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Consolidated Financial Results for the Nine Months Ended November 30, 2021 <Under Japanese GAAP>

January 12, 2022

Company name: **TOHO CO., LTD.**
 Listing: Tokyo Stock Exchange/Fukuoka Stock Exchange
 Securities code: 9602
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 Scheduled date to file Quarterly Securities Report: January 12, 2022
 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 nine months ended November 30, 2021 (from March 1, 2021 to November 30, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-------------------|--------|------------------|--------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended | | | | | | | | |
| November 30, 2021 | 168,620 | 22.3 | 28,176 | 64.0 | 29,946 | 64.5 | 20,164 | 79.6 |
| November 30, 2020 | 137,840 | (31.5) | 17,176 | (59.9) | 18,205 | (58.9) | 11,226 | (61.9) |

Comprehensive income
 Nine months ended November 30, 2021 ¥19,554 million [75.0%]
 Nine months ended November 30, 2020 ¥11,175 million [(63.3)%]

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen | Yen |
| November 30, 2021 | 114.01 | — |
| November 30, 2020 | 63.06 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------|-----------------|-----------------|--------------|
| As of | Millions of yen | Millions of yen | % |
| November 30, 2021 | 485,990 | 396,251 | 78.8 |
| February 28, 2021 | 473,804 | 389,011 | 79.3 |

Equity
 As of November 30, 2021 ¥383,176 million
 As of February 28, 2021 ¥375,820 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 28, 2021 | – | 17.50 | – | 17.50 | 35.00 |
| Fiscal year ending February 28, 2022 | – | 17.50 | – | | |
| Fiscal year ending February 28, 2022 (forecast) | | | | 17.50 | 35.00 |

Note: Revisions to dividends forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

(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, 2022 | 226,000 | 17.7 | 38,000 | 69.3 | 40,000 | 65.3 | 26,000 | 77.0 | 147.00 |

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 November 30, 2021 | 186,490,633 shares |
| As of February 28, 2021 | 186,490,633 shares |

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

| | |
|-------------------------|------------------|
| As of November 30, 2021 | 9,925,152 shares |
| As of February 28, 2021 | 8,834,605 shares |

- c. Average number of shares during the period

| | |
|-------------------------------------|--------------------|
| Nine months ended November 30, 2021 | 176,867,718 shares |
| Nine months ended November 30, 2020 | 178,039,818 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 5 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

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1. Qualitative Information

(1) Details of operating results

In the nine months ended November 30, 2021, the outlook for the Japanese economy remained uncertain because of continuing weakness in recovery, despite gradual easing of the difficult situation caused by the novel coronavirus disease (COVID-19).

Under these conditions, due to the declaration of states of emergency, the Group carried out measures such as temporary closures/shortened operating hours at movie theaters, commercial facilities, etc.; restrictions on sales for admission; and the suspension of theatre performances as well as the suspension of ticket sales for some performances. On the other hand, blockbuster releases distributed by TOHO and works under the animation label “TOHO animation” contributed to financial results. Furthermore, even after lifting of state of emergency, the Company continued business, while taking appropriate measures to prevent infection. As a result, the Company recorded operating revenue of ¥168,620 million (up 22.3% year on year), operating profit of ¥28,176 million (up 64.0% year on year), ordinary profit of ¥29,946 million (up 64.5% year on year), and profit attributable to owners of parent of ¥20,164 million (up 79.6% year on year). Extraordinary income was recorded as “Subsidy income” for subsidies for employment adjustment received due to special measures because of the impact of COVID-19, subsidies from the Japanese and local governments, etc. Extraordinary losses were recorded as “Loss caused by temporary closures” for personnel expenses, rent expenses, depreciation, etc. during the temporary closures of theaters, commercial facilities, etc. and production expenses, etc. pertaining to suspended theatre performances.

The operating results by segment are as follows.

