

Second Quarter of the Fiscal Year Ending February 2024
(March 1, 2023 – August 31, 2023)

Financial Results Presentation






Wednesday, October 11, 2023



©2023 TOHO CO., LTD.

Overview of Operating Results for Q2 FY2/24

	FY2/23 (Mar. - Aug. 2022)	FY2/24 (Mar. - Aug. 2023)	YoY	Percentage changes
Operating revenue	¥120,353 million	¥139,642 million	¥19,288 million	16.0% 
Operating profit	¥25,984 million	¥30,752 million	¥4,768 million	18.4% 
Ordinary profit	¥30,213 million	¥32,881 million	¥2,667 million	8.8% 
Profit attributable to owners of parent	¥21,558 million	¥21,751 million	¥193 million	0.9% 

Overview of Operating Results for Q2 FY2/24

[TOHO VISION 2032 - Toho Group Management Strategy]

In April 2022, we formulated the "TOHO VISION 2032 - Toho Group Management Strategy" in preparation for our 100th-anniversary milestone. This strategy is composed of the "Long-Term Vision 2032" and the specific measures for the next three years outlined in the "Medium-Term Management Plan 2025." As we enter the second year, we remain committed to working towards sustainable growth and enhancing our corporate value in the medium to long term. For more details, please refer to this [link](#) (only available in Japanese).

[Overview of the Q2 Operating Results]

In the Production and Distribution business, in addition to the continued success of "DETECTIVE CONAN Black Iron Submarine" and "The Super Mario Bros. Movie" from the first quarter, we also experienced hits such as "The Boy and the Heron," "KINGDOM: The Flame of Destiny," "MONSTER," and other films. Furthermore, we had significant success with foreign films like "Mission: Impossible - Dead Reckoning Part One" (distributed by TOWA PICTURES), resulting in increased sales and profit.

In the Movie Theater Chain business, while we did not have blockbuster hits on the scale of the previous year's "Top Gun: Maverick" and "ONE PIECE FILM RED," the success of the films distributed by our company, as mentioned above, contributed to the increased sales and profits.

In the Production and Licensing business, TOHO animation works such as "My Hero Academia," "JUJUTSU KAISEN," and "SPY x FAMILY" performed well due to divergent developments including home entertainment sales, product licensing, and video streaming. As a result, we saw increased sales and profits.

In the Cinema business as a whole, thanks to the factors mentioned above, we achieved increased sales and profits compared to the same period in the previous year.

In the Theatrical business, sales and profits increased, despite the cancellation of some performances, due to strong sales of "Moulin Rouge! The Musical" at the Imperial Theatre, which drew attention as the first performance in Japan, and "SHOW BOY" at the Theatre Creation, among other productions.

In the Real Estate segment, the Lease of Land and Buildings business, including the successful operation of new properties such as "TOHO HIBIYA PROMENADE BUILDING," performed well. However, in the Road business, there was a decrease in highly profitable projects compared to the previous period, leading to a slight decrease in profit despite increased sales.

As a result of the above, for the second quarter, we achieved increased sales and profits, including operating revenue, operating profit, ordinary profit, and profit attributable to owners of parent.

Operating Results by Segment

(Million yen)

Operating revenue				Operating profit		
	FY2/23	FY2/24	Percentage changes	FY2/23	FY2/24	Percentage changes
	(Mar. - Aug. 2022)	(Mar. - Aug. 2023)		(Mar. - Aug. 2022)	(Mar. - Aug. 2023)	
(i) Cinema business	78,199	94,872	21.3%	17,245	22,831	32.4%
Production and Distribution	19,968	24,474	22.6%	7,758	9,610	23.9%
Movie Theater Chain	38,378	44,516	16.0%	5,331	8,114	52.2%
Production and Licensing	19,853	25,880	30.4%	4,155	5,106	22.9%
(ii) Theatrical business	8,348	9,707	16.3%	1,101	1,264	14.8%
(iii) Real Estate business	33,234	34,463	3.7%	9,521	9,250	-2.9%
Lease of Land and Buildings	13,899	14,530	4.5%	6,072	6,031	-0.7%
Road	14,606	14,690	0.6%	3,025	2,641	-12.7%
Building Maintenance	4,729	5,242	10.9%	424	576	36.0%
(iv) Other business	570	599	5.1%	102	114	11.3%

