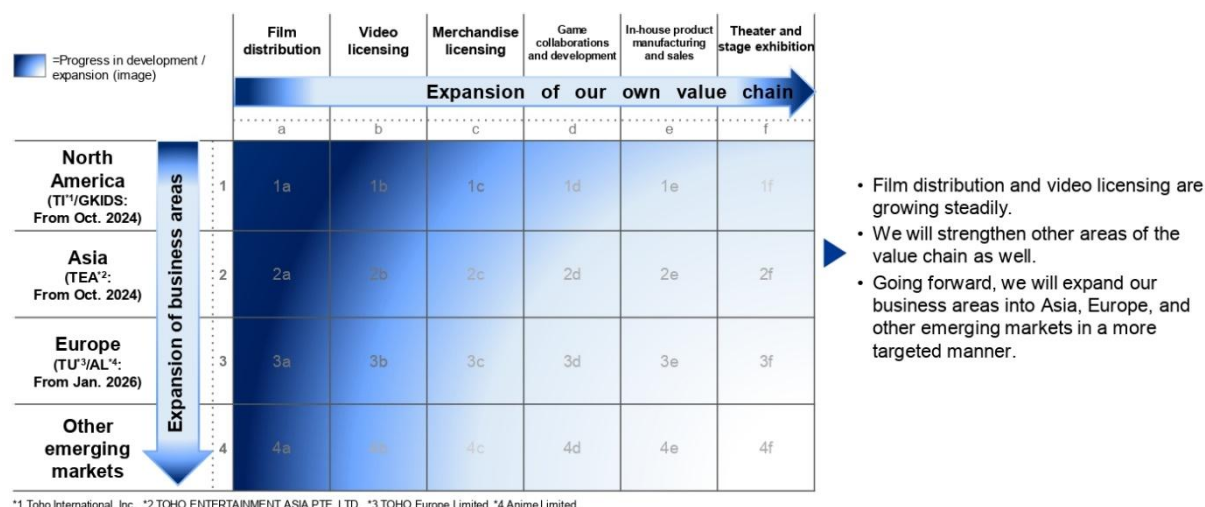
Following the company split in March this year, we moved to a structure in which our overseas subsidiary, TOHO Global, directly recognizes overseas revenue.

TOHO CO., LTD. and TOHO Global have different fiscal year-ends, so we've had a timing difference in the consolidation adjustments since the start of this fiscal year. At the same time, overseas anime streaming revenue has risen sharply, with particularly large amounts recorded in May and August. That increased the consolidation adjustments and widened the difference between the historical and accounting figures.

IP & Anime Business: Overseas Strategy to Maximize the IP Value

[New]

- Strengthen our own distribution network and evolve from providing viewing experiences to **providing diverse experiences through the IP business.**
- Expand both our business areas (↓) and our own value chain (→), and **further develop the intersections between the two.**
- **Provide diverse experiences to more fans in a more targeted manner, thereby enhancing the market value of IP.**



Next is our overseas strategy.

On geographic expansion, our overseas footprint includes Los Angeles in the US, where Toho International is based. In 2024, we acquired GKIDS, which is based in New York, and established a base in Singapore. We've expanded further this year, including setting up a base in Europe. That's the vertical axis of the diagram on this page.

The horizontal axis is our own value chain. Until now, our offering was limited to viewing experiences through film distribution and video licensing. Going forward, we want to expand into merchandise licensing, game collaborations, and manufacturing and selling our own products. We want to build out that matrix in greater detail, across both geographic markets and our value chain, and shift toward offering fans a wider range of experiences through our IP business.

The diagram is an illustration of how far we've come in developing our overseas operations. The darker cells represent areas where we've made more progress. The lighter ones show areas we still intend to pursue. Film distribution and video licensing are going well, as illustrated by the upcoming worldwide release of *Godzilla Minus Zero*, and sales of anime video content. Our next step is to strengthen the other parts of the value chain, while building out our presence more systematically across Asia, Europe, and other emerging markets.

