

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 28, 2023	–	20.00	–	40.00	60.00
Fiscal year ending February 29, 2024	–	20.00	–		
Fiscal year ending February 29, 2024 (forecast)				40.00	60.00

Note: Revisions to dividends forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

(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 29, 2024	270,000	10.5	50,000	11.4	54,000	12.9	36,000	7.7	206.20

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: Yes
 - 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 November 30, 2023	186,490,633 shares
As of February 28, 2023	186,490,633 shares

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

As of November 30, 2023	11,897,267 shares
As of February 28, 2023	11,915,882 shares

c. Average number of shares during the period

Nine months ended November 30, 2023	174,586,049 shares
Nine months ended November 30, 2022	175,924,417 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.

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1. Qualitative Information

(1) Details of operating results

In the nine months ended November 30, 2023, the outlook for the Japanese economy remained uncertain, mainly due to the risk of an economic downturn overseas and the effect of rising prices, despite signs of moderate economic recovery in the context of an improved employment and income environment.

Under these conditions, the Group worked towards promoting the business strategies and achieving the numerical targets in the “Medium-term Management Plan 2025,” formulated in April 2022. Regarding the operating results for the nine months ended November 30, 2023, operating revenue was ¥203,100 million (up 13.0% year on year), operating profit was ¥41,610 million (up 16.0% year on year), ordinary profit was ¥44,182 million (up 8.0% year on year) and profit attributable to owners of parent was ¥28,402 million (up 4.7% year on year).

The operating results by segment are as follows.

Cinema business

In the Production and Distribution business, TOHO CO., LTD. produced and released “GODZILLA MINUS ONE,” a film commemorating the 70th anniversary of Godzilla. Aside from that, TOHO CO., LTD. had major hits with works that it produced collaboratively and distributed, including “DETECTIVE CONAN Black Iron Submarine,” which recorded box office receipts exceeding ¥10.0 billion, “The Boy and the Heron,” “KINGDOM: The Flame of Destiny,” “TOKYO MER: Mobile Emergency Room - THE MOVIE,” and “Don’t Call it Mystery.” In addition, TOHO-TOWA Co., Ltd. and others also distributed the major hit “The Super Mario Bros. Movie” along with the hits “Mission: Impossible- Dead Reckoning Part One” and “Fast X.” As a result, operating revenue in the Production and Distribution business was ¥33,198 million (up 13.9% year on year) and operating profit was ¥11,668 million (up 7.0% year on year). The above operating revenue mainly consists of ¥25,513 million from distribution to movie theaters (up 30.6% year on year) and ¥956 million from the domestic streaming of theatrical films (down 69.2% year on year).

In the Movie Theater Chain business, TOHO Cinemas Ltd. and others released works listed above in addition to a rich variety of Japanese and international movies. The number of movie theater customers in the nine months ended November 30, 2023 increased by 4.2% year on year to 30,865,000. TOHO Cinemas Ltd. has revised its movie admission prices effective June 1, 2023 due to factors including soaring energy prices and increased personnel expenses. As a result, operating revenue in the Movie Theater Chain business was ¥58,956 million (up 11.7% year on year) and operating profit was ¥9,086 million (up 55.1% year on year). With regard to theater changes in the nine months ended November 30, 2023, TOHO Cinemas Ltd. opened “TOHO Cinemas LaLaport Kadoma” (9 screens) in Kadoma City, Osaka Prefecture on April 17, 2023, and “TOHO Cinemas Susukino” (10 screens) in Chuo-ku, Sapporo City, Hokkaido on November 30, 2023. As a result, the number of screens managed by the corporate group increased by 19 to 740 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 “JUJUTSU KAISEN,” “My Hero Academia,” “SPY x FAMILY,” “Dr.STONE,” “Haikyuu!,” “Frieren: Beyond Journey’s End,” and “The Apothecary Diaries,” as well as revenue as a result of royalty from various platforms. In the Home Entertainment business, sales grew for “Suzume,” and “As Long as We Both Shall Live” as well as the TOHO animation productions “JUJUTSU KAISEN,” “Onimai: I’m Now Your Sister!,” and “The Angel Next Door Spoils Me Rotten.” In the Publishing and Merchandising business, sales were favorable for souvenir programs and character goods for works distributed by the Group such as the movies “DETECTIVE CONAN Black Iron Submarine,” “GODZILLA MINUS ONE,” “Doraemon the Movie: Nobita’s Sky Utopia,” and “As Long as We Both Shall Live.” 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., orders began to recover for stage production and art production for movies,