Cinema business

In the Production and Distribution business, “EVANGELION:3.0+1.0 THRICE UPON A TIME,” “Detective Conan: The Scarlet Bullet,” “Belle,” “Masquerade Night” and “My Hero Academia: World Heroes’ Mission” were blockbusters for TOHO CO., LTD. out of the collaborative productions and distributed works. “Monster Hunter” was collaboratively distributed by TOHO CO., LTD. and Towa Pictures Co., Ltd., and “Fast & Furious 9,” “No Time to Die,” etc. were distributed by Toho-Towa Co., Ltd. As a result, operating revenue in the Production and Distribution business was ¥29,636 million (up 4.0% year on year) and operating profit was ¥6,986 million (up 15.2% year on year).

Combining the Production and Distribution department and the International business department of TOHO CO., LTD., revenue was ¥33,888 million (down 3.0% year on year) before intracompany transfers deduction (¥2,514 million, up 3.4% year on year). This consists of domestic distribution revenue of ¥26,155 million (down 5.5% year on year), income from a film work that belongs to the producer of ¥874 million (up 64.9% year on year), international sales income of ¥2,422 million (up 76.5% year on year), TV program sales revenue of ¥655 million (down 35.4% year on year), videogram revenue of ¥342 million (down 66.5% year on year) and revenue from the Internet and other distribution of ¥3,439 million (up 3.8% year on year). Furthermore, revenue from the Planning and Production department was ¥540 million (down 36.3% year on year) before intracompany transfers deduction (¥81 million, down 86.1% year on year).

In the Movie Theater Chain business, TOHO Cinemas Co., Ltd. carried out measures such as closures and shortened business hours in Tokyo, Osaka, etc., and restrictions on sales for admission due to the declaration of state of emergency, and the situation continued to be difficult even after lifting of state of emergency due to the release of works being postponed and response to requests for shortened business hours from local governments to prevent the rebound of COVID-19. However, it saw an increase in revenue due to the above distributed works being blockbusters in addition to theater closures, etc. not lasting as long compared with the same period of the previous fiscal year. As a result, the number of movie theater customers in the nine months ended November 30, 2021 increased by 20.7% year on year to 21,524,000. Operating revenue in the Movie Theater Chain business was ¥40,958 million (up 27.6% year on year) and operating profit was ¥488 million (operating loss of ¥1,235 million in the same period of the previous fiscal year).

With regard to theater changes in the nine months ended November 30, 2021, TOHO Cinemas Co., Ltd. opened “TOHO Cinemas Sevenpark Amami” (10 screens) in Matsubara-shi, Osaka on November 17. As a result, the number of screens managed by the corporate group increased by 10 to 712 throughout Japan (including 56 collaboratively managed screens).

In the Production and Licensing business, sales of works under the animation label, TOHO animation, performed favorably in each business. In the Home Entertainment business, the TV animation “Umamusume: Pretty Derby Season 2” saw favorable sales on Blu-ray and DVD, and the TV animation “JUJUTSU KAISEN” and the movie “Godzilla vs. Kong” as well as others were made available. Revenue in the Animation Production business increased as a result of royalty from various platform such as royalty from merchandising rights through investing into the production of the TV animation “JUJUTSU KAISEN,” “My Hero Academia,” “Godzilla Singular Point,” etc. as well as the movie “My Hero Academia: World Heroes’ Mission.” In the Publishing and Merchandising business, sales of souvenir programs and character goods grew for the movie “Detective Conan: The Scarlet Bullet,” TV animation “JUJUTSU KAISEN” and the movie “My Hero Academia: World Heroes’ Mission.” TOHO Studios Co., Ltd. operated smoothly as a result of integrating the Production and Studio businesses. Although TOHO EIZO BIJUTSU Co., Ltd. and Toho Butai Co., Ltd. saw some signs of recovery in relation to stage production and art production for movies, TV and commercials, etc. as well as production services for display items in theme parks, the situation continued to be difficult. As a result, operating revenue in the Production and Licensing business was ¥36,270 million (up 67.4% year on year) and operating profit was ¥8,853 million (up 196.8% year on year).