Other Business: TOHO-ONE Reaches 3 Million Members

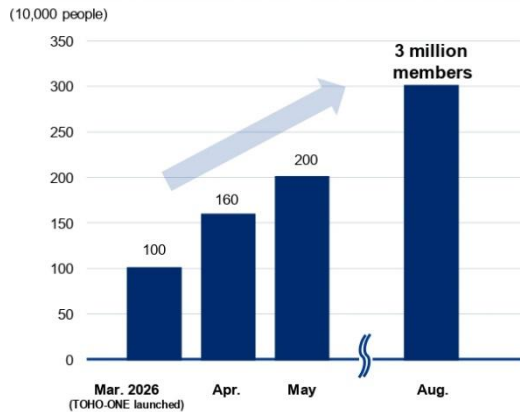
[New]

Made progress toward becoming a **fan engagement platform**. Membership reached 3 million as migration from the former Cine Mileage and other services progressed.

Expansion and stabilization of membership base

The membership base expanded to approximately **3 million members** as of the end of August 2026.

Trend in number of TOHO-ONE members



Deepening relationships with fans

Expand unique TOHO-ONE experiences and two-way touchpoints, such as studio tours, member-exclusive performances, and ONE's VOICE,* strengthening the relationship between TOHO and its fans.

*Submission initiative and a questionnaire channel established to broadly collect opinions and feedback from users



Exclusive performance for premium members



TOHO Studio Tour

To become a platform connecting IP and fans

- Aim to evolve into a **fan engagement platform** that further expands collaboration with diverse IP, **increases fan engagement, and maximizes IP value**. (Please see p.86 for details.)
- From 3Q onward, we plan to further expand collaboration with IP and partners, including a collaboration with *GODZILLA MINUS ZERO* (e.g., invitations to the 39th Tokyo International Film Festival).

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Next, our fan engagement platform, TOHO-ONE, launched in March this year, had grown to approximately 3 million members as of the end of August.

We'll continue to offer events, including members-only performances, to build deeper relationships with fans. We aim to build a membership base of 10 million and use that base to develop TOHO-ONE into a platform that connects fans with our IP.

Real Estate: Properties Sales After Holding Policy Review (Announced on August 17)

[New]

We verified the strategic value of approximately 130 properties we own from both quantitative and qualitative perspectives and, **based on the “TOHO Mid-Term Plan 2028,” began selling properties with low strategic value.**

- ✓ **Sale of seven properties:** We initiated the sale of properties in regional and suburban areas that we determined to have low strategic value due to their limited potential to contribute to future earnings.
- ✓ **Impact on financial results:** We expect to record a total of approximately ¥0.3 billion in gain on sale of non-current assets for the seven properties. (To be recorded from 2Q through 4Q FY2/27.)
- ✓ **Planned additional sales:** In addition to the seven properties, **we plan to sell several additional properties during the current fiscal year.**

Overview of the Seven Properties to be Sold (Announced on August 17)

- Tsukuba Tatemono (Tsukuba City, Ibaraki Prefecture, commercial store)
- Ushiku Tatemono A (Ushiku City, Ibaraki Prefecture, commercial store)
- Ushiku Tatemono B (Ushiku City, Ibaraki Prefecture, commercial store)
- Ushiku Tatemono C (Ushiku City, Ibaraki Prefecture, commercial store)
- Ushiku Tatemono D (Ushiku City, Ibaraki Prefecture, commercial store)
- Kofu-Showa Tatemono (Showacho, Nakakoma-gun, Yamanashi Prefecture, commercial store)
- Asahikawa Parking (Asahikawa City, Hokkaido, former parking lot site)

Total book value of the seven properties above: **¥1.43 billion** (as of the end of FY2/26)

→ **Allocate management resources generated through the sale of properties with low strategic value to maximizing rental income from core properties and creating Group synergies.**

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Turning to real estate business, we've started selling properties we see little value in holding.

The seven properties we announced in August are all small properties in regional or suburban locations. We plan to sell several more similar properties during this fiscal year. We'll redirect the management resources freed up by those sales toward maximizing rental income from our core properties and creating synergies across the Group.

