

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



## Consolidated Financial Results for the Three Months Ended May 31, 2024 <Under Japanese GAAP>

July 16, 2024

Company name: **TOHO CO., LTD.**  
 Listing: Tokyo Stock Exchange/Fukuoka Stock Exchange  
 Securities code: 9602  
 URL: <https://www.toho.co.jp/>  
 Representative: Hiro Matsuoka  
 President & CEO  
 Inquiries: Harunori Kato  
 Senior Executive Officer in charge of Finance & Accounting, Corporate Management Group  
 TEL: +81-3-3591-1218  
 Scheduled date to file Quarterly Securities Report: July 16, 2024  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results presentation meeting: None  
 (Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2024	85,976	15.9	24,576	34.1	23,351	24.2	16,149	31.4
May 31, 2023	74,153	19.9	18,324	28.4	18,802	18.8	12,291	6.7

Note: Comprehensive income Three months ended May 31, 2024 ¥17,994 million [(4.9)%]  
 Three months ended May 31, 2023 ¥18,916 million [74.1%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2024	94.07	—
May 31, 2023	70.41	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
May 31, 2024	611,907	458,344	72.3
February 29, 2024	615,826	484,755	74.5

Reference: Equity As of May 31, 2024 ¥442,700 million  
 As of February 29, 2024 ¥458,890 million

## 2. Cash dividends

	Annual cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 29, 2024	–	20.00	–	65.00	85.00
Fiscal year ending February 28, 2025	–				
Fiscal year ending February 28, 2025 (forecast)		35.00	–	35.00	70.00

Note: Revisions to dividends forecasts most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2025	280,000	(1.2)	55,000	(7.2)	57,000	(9.6)	39,000	(13.9)	227.18

Note: Revisions to earnings forecasts most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period: None
- (2) Adoption of special accounting treatments for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatement: None

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2024	186,490,633 shares
As of February 29, 2024	186,490,633 shares

b. Number of treasury shares at the end of the period

As of May 31, 2024	16,978,395 shares
As of February 29, 2024	12,490,741 shares

c. Average number of shares during the period

Three months ended May 31, 2024	171,667,050 shares
Three months ended May 31, 2023	174,574,680 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters  
*(Caution regarding forward-looking statements and others)*

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company. Actual results may differ significantly from these forecasts due to various factors. Please refer to “(3) Consolidated earnings forecasts and other forward looking statements” in “1. Qualitative Information” on page 4 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

*(Availability of supplementary material on financial results)*

The supplementary document on quarterly earnings is disclosed on the same day as the quarterly financial results, and it is made available on the Company’s website.

## Attached Material

1. Qualitative Information.....	2
(1) Details of operating results .....	2
(2) Details of financial position .....	4
(3) Consolidated earnings forecasts and other forward-looking statements .....	4
2. Quarterly Consolidated Financial Statements and Significant Notes Thereto .....	5
(1) Quarterly consolidated balance sheet .....	5
(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income .....	7
(3) Quarterly consolidated statement of cash flows.....	9
(4) Notes to quarterly consolidated financial statements .....	10
(Notes on going concern assumption).....	10
(Notes on significant changes in the amount of shareholders' equity).....	10
(Adoption of special accounting treatments for preparing quarterly consolidated financial statements) .....	10
(Changes in accounting policies) .....	10
(Segment information, etc.) .....	11

## 1. Qualitative Information

### (1) Details of operating results

In the three months ended May 31, 2024, the outlook for the Japanese economy remained uncertain, mainly due to the risk of an economic downturn overseas, the effect of rising prices, and fluctuations in the financial and capital markets despite trends of moderate economic recovery in the context of an improved employment and income environment.

Under these conditions, the Group engaged in active investment and steady business development, striving to achieve further growth in each of the “four pillars of business,” consisting of cinema, animation, theatrical productions, and real estate, in the final year of the “Medium-term Management Plan 2025,” formulated in April 2022. Regarding the operating results for the three months ended May 31, 2024, operating revenue was ¥85,976 million (up 15.9% year on year), operating profit was ¥24,576 million (up 34.1% year on year), ordinary profit was ¥23,351 million (up 24.2% year on year) and profit attributable to owners of parent was ¥16,149 million (up 31.4% year on year).

The operating results by segment are as follows.