TV and commercials, etc. as well as for production services for display items in theme parks, in addition to which, cost-reduction efforts were made. As a result, operating revenue in the Production and Licensing business was ¥44,107 million (up 31.3% year on year) and operating profit was ¥8,925 million (up 42.8% year on year). The above operating revenue mainly consists of ¥18,987 million for the use of animation contents (up 52.4% year on year), ¥4,875 million for sale of home entertainment (up 7.8% year on year) and ¥6,593 million for art production related to production and licensing works, etc. (up 9.6% year on year).

As a result, in the overall Cinema business, operating revenue was ¥136,262 million (up 18.0% year on year) and operating profit was ¥29,680 million (up 28.9% year on year).

Theatrical business

In the Theatrical business, the first musical adaptation of the hugely popular comic “SPY x FAMILY” was unveiled at TOHO CO., LTD.’s Imperial Theatre and was completely sold out, and gained attention as the first performance in Japan of “Moulin Rouge! The Musical” was fully booked out. In addition, “Endless SHOCK (Endless SHOCK/ Endless SHOCK -Eternal-),” “DREAM BOYS,” “Roald Dahl’s Charlie and the Chocolate Factory,” and “Musical Picaresque LUPIN ~The Secret of Countess Cagliostro~” were performed and achieved success at the Imperial Theatre. The Theatre Creation hosted performances of “RENT,” “The Odd Couple,” “She Loves Me,” “SHOW BOY,” “The World of Kunze & Levay,” and “Nodame Cantabile,” among others, and “Ragtime” was performed to a full house at Nissay Theatre. In addition, the Company expanded “Kingdom,” “Musical SPY x FAMILY” and other performances as external theatrical works throughout Japan. 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 ¥14,508 million (up 4.6% year on year) and operating profit was ¥2,256 million (up 1.0% year on year).

Real Estate business

In the Lease of Land and Buildings business, due to efforts to effectively use owned properties and comprehensively respond to tenants, the vacancy rate of real estate for leasing was 0.2% as of the end of the third quarter of the current fiscal year. However, costs such as depreciation increased. As a result, operating revenue in the Lease of Land and Buildings business was ¥21,917 million (up 4.7% year on year) and operating profit was ¥8,841 million (down 2.2% 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 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 engaged in proactive sales activities, and also worked to strengthen measures to improve precision of estimations and to establish a comprehensive evaluation system for bidding. As a result, operating revenue in the Road business was ¥21,639 million (up 2.6% year on year) and operating profit was ¥3,943 million (down 0.9% year on year). Operating revenue mainly consists of ¥19,663 million from road maintenance, repair and cleaning services (up 2.3% year on year) and also includes ¥632 million of other revenue (up 5.8% year on year).

In the Building Maintenance business, TOHO BUILDING MANAGEMENT Co., Ltd. and TOHO Facilities Co., Ltd. continued to experience labor shortages and rising personnel expenses and raw materials expenses. Nevertheless, in addition to executing certain projects that had been postponed due to issues including material supply shortages, these companies also secured new orders. As a result, operating revenue was ¥7,837 million (up 5.0% year on year) and operating profit was ¥834 million (up 21.6% year on year).

As a result of the above, operating revenue in the overall Real Estate business was ¥51,393 million (up 3.9% year on year) and operating profit was ¥13,619 million (down 0.6% 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 ¥935 million (up 6.8% year on year) and operating profit was ¥191 million (up 16.1% year on year).

(2) Details of financial position

With regard to the financial position as of the end of the third quarter of the current fiscal year, total assets increased by ¥30,580 million from the end of the previous fiscal year to ¥564,677 million. This was mainly due to increases of ¥57,650 million in cash and deposits, ¥9,211 million in securities, ¥5,070 million in land, and ¥14,937 million in investment securities, despite a decrease of ¥64,999 million in short-term loans receivable with resale agreement.