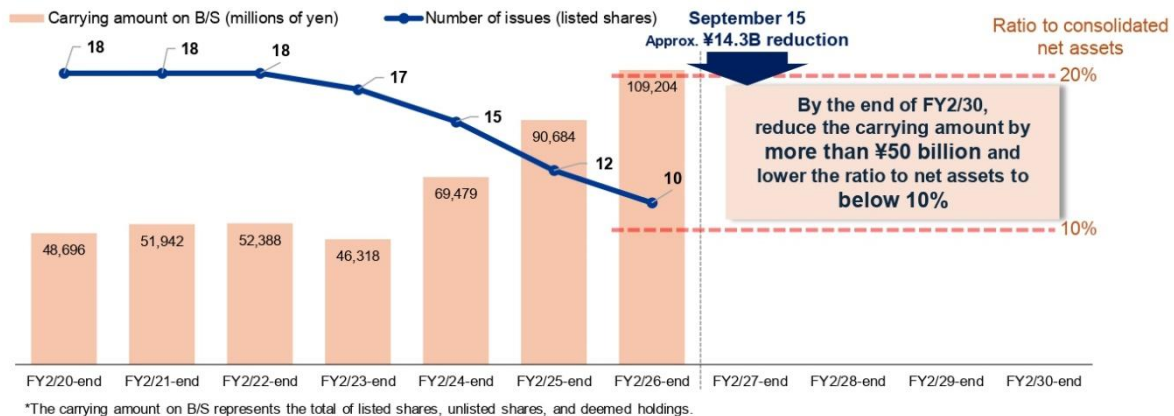
Reduction of Strategic Shareholdings: Target Announced on July 15, Partial Sale on September 15

[Updated]

Sold portion on Sep. 15, reducing the carrying amount by approx. ¥14.3B compared with the end of FY2/26 (¥11.1 billion in extraordinary income to be recorded in 3Q).

Target: By the end of FY2/30, reduce the carrying amount of cross-shareholdings by more than ¥50 billion and lower the ratio to consolidated net assets to below 10%.

- Sell holdings in a phased and planned manner toward the end of FY2/30. Progress sales toward reducing the ratio to consolidated net assets to below 20% by the end of FY2/27.
- Sale proceeds will be primarily allocated to growth investments, while also being used as a source of shareholder returns to improve capital efficiency.



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On strategic shareholdings, we announced a new policy in July. By the end of FY 2/30, we intend to reduce their balance sheet carrying value by more than JPY50 billion and bring their ratio to consolidated net assets below 10%.

To get there, we've committed to selling these holdings steadily in stages, including sales aimed at bringing that ratio below 20% by the end of FY 2/27. In September, we sold some of the holdings, cutting their balance sheet carrying value by approximately JPY14.3 billion. We'll recognize approximately JPY11.1 billion in extraordinary income from those sales in 3Q, which is why we've raised our full-year net profit forecast.

Toward 2032: Sustainable Growth Through Stability and the Power of Hits

[Updated]

- **Control the volatility inherent in the entertainment through the stable foundation** provided by the IP & Anime, Theatrical, and Real Estate businesses.
- **Build on this stable foundation to pursue major hits** and use the expertise and capital gained through those successes to reinvest in the next work and the next IP.
- Evolve into a **robust business model** in which the interaction between stability and the power of hits **drives long-term growth**.



Let me come back to how we want to evolve the earnings structure of the TOHO Group.

As you know, entertainment is an inherently volatile industry. Historically, we've built our film business on a stable real estate business. Our theatrical business has also become a dependable operation, and the IP and anime business, which can build earnings over the longer term, is now becoming another part of that foundation.

We believe it's precisely because we have this stable foundation that we can truly unleash the film business's blockbuster potential, aiming to create films that move audiences deeply and become hits big enough to turn into cultural phenomena. We take those chances without being afraid of failure, and when a title succeeds, its profits add to the Group's growth. The experience and funds we gain then help us develop our next works and IP. That cycle, with the stable foundation and the power of hits reinforcing each other, is what we believe will help us reach JPY100 billion in operating profit in 2032, while sustaining growth and increasing corporate value.

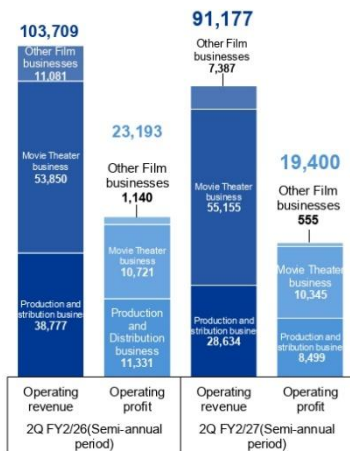
The IP and anime business will be particularly important to achieving that 2032 target. We're aiming for at least JPY44.4 billion in operating profit from this business in 2032, at least twice the FY 2/25 level. It consists mainly of TOHO animation, the products and licensing department, and *Godzilla* department, and overseas operations under TOHO Global. We're stepping up investment in each area, with 2032 operating profit ambitions of JPY20 billion for TOHO animation, JPY10 billion combined for the products and licensing, and *Godzilla* departments, and at least JPY10 billion for TOHO Global.