#### Cinema business

In the Production and Distribution business, TOHO CO., LTD. had a major hit with the collaboratively produced and distributed “Detective Conan: The Million-dollar Pentagram,” as well as the hit productions “The Floor Plan,” “Doraemon the Movie: Nobita’s Earth Symphony,” “Godzilla x Kong: The New Empire.” In addition, “Haikyuu!!: The Dumpster Battle,” released in the previous fiscal year, continued to deliver strong sales with cumulative box office receipts surpassing ¥10 billion. Aside from that, domestic distribution rights revenue from the hit movie “GODZILLA MINUS ONE” released last year contributed to earnings. As a result, operating revenue in the Production and Distribution business was ¥19,730 million (up 42.4% year on year) and operating profit was ¥9,873 million (up 70.3% year on year). The above operating revenue mainly consists of ¥13,951 million from distribution to movie theaters (up 22.6% year on year) and ¥2,361 million from the domestic streaming of theatrical films (up 713.5% year on year).

In the Movie Theater Chain business, TOHO Cinemas Ltd. and others released works listed above and others. The number of movie theater customers in the three months ended May 31, 2024 decreased by 9.5% year on year to 11,220,000, partly reflecting the absence of any international hit movies. As a result, operating revenue in the Movie Theater Chain business was ¥21,372 million (down 7.9% year on year) and operating profit was ¥3,805 million (down 18.5% year on year). There were no theater changes in the three months ended May 31, 2024. The number of screens managed by the corporate group is 722 throughout Japan (including 56 collaboratively managed screens).

In the Production and Licensing business, TOHO CO., LTD. recorded revenue from distribution and royalties from merchandising rights in Japan and overseas for TOHO animation productions that it had invested in, such as “Haikyuu!!,” “My Hero Academia,” “JUJUTSU KAISEN,” “SPY x FAMILY,” “Frieren: Beyond Journey’s End,” and “The Apothecary Diaries,” as well as revenue as a result of royalty from various platforms, which made a significant contribution to business performance. In the Home Entertainment business, sales were strong for “GODZILLA MINUS ONE,” and sales grew for the TOHO animation productions such as “Frieren: Beyond Journey’s End,” “Umamusume: Pretty Derby,” and “JUJUTSU KAISEN.” In the Publishing and Merchandising business, sales were favorable for souvenir programs and character goods for works distributed by the Company such as the movies “Haikyuu!!: The Dumpster Battle,” “Detective Conan: The Million-dollar Pentagram,” and “Godzilla x Kong: The New Empire.” In addition, sales of character goods of TOHO animation productions contributed to operating revenue. TOHO Studios Co., Ltd. operated strongly as a result of integrating the Production and Studio businesses. At TOHO EIZO BIJUTSU Co., Ltd. and TOHO STAGE CRAFT Co., Ltd., efforts were focused on cost management as orders rolled in for stage production and art production for movies, TV and commercials, etc., for production services for display items in theme parks, as well as for maintenance services. As a result, operating revenue in the Production and Licensing business was ¥18,899 million (up 36.4% year on year) and operating profit was ¥6,418 million (up 138.8% year on year). The above operating revenue mainly consists of ¥7,743 million for the use of animation contents (up 47.6% year on year), ¥2,479 million for sale of home

entertainment (up 98.9% year on year) and ¥2,132 million for art production related to production and licensing works, etc. (up 8.8% year on year).

As a result, in the overall Cinema business, operating revenue was ¥60,002 million (up 17.8% year on year) and operating profit was ¥20,098 million (up 52.8% year on year).

#### Theatrical business

In the Theatrical business, “Spirited Away” and “Endless SHOCK (Endless SHOCK/ Endless SHOCK -Eternal-)” were performed at TOHO CO., LTD.’s Imperial Theatre and were completely sold out. At Theatre Creation, “The Bones and Scorn” was performed to a full house, and the theatre also hosted performances of “The World of Machida-kun,” “CROSS ROAD,” and “Navillera.” At Nissay Theatre, “The King and I” was performed to a full house. In addition, the Company expanded external theatrical works such as “Spirited Away.” At Toho Entertainment Co., Ltd., affiliated actors worked favorably on commercial performances, etc.

As a result of the above, operating revenue in the Theatrical business was ¥5,246 million (down 2.6% year on year) and operating profit was ¥1,009 million (down 16.7% year on year).