In the Production and Licensing business department of TOHO CO., LTD., revenue was ¥35,119 million (up 74.2% year on year) before intracompany transfers deduction (¥6,386 million, up 103.7% year on year). This consists of Home Entertainment business revenue of ¥10,297 million (up 64.9% year on year), Publishing and Merchandising business revenue of ¥2,751 million (down 27.1% year on year), Animation Production business revenue of ¥20,592 million (up 137.3% year on year), Live-action Film Production business revenue of ¥769 million (down 25.5% year on year), Alternative Content business revenue of ¥482 million (up 12.9% year on year) and other income of ¥225 million (up ¥225 million year on year).

As a result, in the overall Cinema business, operating revenue was ¥106,865 million (up 29.9% year on year) and operating profit was ¥16,328 million (up 109.0% year on year).

Theatrical business

In the Theatrical business, the Company suspended performances and ticket sales and refunded tickets due to the declaration of the states of emergency. Even after lifting of state of emergency, performances were carried out, while infection prevention measures were implemented. “Endless Shock -Eternal-,” “MOZART!,” “Les Misérables,” “Crest of the Royal Family,” “DREAM BOYS,” “Knights’ Tale” and “My Fair Lady” were performed at TOHO CO., LTD.’s Imperial Theatre. “GHOST,” “You’re a Good Man, Charlie Brown,” “CLUB SEVEN ZERO III,” “SHOW BOY,” “Little Shop of Horrors,” “DOGFIGHT,” “VOICARION XIII - Her Majesty’s Room -,” “Home, I’m Darling,” “Grease,” etc., were performed at Theatre Creation, and other external theatrical works took place throughout Japan. Furthermore, “Mademoiselle Mozart” was performed at Brillia HALL. As a result, revenue increased significantly due to an increase in the number of performances year on year. At Toho Entertainment Co., Ltd., affiliated actors worked favorably on commercial performances, etc. As a result, operating revenue in the Theatrical business was ¥11,904 million (up 148.3% year on year) and operating profit was ¥2,455 million (operating loss of ¥1,043 million in the same period of the previous fiscal year).

In the Theatrical business department of TOHO CO., LTD., revenue was ¥10,444 million (up 187.8% year on year) before intracompany transfers deduction (¥160 million, up 20.4% year on year). This consists of production and exhibition revenue of ¥7,960 million (up 155.2% year on year), external theatrical work revenue of ¥2,324 million (up 494.1% year on year) and other income of ¥159 million (up 34.6% year on year).

Real Estate business

The Lease of Land and Buildings business continued to be in a difficult situation due to factors such as changes in the office environment and the closure of commercial facilities. The vacancy rate of real estate for leasing held by the corporate group was 0.3%, but revenue decreased due to factors such as temporary tenants changing out. Operating revenue in the Lease of Land and Buildings business was ¥20,273 million (down 3.9% year on year) and operating profit was ¥8,768 million (down 8.8% year on year). TOHO CO., LTD. merged Bankatsu tochi kigyo Co., Ltd., one of its subsidiaries, effective on November 1, 2021.

With regard to unrealized gains on non-current assets of the corporate group, TOHO's equity of the valuation difference after considering the tax effect of recognizing the assessed value of non-current assets in the property tax ledger on January 1, 2021 as market price is approximately ¥346,100 million. (The disclosure of these unrealized gains is not based on the "Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No. 30) Etc.," but continues to be carried out voluntarily, separately from this standard from the perspective of enhancing information disclosure.)

In the Land and Building Leasing department of TOHO CO., LTD., revenue was ¥21,645 million (down 2.8% year on year) before intracompany transfers deduction (¥591 million, down 3.6% year on year).

In the Road business, amid strong public investment into areas such as infrastructure development due to aging, Subaru Enterprise Co., Ltd. and its subsidiaries worked to increase new orders and expand orders for existing projects through proactive sales activities by using design proposals, etc. However, the situation continued to be unpredictable due to rising labor costs and equipment prices. As a result, operating revenue in the Road business was ¥20,324 million (down 1.0% year on year) and operating profit was ¥2,972 million (down 10.5% year on year).

In the Building Maintenance business, TOHO BUILDING MANAGEMENT Co., Ltd. and Toho Facilities Co., Ltd. worked to increase orders by improving the utilization ratio of commercial facilities, such as hotels and theaters, and reduce expenses. As a result, operating revenue was ¥7,288 million (up 1.4% year on year) and operating profit was ¥541 million (up 16.9% year on year).