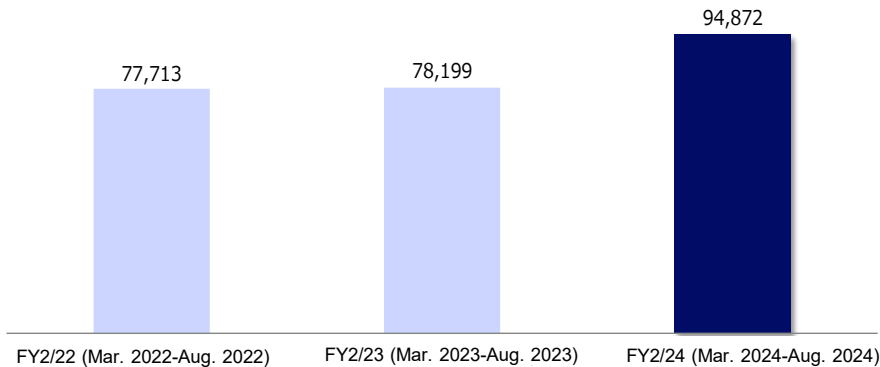
Quarterly Operating Results by Segment

Operating revenue			Operating profit	
	Q1 (Mar. - May 2023)	Q2 (Jun. – Aug. 2023)	Q1 (Mar. - May 2023)	Q2 (Jun. – Aug. 2023)
(i) Cinema business	50,925	43,947	13,155	9,676
Production and Distribution	13,859	10,615	5,798	3,812
Movie Theater Chain	23,207	21,309	4,668	3,446
Production and Licensing	13,859	12,021	2,688	2,418
(ii) Theatrical business	5,385	4,322	1,212	52
(iii) Real Estate business	17,535	16,928	5,160	4,090
Lease of Land and Buildings	7,269	7,261	3,302	2,729
Road	7,768	6,922	1,632	1,009
Building Maintenance	2,498	2,744	225	351
(iv) Other business	305	294	51	63
Total	74,153	65,489	18,324	12,428

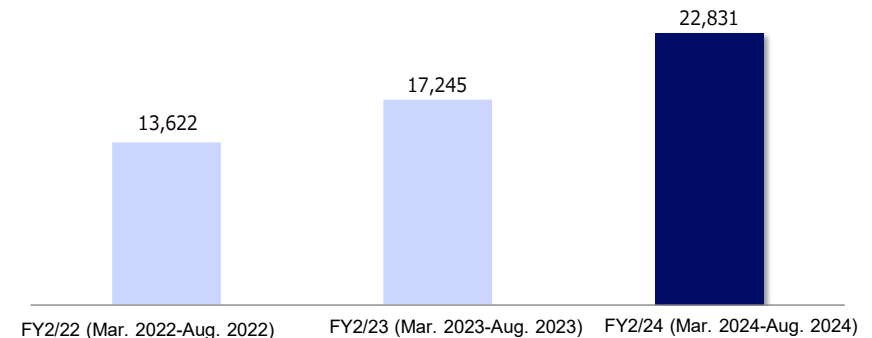
(Million yen)

Operating Results by Segment [Cinema business]

Operating revenue



Operating profit



(Million yen)

Performance Analysis (Factors of Increase/Decrease)

- In the Production and Distribution business, "The Boy and the Heron," a new work directed by Hayao Miyazaki for the first time in 10 years, became a blockbuster with 8.0 billion yen in box office revenue, while "KINGDOM: The Flame of Destiny" and "Shin Chan Movie 2023" both demonstrated strong performances, earning box office revenues of 5.42 billion yen and 2.35 billion yen, respectively. As for the works distributed by TOWA PICTURES, "Mission: Impossible - Dead Reckoning Part One" and "Transformers: Rise of the Beasts" proved to be hits, accumulating box office revenues of 5.37 billion yen and 1.28 billion yen, respectively. This resulted in growth in both sales and profits for the overall Production and Distribution business. (box office revenues are as of September 30, 2023)
- In the Movie Theater Chain business, although we did not have blockbuster hits on the scale of the previous year's "Top Gun: Maverick" and "ONE PIECE FILM RED," the revised movie ticket price from June 1 and strong sales of films, mainly those distributed by TOHO as mentioned above, helped the increase in sales and profits.
- In the Production and Licensing business, royalty revenues, including licenses for merchandise production and digital distribution rights of "My Hero Academia" and "JUJUTSU KAISEN," performed well. In the Publishing and Merchandising business, sales of movie booklets of "The Boy and the Heron" were strong. For the Production and Licensing as a whole, both sales and profits increased.