#### Real Estate business

In the Lease of Land and Buildings business, earnings for the first three months ended May 31, 2024 included those of TOKYO RAKUTENCHI Co., Ltd., which became a consolidated subsidiary at the end of the previous fiscal year. The vacancy rate of real estate for leasing was 0.5% as of the end of the first quarter of the current fiscal year. On the other hand, there was an increase in one-time costs such as large repair expenses. Therefore, while operating revenue in the Lease of Land and Buildings business was ¥9,419 million (up 29.6% year on year), operating profit was ¥2,835 million (down 14.1% year on year).

In the Road business, there was firm public investment, but the situation continued to be unpredictable due to factors such as the chronic shortage of construction tradespeople on top of continued increases in labor costs, equipment and material prices. Under these conditions, Subaru Enterprise Co., Ltd. and its consolidated subsidiaries focused on strengthening their response to a comprehensive evaluation system for open competitive bidding as part of their efforts to increase orders for various construction works. However, the number of highly profitable projects declined. As a result, operating revenue in the Road business was ¥8,062 million (up 3.8% year on year) and operating profit was ¥1,551 million (down 5.0% year on year). Operating revenue mainly consists of ¥7,431 million from road maintenance, repair and cleaning services (up 4.1% year on year) and also includes ¥229 million of other revenue (up 9.7% year on year).

In the Building Maintenance business, Toho building kanri Co., Ltd. and Toho Facilities Co., Ltd. proceeded with efforts to receive new orders but also strove to renegotiate contract amounts and streamline operations amid soaring raw material prices and continuing labor shortages. As a result, operating revenue was ¥2,908 million (up 16.4% year on year) and operating profit was ¥352 million (up 56.0% year on year).

As a result of the above, operating revenue in the overall Real Estate business was ¥20,390 million (up 16.3% year on year) and operating profit was ¥4,739 million (down 8.2% year on year).

#### Other business

Toho Kyoei Kigyo Co., Ltd.’s “Toho Chofu Sports Park” and TOHO RETAIL CO., LTD.’s theater concession stands, etc. engaged in proactive sales activities. As a result, operating revenue in Other business was ¥337 million (up 10.3% year on year) and operating profit was ¥48 million (down 6.9% year on year).

**(2) Details of financial position**

With regard to the financial position as of the end of the first quarter of the current fiscal year, total assets decreased by ¥3,919 million from the end of the previous fiscal year to ¥611,907 million. This was mainly due to decreases of ¥28,000 million in short-term loans receivable with resale agreement, ¥6,010 million in notes and accounts receivable - trade, and contract assets, and ¥3,470 million in investment securities, despite increases of ¥16,217 million in cash and deposits, ¥12,361 million in land, and ¥6,381 million in securities.

Liabilities increased by ¥22,491 million from the end of the previous fiscal year to ¥153,562 million. This was mainly due to an increase of ¥19,997 million in short-term borrowings.

Net assets decreased by ¥26,410 million from the end of the previous fiscal year to ¥458,344 million. This was mainly due to an increase of ¥22,394 million in treasury shares, a decrease of ¥10,220 million in non-controlling interests, and an increase of ¥4,871 million in retained earnings.

**(3) Consolidated earnings forecasts and other forward-looking statements**

There have been no changes in the consolidated earnings forecasts for the fiscal year ending February 28, 2025, which were announced on April 15, 2024, in the “Consolidated Financial Results for the Fiscal Year Ended February 29, 2024.”

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	38,733	54,950
Notes and accounts receivable - trade, and contract assets	42,075	36,064
Securities	41,200	47,581
Inventories	13,130	13,644
Short-term loans receivable with resale agreement	34,999	6,999
Other	38,396	31,779
Allowance for doubtful accounts	(32)	(38)
Total current assets	208,503	190,980
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	104,116	105,463
Land	104,539	116,901
Construction in progress	5,738	8,783
Other, net	10,456	10,291
Total property, plant and equipment	224,851	241,440
Intangible assets		
Goodwill	1,927	1,833
Other	5,089	5,644
Total intangible assets	7,017	7,478
Investments and other assets		
Investment securities	154,175	150,704
Other	21,373	21,371
Allowance for doubtful accounts	(93)	(68)
Total investments and other assets	175,454	172,008
Total non-current assets	407,323	420,926
Total assets	615,826	611,907