Film Business Segment

[Updated: Added 'Others' to revenue breakdown]

Revenue decreased due to the tough comparison against the major hits of *Demon Slayer* and *KOKUHO* in the same period last year. Operating income also decreased due to higher personnel and depreciation expenses.

(millions of yen)



(millions of yen)		FY2/26				FY2/27			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Production and Distribution business	Operating revenue	12,992	25,784	17,515	8,075	14,315	14,318		
	Operating profit	4,185	7,145	6,270	1,129	4,816	3,682		
Movie Theater business	Operating revenue	22,143	31,707	23,095	20,638	25,406	29,749		
	Operating profit	3,972	6,749	3,877	1,980	4,439	5,906		
Other Film businesses	Operating revenue	5,138	5,942	4,246	5,335	3,659	3,727		
	Operating profit	888	252	458	392	342	212		
Revenue Breakdown	Production and licensing of video content	10,638	23,260	15,089	6,069	12,110	10,905		
	Licensing of merchandising rights	2,063	2,016	2,096	1,612	1,695	3,554		
	Other	2,630	3,838	2,005	3,093	2,009	1,098		
Reference	Distribution revenue (Films distributed by TOHO and others)	17,627	25,503	18,392	15,736	19,286	23,074		
	The number of movie theater customers (thousand)	10,969	16,401	11,574	10,058	12,005	14,229		
	SG&A expenses (Film Business)	11,931	13,254	12,944	13,598	13,452	14,176		

- Hits such as *Demon Slayer*, *KOKUHO*, and *Chainsaw Man* (+)
- Decreased distribution revenue and recorded film advertising expenses, etc. (-)
- Payment of year-end bonuses, etc. due to strong Movie Theater business (-)
- Decreased production investment revenue from other companies' major hits (-)
- Slight decrease due to the impact of the company split with TOHO Global (-) *Recorded to IP & Anime Business
- Streaming rights revenue for the Netflix series *Human Vapor* (+) *Recorded under Film Business
- Increases in personnel expenses (opening of the new theater), depreciation expenses (self/mobile ordering systems, new theater opening), etc. (-)

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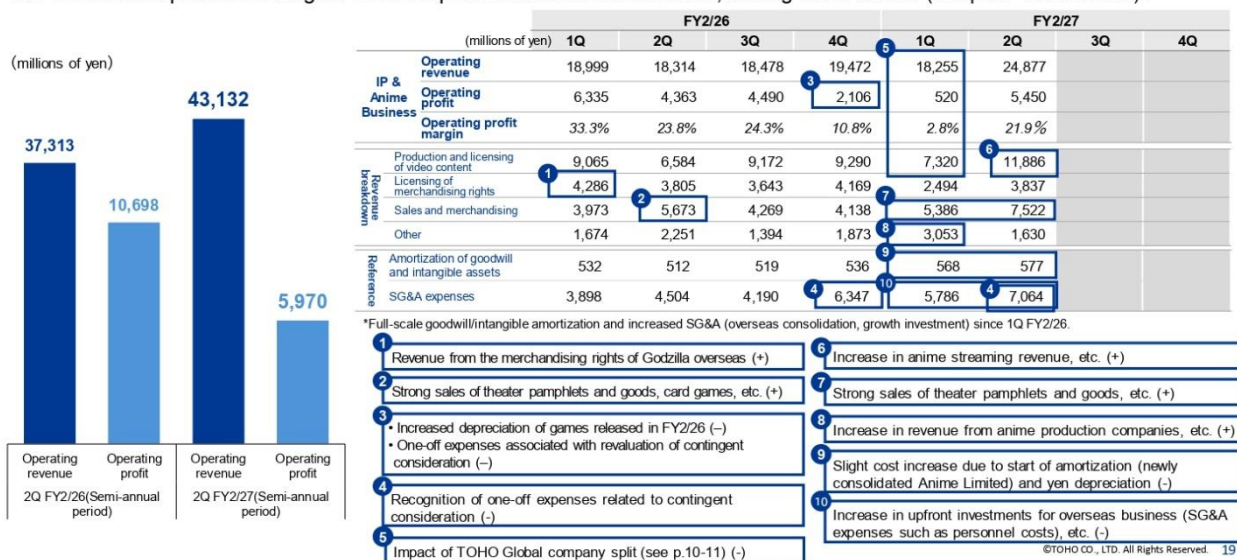
Let me briefly touch on the financial highlights.