Major Works Operated in Q2

Works distributed by Toho Co., Ltd. (over ¥1 billion box office revenue)

Title	Release date	Box office revenue
The Boy and the Heron	Jul. 14	83.1
Kingdom III: Flame of Destiny	Jul. 28	54.2
Shin Chan Movie 2023	Aug. 4	23.5
MONSTER	Jun. 2	21.2

Works distributed by TOHO-TOWA CO., LTD. (over ¥1 billion box office revenue)

Title	Release date	Box office revenue
Mission: Impossible - Dead Reckoning Part One	Jul. 21	53.7
Transformers: Rise of the Beasts	Aug. 4	12.8

(The box office revenue is as of the end of September 2023/100 million yen)

Changes in the Production and Distribution Business/ Movie Theater Chain Business in Q2

Changes in box-office revenue of the Production and Distribution business

(Million yen)

	FY2/23	FY2/24	YoY
Mar	4,404	6,547	148.7%
Apr	7,382	11,388	154.3%
May	8,719	8,767	100.6%
Q1	20,506	26,703	130.2%
Jun	2,616	3,182	121.6%
Jul	4,161	6,867	165.0%
Aug	4,150	9,148	220.4%
Q2	10,928	19,197	175.7%
H1 total	31,434	45,901	146.0%

Note: The box-office revenue from works distributed by Distribution Department, Toho Co., Ltd.

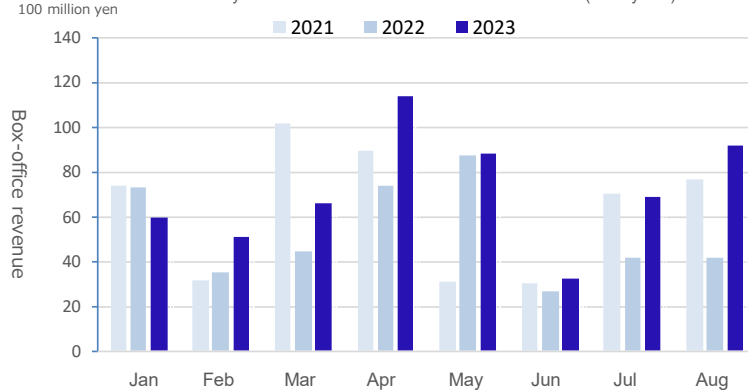
Changes in box-office revenue of the Movie Theater Chain business

(Million yen)

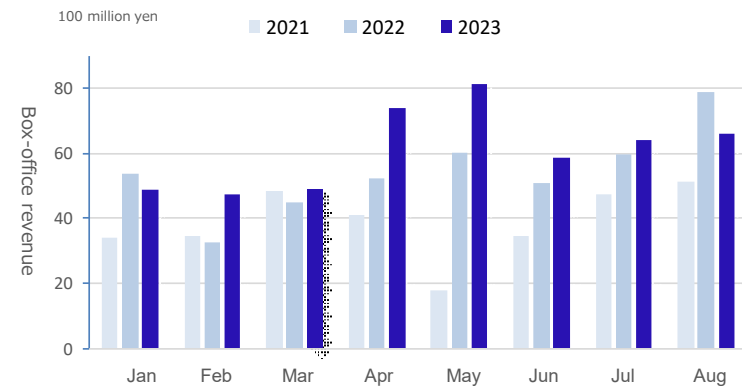
	FY2/23	FY2/24	YoY
Mar	4,494	4,896	108.9%
Apr	5,203	7,374	141.7%
May	6,004	8,133	135.5%
Q1	15,702	20,404	129.9%
Jun	5,092	5,864	115.2%
Jul	5,949	6,395	107.5%
Aug	7,871	6,624	84.2%
Q2	18,914	18,884	99.8%
H1 total	34,616	39,289	113.5%

Note: The box-office revenue from works screened by TOHO Cinemas Ltd. and others across Japan (including works distributed by Toho Co., Ltd.)