(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	32,765	27,893
Short-term borrowings	41	20,038
Current portion of long-term borrowings	1,124	971
Income taxes payable	12,002	7,257
Provision for bonuses	1,226	1,809
Other provisions	86	23
Asset retirement obligations	25	141
Other	21,868	35,250
Total current liabilities	69,141	93,387
Non-current liabilities		
Long-term borrowings	2,189	1,830
Retirement benefit liability	4,004	4,005
Provision for retirement benefits for directors (and other officers)	162	158
Other provisions	86	86
Asset retirement obligations	8,079	8,132
Other	47,406	45,961
Total non-current liabilities	61,929	60,175
Total liabilities	131,071	153,562
Net assets		
Shareholders' equity		
Share capital	10,355	10,355
Capital surplus	14,216	14,216
Retained earnings	439,921	444,793
Treasury shares	(42,827)	(65,222)
Total shareholders' equity	421,667	404,143
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34,216	33,181
Deferred gains or losses on hedges	—	(20)
Foreign currency translation adjustment	2,642	5,022
Remeasurements of defined benefit plans	363	373
Total accumulated other comprehensive income	37,223	38,556
Non-controlling interests	25,865	15,644
Total net assets	484,755	458,344
Total liabilities and net assets	615,826	611,907

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

**Quarterly consolidated statement of income**

Three months ended May 31, 2024

	(Millions of yen)	
	Three months ended May 31, 2023	Three months ended May 31, 2024
Operating revenue	74,153	85,976
Operating costs	39,416	42,606
Gross profit	34,736	43,370
Selling, general and administrative expenses		
Personnel expenses	5,048	5,958
Advertising expenses	1,931	2,672
Provision for bonuses	509	622
Retirement benefit expenses	295	256
Provision for retirement benefits for directors (and other officers)	7	11
Rent expenses on land and buildings	2,378	2,255
Other	6,240	7,016
Total selling, general and administrative expenses	16,412	18,793
Operating profit	18,324	24,576
Non-operating income		
Interest income	169	56
Dividend income	57	27
Share of profit of entities accounted for using equity method	78	—
Foreign exchange gains	129	217
Other	104	142
Total non-operating income	540	443
Non-operating expenses		
Interest expenses	1	13
Share of loss of entities accounted for using equity method	—	1,644
Loss on liquidation of subsidiaries	51	—
Other	7	11
Total non-operating expenses	61	1,668
Ordinary profit	18,802	23,351
Extraordinary income		
Insurance claim income	—	20
Total extraordinary income	—	20
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	—	9
Loss on valuation of investments in capital	107	—
Total extraordinary losses	107	9
Profit before income taxes	18,695	23,362
Income taxes - current	5,574	7,057
Income taxes - deferred	319	(354)
Total income taxes	5,893	6,702
Profit	12,802	16,660
Profit attributable to non-controlling interests	510	510
Profit attributable to owners of parent	12,291	16,149

**Quarterly consolidated statement of comprehensive income**

Three months ended May 31, 2024

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Profit	12,802	16,660
Other comprehensive income		
Valuation difference on available-for-sale securities	5,936	(1,035)
Foreign currency translation adjustment	148	222
Remeasurements of defined benefit plans, net of tax	25	9
Share of other comprehensive income of entities accounted for using equity method	3	2,137
Total other comprehensive income	6,114	1,333
Comprehensive income	18,916	17,994
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,405	17,483
Comprehensive income attributable to non-controlling interests	510	510