Liabilities increased by ¥18 million from the end of the previous fiscal year to ¥110,424 million.

Net assets increased by ¥30,561 million from the end of the previous fiscal year to ¥454,252 million. This was mainly due to an increase of ¥17,907 million in retained earnings and an increase of ¥9,744 million in valuation difference on available-for-sale securities.

(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 29, 2024, which were announced on October 11, 2023, in the "Consolidated Financial Results for the Six Months Ended August 31, 2023."

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	44,259	101,910
Notes and accounts receivable - trade, and contract assets	32,921	33,494
Securities	44,986	54,198
Inventories	11,003	13,514
Short-term loans receivable with resale agreement	64,999	-
Other	26,627	26,651
Allowance for doubtful accounts	(89)	(15)
Total current assets	224,708	229,753
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,434	85,580
Land	80,475	85,545
Construction in progress	2,749	4,817
Other, net	8,792	10,204
Total property, plant and equipment	177,451	186,147
Intangible assets		
Goodwill	2,032	1,851
Other	2,920	3,691
Total intangible assets	4,953	5,542
Investments and other assets		
Investment securities	108,499	123,436
Other	18,567	19,892
Allowance for doubtful accounts	(82)	(96)
Total investments and other assets	126,984	143,232
Total non-current assets	309,388	334,923
Total assets	534,097	564,677

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	30,773	26,526
Short-term borrowings	53	514
Current portion of long-term borrowings	59	74
Income taxes payable	9,782	4,336
Provision for bonuses	1,008	559
Other provisions	168	-
Asset retirement obligations	52	19
Other	23,864	26,919
Total current liabilities	65,762	58,952
Non-current liabilities		
Long-term borrowings	326	336
Retirement benefit liability	3,437	3,503
Provision for retirement benefits for directors (and other officers)	178	165
Other provisions	86	86
Asset retirement obligations	7,117	7,501
Other	33,498	39,879
Total non-current liabilities	44,643	51,472
Total liabilities	110,405	110,424
Net assets		
Shareholders' equity		
Share capital	10,355	10,355
Capital surplus	14,180	14,215
Retained earnings	404,225	422,132
Treasury shares	(38,866)	(38,809)
Total shareholders' equity	389,894	407,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,092	26,837
Revaluation reserve for land	800	800
Foreign currency translation adjustment	2,110	4,067
Remeasurements of defined benefit plans	(592)	(515)
Total accumulated other comprehensive income	19,411	31,190
Non-controlling interests	14,384	15,167
Total net assets	423,691	454,252
Total liabilities and net assets	534,097	564,677

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

Quarterly consolidated statement of income

Nine months ended November 30, 2023

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Operating revenue	179,738	203,100
Operating costs	97,219	111,823
Gross profit	82,519	91,276
Selling, general and administrative expenses		
Personnel expenses	15,367	17,013
Advertising expenses	5,192	5,571
Provision for bonuses	138	143
Retirement benefit expenses	747	784
Provision for retirement benefits for directors (and other officers)	19	21
Rent expenses on land and buildings	6,567	6,781
Other	18,620	19,348
Total selling, general and administrative expenses	46,652	49,665
Operating profit	35,867	41,610
Non-operating income		
Interest income	65	581
Dividend income	1,007	1,155
Share of profit of entities accounted for using equity method	363	218
Foreign exchange gains	3,386	417
Other	234	276
Total non-operating income	5,057	2,649
Non-operating expenses		
Interest expenses	5	6
Loss on liquidation of subsidiaries	-	51
Other	5	19
Total non-operating expenses	10	77
Ordinary profit	40,913	44,182
Extraordinary income		
Gain on sale of non-current assets	75	207
Subsidy income	2,489	-
Total extraordinary income	2,565	207
Extraordinary losses		
Impairment losses	448	-
Demolition cost of non-current assets	270	-
Loss on valuation of investment securities	28	-
Loss on valuation of investments in capital	-	107
Extra retirement payments	812	-
Total extraordinary losses	1,559	107
Profit before income taxes	41,919	44,283
Income taxes - current	13,845	13,043
Income taxes - deferred	(166)	1,643
Total income taxes	13,678	14,686
Profit	28,240	29,596
Profit attributable to non-controlling interests	1,101	1,194
Profit attributable to owners of parent	27,138	28,402