Monthly box-office revenues compared with the previous
two fiscal years in the Production and Distribution business (fiscal years)

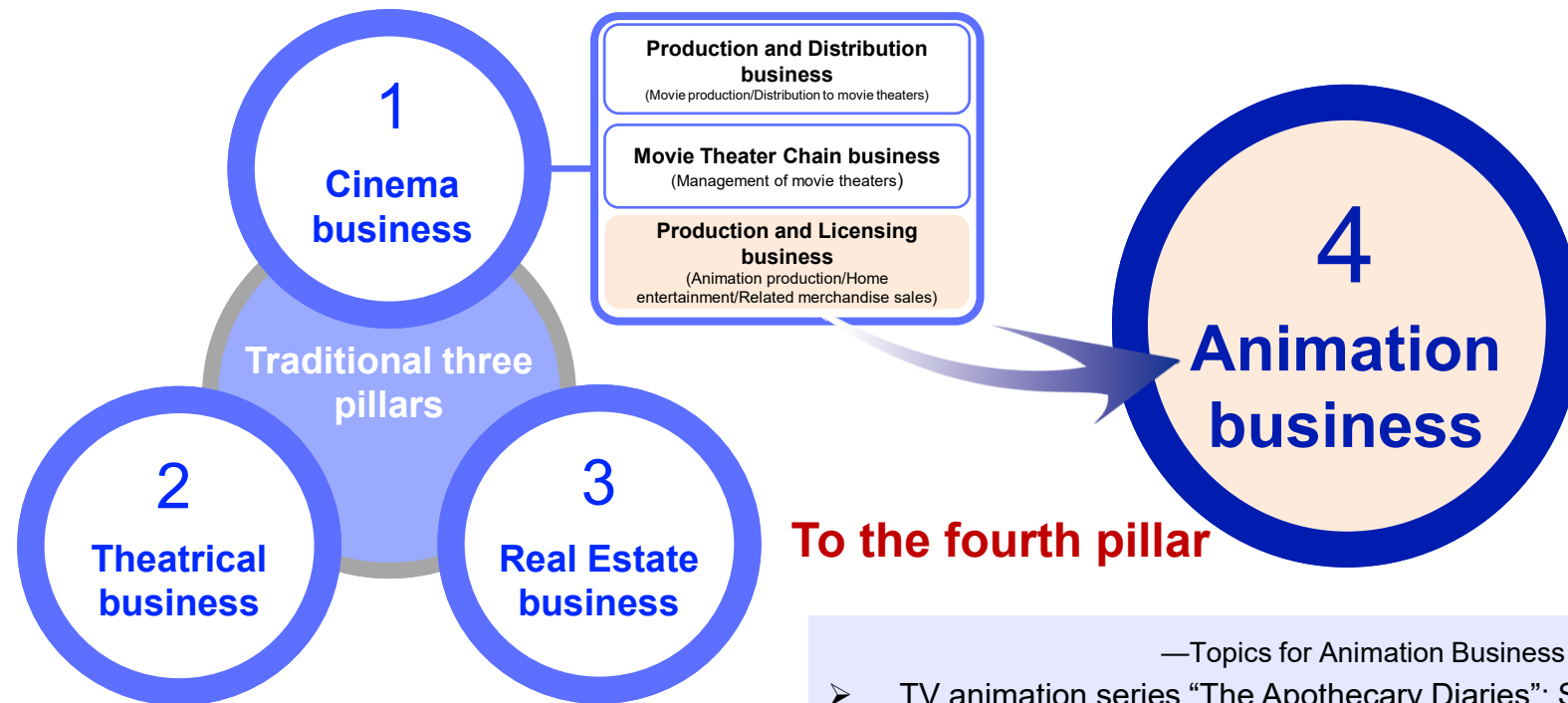


Monthly box-office revenues compared with the previous
two fiscal years in the Movie Theater Chain business (fiscal years)



The Group positions animation as a driver for future growth, and is pursuing divergent, multi-layered and long-term business development by focusing its resources on strengthening the competitiveness of its own brands in order to make the animation business the “Fourth Pillar.”