The tables on each page contain callouts analyzing each quarter, so please take a look at those later. The film business segment is performing well, despite a decline in operating revenue and profit.

IP & Anime Business Segment

[Updated: Added 'Others' to revenue breakdown]

Revenue increased due to strong performance in overseas streaming revenue and product sales. Operating income declined due to one-off expenses and higher SG&A expenses in overseas business, among other factors (see p.10–11 for details).



Next is the IP and anime business segment.

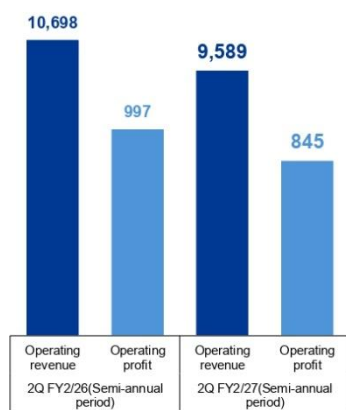
In 2Q last year, programs and theater merchandise for *Demon Slayer* sold well. This 2Q, *Chiikawa*-related merchandise has been even stronger, exceeding last year's sales.

Theatrical Business Segment

[Updated]

Revenue and profit decreased, as 2Q FY2/26 benefited from performances such as *Knights' Tale ARENA LIVE* and *Les Misérables*.

(millions of yen)



(millions of yen)		FY2/26				FY2/27			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Theatrical Business	Operating revenue	5,117	5,580	6,654	4,957	5,908	3,680		
	Operating profit	70	926	1,576	889	475	369		
Reference	Number of performances	254	176	298	175	398	141		

Performance Analysis (YoY Change Factors)

Revenue decreased despite strong TOHO-hosted productions at Theatre Creation, including *Blood Brothers*, *10th Anniversary VOICARION*, and *REBECCA*, and at external venues, including *New HISTORY COMING ARENA LIVE -The Imperial Theatre Symphony-*, *Romantics Anonymous*, *Sister Act*, and *Roald Dahl's Charlie and the Chocolate Factory*, as 2Q FY2/26 benefited from strong attendance for *Knights' Tale ARENA LIVE* at TOKYO GARDEN THEATER as well as by external performances such as *Les Misérables*.

Operating profit decreased due to the factors behind the revenue decline.

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Turning to the theatrical business, both operating revenue and profit are down this fiscal year because we no longer have the contribution from the large productions that ran in the same period last year.

Real Estate Business Segment

[Updated]

Operating revenue remained solid, but operating profit decreased mainly due to the drop-off of the price adjustment impact seen in the Road business last year.

(millions of yen)



		FY2/26				FY2/27			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Lease of Land and Buildings	Operating revenue	9,474	9,419	9,433	9,450	9,385	9,373		
	Operating profit	3,767	3,177	3,123	2,812	3,570	3,167		
Road	Operating revenue	7,830	6,821	6,571	8,387	7,965	7,198		
	Operating profit	1,801	977	812	1,271	1,560	899		
Building Maintenance	Operating revenue	2,843	2,924	3,356	2,663	3,074	3,010		
	Operating profit	391	347	330	215	424	273		
Reference	Repair expenses*	276	249	331	660	233	478		

*Figures in Real estate leasing business (non-consolidated)

Performance Analysis (YoY Change Factors)

Lease of Land and Buildings	YoY	Operating revenue remained solid, driven by the steady operation of properties owned nationwide, while operating profit slightly decreased.
Road	YoY	Increased revenue due to the smooth progress of large-scale bridge repair works, but decreased profit affected by the absence of the price adjustment impact from the previous year.
Building Maintenance	YoY	Revenue increased and profit decreased due to the impact of rising material prices and labor costs, despite efforts to acquire new contracts, expand service scopes for existing clients, and revise contract amounts.

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The real estate business segment is performing solidly.

Other Business and Adjustments

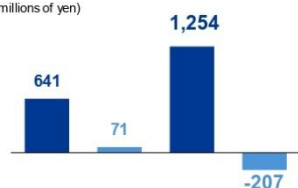
[Updated]

Other business

*Mainly from TOHO-ONE membership fee revenue. Also includes operating revenue from TOHO Kyoei Kogyo's "Toho Chofu Sports Park" and TOHO RETAIL's theater concession stands, etc.