Quarterly consolidated statement of comprehensive income

Nine months ended November 30, 2023

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Profit	28,240	29,596
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,972)	9,736
Foreign currency translation adjustment	749	1,957
Remeasurements of defined benefit plans, net of tax	87	76
Share of other comprehensive income of entities accounted for using equity method	4	7
Total other comprehensive income	(1,130)	11,778
Comprehensive income	27,109	41,374
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,008	40,180
Comprehensive income attributable to non-controlling interests	1,101	1,194

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Cash flows from operating activities		
Profit before income taxes	41,919	44,283
Depreciation	6,957	7,521
Increase (decrease) in allowance for doubtful accounts	(28)	(73)
Interest and dividend income	(1,073)	(1,736)
Interest expenses	5	6
Share of loss (profit) of entities accounted for using equity method	(363)	(218)
Loss (gain) on valuation of investment securities	28	-
Decrease (increase) in trade receivables and contract assets	(10,664)	(215)
Decrease (increase) in inventories	(2,272)	(2,391)
Increase (decrease) in trade payables	4,334	(4,504)
Increase (decrease) in accrued consumption taxes	197	202
Other	3,336	3,033
Subtotal	42,377	45,906
Interest and dividends received	1,227	1,916
Interest paid	(7)	(10)
Income taxes paid	(16,395)	(18,517)
Net cash provided by (used in) operating activities	27,201	29,294
Cash flows from investing activities		
Purchase of securities	(31,599)	(37,595)
Proceeds from sale of securities	43,100	41,200
Purchase of property, plant and equipment	(11,579)	(16,151)
Proceeds from sale of property, plant and equipment	364	214
Purchase of investment securities	(2,006)	(13,601)
Loan advances	(33)	(1)
Proceeds from collection of loans receivable	68	6
Investments in money held in trust	(2,600)	(2,300)
Proceeds from cancellation of money held in trust	2,600	2,300
Other	(1,381)	(3,254)
Net cash provided by (used in) investing activities	(3,068)	(29,182)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(7)	55
Repayments of long-term borrowings	-	(72)
Purchase of treasury shares	(10,187)	(6)
Dividends paid	(7,983)	(10,412)
Dividends paid to non-controlling interests	(408)	(429)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(31)	(6)
Repayments of lease liabilities	(11)	(141)
Other	-	9
Net cash provided by (used in) financing activities	(18,631)	(11,004)
Effect of exchange rate change on cash and cash equivalents	4,046	2,132
Net increase (decrease) in cash and cash equivalents	9,549	(8,759)
Cash and cash equivalents at beginning of period	92,341	112,121
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	6
Cash and cash equivalents at end of period	101,890	103,369

(4) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

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

Not applicable.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the first quarter of the current fiscal year, and it has applied the new accounting policy provided for by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures provided for in paragraph 27-2 of the Implementation Guidance on Accounting Standard For Fair Value Measurement. There is no impact on the quarterly consolidated financial statements.

(Segment information, etc.)

[Segment information]

I. Nine months ended November 30, 2022

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	115,504	13,875	49,482	178,862	876	179,738	–	179,738
Intersegment sales or transfers	1,759	33	3,791	5,585	144	5,729	(5,729)	–
Total	117,264	13,909	53,273	184,447	1,020	185,468	(5,729)	179,738
Segment profit (loss)	23,019	2,233	13,708	38,961	165	39,127	(3,260)	35,867

(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 ¥3,260 million deducted from segment profit (loss) as adjustment consists of an addition of ¥7 million in intersegment transaction elimination, and a deduction of ¥3,267 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. Nine months ended November 30, 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	136,262	14,508	51,393	202,164	935	203,100	–	203,100
Intersegment sales or transfers	1,835	24	3,829	5,688	232	5,921	(5,921)	–
Total	138,097	14,532	55,223	207,853	1,168	209,021	(5,921)	203,100
Segment profit (loss)	29,680	2,256	13,619	45,556	191	45,748	(4,137)	41,610

(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 ¥4,137 million deducted from segment profit (loss) as adjustment consists of a deduction of ¥1 million in intersegment transaction elimination, and a deduction of ¥4,136 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.