Direction of Business Portfolio—From three business pillars to four



—Topics for Animation Business

- TV animation series “The Apothecary Diaries”: Started airing on October 21
- Mobile game “JUJUTSU KAISEN Phantom Parade”: Scheduled to be released by the end of the year
- Movie work “SPY x FAMILY CODE: White”: To be released on December 22, 2023
- Movie work “Haikyu!!: The Dumpster Battle”: To be released on February 16, 2024
- TV animation series “Bucchigiri?!” and “Kaiju No.8”: Scheduled to be broadcast in 2024

FY2/23 Animation Business: Operating Revenue by Sales Source and Sales Composition in Japan and Overseas

◆ The scope of this table covers works under the label of TOHO animation and equivalents.

	FY2/23 Mar. - Aug.	FY2/24 Mar. - Aug.	Amount of change	YoY	Major factors of changes
Distribution	3,073	5,392	2,319	75.5%	•(+) “JUJUTSU KAISEN” and “My Hero Academia” showed growth
Character license	2,945	3,432	487	16.5%	•(+) “JUJUTSU KAISEN” and “My Hero Academia” were favorable
Merchandise sales	938	1,069	131	14.0%	•(+) Character goods of “My Hero Academia” sold favorably.
Home entertainment	593	875	282	47.6%	•(+) “Onimai: I'm Now Your Sister!” and “The Angel Next Door Spoils Me Rotten” were blockbusters.
Theater release	1,989	2,062	73	3.7%	•(+) “BLUE GIANT” and “GRIDMAN UNIVERSE” were favorable
Theatrical play	-	1,054	1,054	-	•(+) “SPY x FAMILY” was made into a musical for the first time at the Imperial Theatre. •(+) Sales of its related products were also strong
Royalty and others	738	866	128	17.3%	•(+) Royalty from “JUJUTSU KAISEN” and “SPY × FAMILY” contributed.
Total	10,278	14,753	4,475	43.5%	

	FY2/23 Mar. - Aug.	FY2/24 Mar. - Aug.	Amount of change	YoY	Composition ratio
Japan	7,563	9,710	2,147	28.4%	65.8%
Overseas	2,714	5,042	2,328	85.8%	34.2%

Note: These materials were prepared on a voluntary basis from the viewpoint of enriching the disclosed information on the animation business and therefore the figures may differ from those in other financial results.

(Million yen)

TV animation "Frieren: Beyond Journey's End"



©Kanehito Yamada, Tsukasa Abe/Shogakukan/ "Frieren"Project

Airing at 11:00 p.m. every Friday in "FRIDAY ANIME NIGHT" on Nippon TV and its 30 affiliated networks across Japan.

Its original manga is "Frieren: Beyond Journey's End" written by Kanehito Yamada and illustrated by Tsukasa Abe. It has been serialized in the *Weekly Shonen Sunday* of Shogakukan.

After the Demon King was defeated by a hero and his comrades, the mage Frieren, who defeated the Demon King together with the hero and has lived for over one thousand years, encounters some people, and they embark on a journey.

The 11th volume of the manga has been published, and it has already had over 10 million copies in circulation. In 2021, it received the "Cartoon Grand Prize", generating a buzz among manga fans. The first episode was premiered in "Kinjo Roadshow (Friday Roadshow)" block, which marked Frieren to be the first TV animation series in the history of Nippon TV to be aired under Kinjo Roadshow. "Frieren" took first place in the world in the trend word ranking of X (formerly Twitter), indicating that it attracted attention from a broad range of generations.

TV animation "SPY × FAMILY" Season 2



©Tatsuya Endo/Shueisha
SPY × FAMILY Production Committee

On the air via TV Tokyo and its affiliated stations from 11:00 p.m. every Saturday.

Its original manga is "SPY × FAMILY" created by Tatsuya Endo, which has been serialized in the *Shonen Jump* + of Shueisha.

Since it has been serialized in March 2019, the total number of PVs has exceeded 600 million. It received many manga awards, and the total number of copies of the manga, including the latest volume 12, in circulation exceeds 31 million.