2Q FY2/26(Semi-annual period)		2Q FY2/27(Semi-annual period)	
Operating revenue	Operating profit	Operating revenue	Operating profit

(millions of yen)



Operating revenue increased, primarily due to the new recording of TOHO-ONE membership fee revenue.

Operating profit decreased, mainly due to the recording of sales promotion expenses associated with the TOHO-ONE point program.

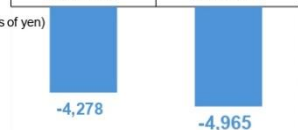
(millions of yen)	FY2/26				FY2/27			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating revenue	338	303	335	314	772	482		
Operating profit	45	26	57	-62	-22	-184		

Adjustments

*Adjustments in segment performance representing common corporate expenses. Includes depreciation of TOHO-ONE initial investments (5 years of amortization in principle).

2Q FY2/26(Semi-annual period)		2Q FY2/27(Semi-annual period)	
Adjustments		Adjustments	

(millions of yen)



Increase in depreciation expenses (launch of TOHO-ONE service) and outsourcing expenses primarily for IT, etc.

(millions of yen)	FY2/26				FY2/27			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Adjustments	-2,118	-2,159	-2,053	-2,938	-2,258	-2,706		

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Other business revenue consists mainly of TOHO-ONE membership fees.

The adjustments are shared corporate expenses, including depreciation and outsourcing expenses.

FY2/27 Financial Forecasts

(Profit attributable to owners of parent Upwardly Revised in 2Q Announcement on Oct 15)

[Updated]

Reflecting the sale of strategic-shareholdings in 3Q, net income (profit attributable to owners of parent) was revised upward by 7.0 billion yen to 48.0 billion yen. Forecasts other than net income remain unchanged, carefully monitoring the initial performance of major titles in the second half.

(millions of yen)	FY2/27 (Apr. 14 forecast)	FY2/27 (Revised Oct 15)	Change	Percentage change	(Reference) FY2/26 Result
Operating revenue	345,000	345,000	-	-	360,663
Operating profit	62,000	62,000	-	-	67,889
Ordinary profit	67,000	67,000	-	-	70,140
Profit attributable to owners of parent	41,000	48,000	7,000	17.1%	51,768

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These are our full-year earnings forecasts for this fiscal year.

As I mentioned earlier, we've kept our original operating profit forecast of JPY62 billion, but raised our net profit forecast by JPY7 billion to JPY48 billion, following the sale of strategic shareholdings. We left operating profit guidance unchanged because cumulative results through 2Q were broadly in line with plan, and our original guidance already assumed a certain degree of success for *Chiikawa* and *Godzilla Minus Zero*.

We've also taken a cautious view of the expected opening performance of our major H2 releases, including the worldwide release of *Godzilla Minus Zero* and the film, *The Apothecary Diaries*. As we explained at the start of the fiscal year, films where we're the lead company, including *Godzilla Minus Zero*, have a particularly high sensitivity to box-office revenue. Changes in box-office revenue can make a substantial difference to their contribution to operating profit.

Shareholder Returns

Reposting (4Q FY2/26 Presentation)]

The dividend forecast for the fiscal year ending February 2027 will be reviewed in the future in accordance with the shareholder return policy.

Dividend per share

■ Interim ■ Year-end
(yen)

Mid-Term Plan 2025
Based on an annual dividend of
¥8 per share and
a consolidated dividend payout
ratio of 30% or more

Mid-Term Plan 2028
Achieve a dividend payout ratio of
35% or more with a minimum
annual dividend of ¥17 per share
and implement flexible share
buybacks.



(Note) Conducted a 1-for-5 stock split for common shares with Feb. 28, 2026 as the record date. As a result, figures for past fiscal years are calculated assuming this stock split had been already conducted.

*1 Total dividend payout ratio = (Total amount of dividends + Share buyback amount) / Net income attributable to owners of parent x 100

*2 Formulated a standard for treasury stock cancellation under which cancellation will be considered when treasury shares exceed 5% of total shares outstanding.

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Finally, shareholder returns.

Under the TOHO Group Mid - Term Plan 2028, we've set a floor of JPY17 per share for the annual dividend, equivalent to JPY85 before the stock split. For this fiscal year, we're maintaining the prior year's dividend of JPY22 per share. We plan to consider revising the year-end dividend based on this fiscal year's results. That concludes my presentation. Thank you.

END