**(3) Quarterly consolidated statement of cash flows**

	(Millions of yen)	
	Three months ended May 31, 2023	Three months ended May 31, 2024
Cash flows from operating activities		
Profit before income taxes	18,695	23,362
Depreciation	2,429	3,020
Increase (decrease) in allowance for doubtful accounts	(7)	(18)
Interest and dividend income	(226)	(84)
Interest expenses	1	13
Share of loss (profit) of entities accounted for using equity method	(78)	1,644
Decrease (increase) in trade receivables and contract assets	(4,948)	6,181
Decrease (increase) in inventories	(1,752)	(442)
Increase (decrease) in trade payables	1,402	(4,901)
Increase (decrease) in accrued consumption taxes	496	356
Other	4,848	5,883
Subtotal	20,860	35,014
Interest and dividends received	345	85
Interest paid	(7)	(15)
Income taxes paid	(10,512)	(11,339)
Net cash provided by (used in) operating activities	10,685	23,745
Cash flows from investing activities		
Purchase of securities	(14,199)	–
Proceeds from sale of securities	12,800	22,610
Purchase of property, plant and equipment	(7,434)	(19,915)
Proceeds from sale of property, plant and equipment	0	33
Purchase of investment securities	(1,001)	(1)
Purchase of shares of subsidiaries	–	(6,544)
Loan advances	(0)	(220)
Proceeds from collection of loans receivable	1	0
Investments in money held in trust	–	(300)
Other	(2,248)	(1,367)
Net cash provided by (used in) investing activities	(12,082)	(5,705)
Cash flows from financing activities		
Proceeds from short-term borrowings	–	20,000
Net increase (decrease) in short-term borrowings	(5)	(2)
Repayments of long-term borrowings	(12)	(512)
Purchase of treasury shares	(1)	(20,054)
Dividends paid	(6,822)	(11,029)
Dividends paid to non-controlling interests	(199)	(275)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1)	(0)
Repayments of lease liabilities	(68)	(4)
Other	9	–
Net cash provided by (used in) financing activities	(7,100)	(11,879)
Effect of exchange rate change on cash and cash equivalents	175	280
Net increase (decrease) in cash and cash equivalents	(8,321)	6,441
Cash and cash equivalents at beginning of period	112,121	82,424
Cash and cash equivalents at end of period	103,800	88,865

**(4) Notes to quarterly consolidated financial statements**

***(Notes on going concern assumption)***

Not applicable.

***(Notes on significant changes in the amount of shareholders' equity)***

The Company acquired 4,000,000 treasury shares pursuant to a resolution at a meeting of its Board of Directors held on April 15, 2024. As a result of the purchase, etc., treasury shares increased in value by ¥22,394 million in the three months ended May 31, 2024, and as of May 31, 2024, the value of treasury shares stood at ¥65,222 million.

***(Adoption of special accounting treatments for preparing quarterly consolidated financial statements)***

Not applicable.

***(Changes in accounting policies)***

Not applicable.

***(Segment information, etc.)***

[Segment information]

**I. Three months ended May 31, 2023**

**Disclosure of net sales and profit (loss) by reportable segment**

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amounts in the quarterly consolidated statement of income (Note 3)
	Cinema business	Theatrical business	Real Estate business	Total				
Net sales								
Sales to external customers	50,925	5,385	17,535	73,847	305	74,153	–	74,153
Intersegment sales or transfers	538	4	1,280	1,823	49	1,873	(1,873)	–
Total	51,464	5,390	18,816	75,671	355	76,026	(1,873)	74,153
Segment profit (loss)	13,155	1,212	5,160	19,528	51	19,579	(1,255)	18,324

- (Notes) 1. The “Other” category is a business segment that is not included in the reportable segments and includes businesses that operate sports facilities, etc.
2. The ¥1,255 million deducted from segment profit (loss) as adjustment consists of a deduction of ¥3 million in intersegment transaction elimination, and a deduction of ¥1,252 million in corporate expenses that cannot be allocated to any reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.
3. Segment profit (loss) is adjusted with operating profit stated in the quarterly consolidated statement of income.

**II. Three months ended May 31, 2024**

**Disclosure of net sales and profit (loss) by reportable segment**

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amounts in the quarterly consolidated statement of income (Note 3)
	Cinema business	Theatrical business	Real Estate business	Total				
Net sales								
Sales to external customers	60,002	5,246	20,390	85,639	337	85,976	–	85,976
Intersegment sales or transfers	651	8	1,278	1,938	43	1,981	(1,981)	–
Total	60,653	5,255	21,668	87,578	380	87,958	(1,981)	85,976
Segment profit (loss)	20,098	1,009	4,739	25,847	48	25,895	(1,319)	24,576

- (Notes) 1. The “Other” category is a business segment that is not included in the reportable segments and includes businesses that operate sports facilities, etc.
2. The ¥1,319 million deducted from segment profit (loss) as adjustment consists of a deduction of ¥1 million in intersegment transaction elimination, and a deduction of ¥1,317 million in corporate expenses that cannot be allocated to any reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.
3. Segment profit (loss) is adjusted with operating profit stated in the quarterly consolidated statement of income.