It is a heartfelt spy comedy and its characters include the father who is a masterful spy, the daughter who possesses supernatural powers, the mother who is an assassin, and the dog with second sight, composing a "makeshift family."

When Season 1 of the TV animation was aired in 2022, it boomed thanks to the synergy with the original comics. It was supported by not only animation fans, but also a broad range of people, and it became a leading animation in 2022. In October, Season 2 started as fans had awaited. Its opening theme song was sung by Ado, while its ending theme song was sung by Vaundy, attracting attention.

"Theatrical Version of SPY × FAMILY CODE: White"



©2023 "Theatrical Version of SPY × FAMILY" Production Committee
©Tatsuya Endo/Shueisha

Nationwide release on Friday, December 22, 2023.

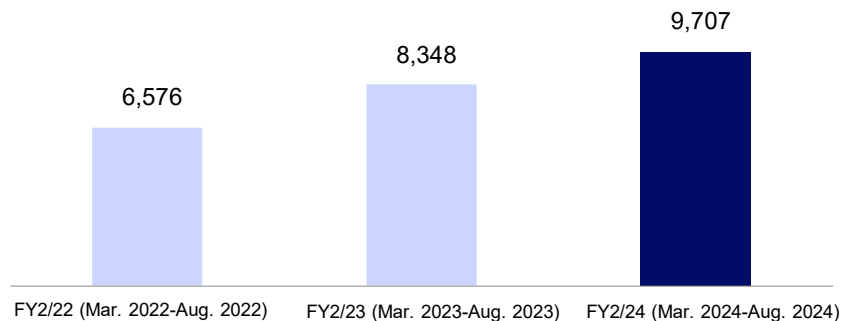
The first movie of "SPY × FAMILY" will be released, while Season 2 of the TV animation will start in October amid growing hopes. This film features a brand-new original story for this animation, where the manga artist Tatsuya Endo supervised the movie and designed characters.

There are some ongoing tie-ups before releasing the movie, including the collaboration with "Street Fighter 6," the latest fighting game of the globally popular Street Fighter titles, and the collaboration with "Mission: Impossible - Dead Reckoning Part One," a smash-hit film starring Tom Cruise and the seventh installment in the Mission: Impossible film series.

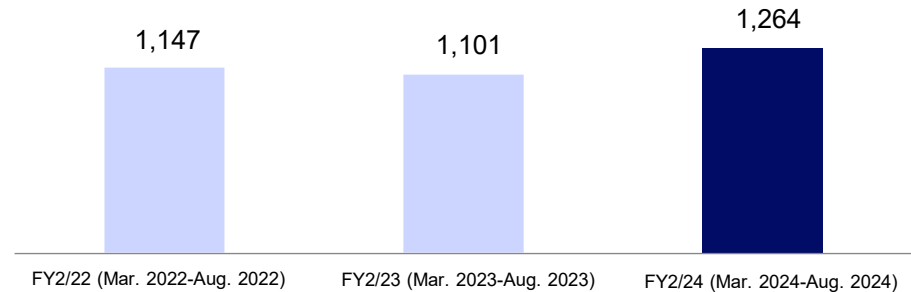
Furthermore, this movie is attracting significant attention, as the actors Tomoya Nakamura and Kento Kaku will do a voice-over for this movie.

Operating Results by Segment [Theatrical business]

Operating revenue



Operating profit



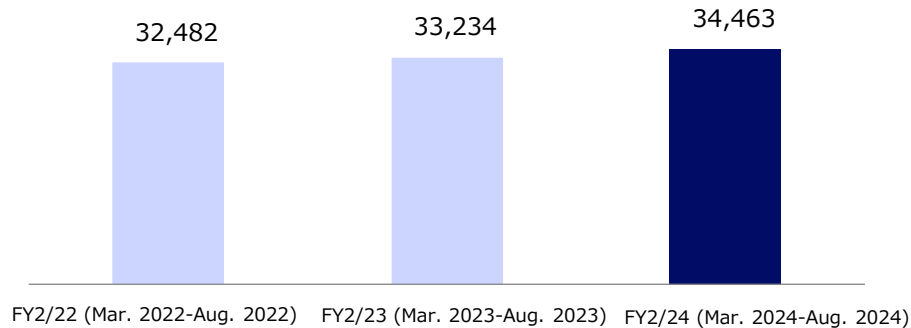
(Million yen)

Performance Analysis (Factors for Increase/Decrease)

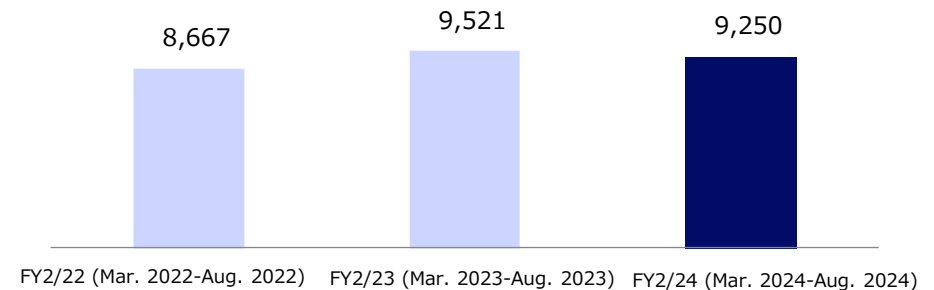
- At the Imperial Theatre, “Moulin Rouge! The Musical” was a successful work. At the Theatre Creation, we presented “The Origin of Evil by Darwin Young” (performed in June), “SHOW BOY” (July), “Like a Family” (July-August) and others.
- TOHO Entertainment Co., Ltd. performed well, as it successfully cast actors, such as Masami Nagasawa, Minami Hamabe, Mone Kamishiraishi, and Moka Kamishiraishi, for various TV commercials.
- Sales and profits increased in the Theatrical business as a whole. This was primarily due to a reduction in the number of cancellations of theatrical plays due to COVID-19. Consequently, we were able to perform more work than in the previous fiscal year, despite some canceled performances and increased costs associated with new productions.

Operating Results by Segment [Real Estate business]

Operating revenue



Operating profit



(Million yen)

Performance Analysis (Factors for Increase/Decrease)

- In the Lease of Land and Buildings business, the nationwide rental properties owned by us are in solid operation. In addition, new properties, including the TOHO Hibiya Promenade Building completed in February this year, contributed to an increase in revenue, but profits decreased slightly due to accelerated depreciation and repair costs for the Teigeki Building.
- In the Road business, amidst steady public investment, we worked to win new orders and additional orders for existing works through aggressive sales activities for technical proposals, etc. However, while sales increased, profits decreased due to a decline in profitable projects, a trend that had been observed in previous years.
- In the Building Maintenance business, sales and profits increased at TOHO BUILDING MANAGEMENT Co., Ltd. and TOHO FACILITIES Co., Ltd. due to efforts to secure new orders and reduce costs, as well as the implementation of postponed works.

Revisions to the Business Forecasts

In the first half of the fiscal year, our strong performance was driven by a series of successful works in our core Cinema business, including "The Boy and the Heron," "KINGDOM: The Flame of Destiny," "Mission: Impossible - Dead Reckoning Part One," as well as the continued distribution of "DETECTIVE CONAN Black Iron Submarine" and "The Super Mario Bros. Movie" from the first quarter. In addition, business development of various TOHO animation works was strong, while the Cinema and Real Estate businesses also performed well. In light of these circumstances, we have revised the business forecasts.

■ FY2/24 Consolidated Business Forecasts (March 1, 2023 - February 29, 2024)

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings Per share
Previous forecasts (A) (announced on July 13, 2023)	Million yen 260,000	Million yen 45,000	Million yen 48,000	Million yen 31,000	Yen 177.57
Revised forecasts (B)	270,000	50,000	54,000	36,000	206.21
Change (B-A)	10,000	5,000	6,000	5,000	—
Pct. changes from previous forecasts	3.8%	11.1%	12.5%	16.1%	—
(Ref.) FY2/23 Result	244,295	44,880	47,815	33,430	190.37

Forward-looking statements are contained in these materials, but please note that actual results may differ significantly from the statements due to changing circumstances and various factors and therefore no guarantees are given. No part of these materials may be reproduced or duplicated in any form or by any means without permission.

Inquiries about these materials
PR/IR Office, General Affairs Dept., TOHO CO., LTD.
Mail:pr_ir@toho.co.jp