As a result of the above, operating revenue in the overall Real Estate business was ¥47,885 million (down 1.9% year on year) and operating profit was ¥12,283 million (down 8.3% year on year).

Other business

The Amusement business and the Restaurant and Sports Facilities business performed favorably due to the increase of customers at Toho Kyoei Kigyo Co., Ltd.'s Toho Chofu Sports Park. TOHO RETAIL CO., LTD.'s restaurants, theater concession stands, etc. closed temporarily and shops closed due to the continuing difficult situation regarding demand for eating out. As a result, operating revenue in the Other business was ¥1,965 million (up 0.1% year on year) and operating loss was ¥35 million (operating loss of ¥232 million in the same period of the previous fiscal year).

(2) Details of financial position

With regard to financial position as of the end of the third quarter ended November 30, 2021, total assets increased by ¥12,185 million from the end of the previous fiscal year to ¥485,990 million. This was mainly due to increases of ¥8,999 million in short-term loans receivable with resale agreement and ¥13,818 million in land despite a decrease of ¥8,081 million in investment securities.

Liabilities increased by ¥4,945 million from the end of the previous fiscal year to ¥89,738 million. This was mainly due to an increase of ¥3,461 million in income taxes payable.

Net assets increased by ¥7,239 million from the end of the previous fiscal year to ¥396,251 million. This was mainly due to the recording of ¥20,164 million in profit attributable to owners of parent and an increase of ¥13,958 million in retained earnings due to ¥6,205 million in dividends of surplus as well as an increase of ¥4,938 million in treasury shares due to acquisition, etc. by tender offer for

treasury shares, and a decrease of ¥2,581 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 28, 2022, which were announced on October 12, 2021, in the “Consolidated Financial Results for the Six Months Ended August 31, 2021.”

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

| | As of February 28, 2021 | As of November 30, 2021 |
|---|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 37,530 | 42,003 |
| Notes and accounts receivable - trade | 20,345 | 22,311 |
| Securities | 39,094 | 33,304 |
| Inventories | 8,906 | 8,957 |
| Short-term loans receivable with resale agreement | 47,999 | 56,999 |
| Other | 30,192 | 23,948 |
| Allowance for doubtful accounts | (42) | (44) |
| Total current assets | 184,028 | 187,480 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 79,482 | 81,079 |
| Land | 61,620 | 75,438 |
| Construction in progress | 2,106 | 4,334 |
| Other, net | 8,417 | 8,805 |
| Total property, plant and equipment | 151,626 | 169,656 |
| Intangible assets | | |
| Goodwill | 3,458 | 2,923 |
| Other | 2,608 | 2,716 |
| Total intangible assets | 6,066 | 5,639 |
| Investments and other assets | | |
| Investment securities | 113,400 | 105,319 |
| Other | 18,989 | 17,967 |
| Allowance for doubtful accounts | (306) | (74) |
| Total investments and other assets | 132,083 | 123,213 |
| Total non-current assets | 289,776 | 298,509 |
| Total assets | 473,804 | 485,990 |

(Millions of yen)

| | As of February 28, 2021 | As of November 30, 2021 |
|--|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 18,397 | 16,783 |
| Short-term borrowings | 116 | 61 |
| Income taxes payable | 2,258 | 5,720 |
| Provision for bonuses | 907 | 510 |
| Other provisions | 204 | 180 |
| Asset retirement obligations | 68 | 19 |
| Other | 17,519 | 21,685 |
| Total current liabilities | 39,473 | 44,961 |
| Non-current liabilities | | |
| Retirement benefit liability | 3,489 | 3,595 |
| Provision for retirement benefits for directors (and other officers) | 155 | 134 |
| Other provisions | 236 | 236 |
| Asset retirement obligations | 6,858 | 6,992 |
| Other | 34,580 | 33,818 |
| Total non-current liabilities | 45,319 | 44,777 |
| Total liabilities | 84,792 | 89,738 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 10,355 | 10,355 |
| Capital surplus | 14,087 | 14,123 |
| Retained earnings | 357,068 | 371,026 |
| Treasury shares | (23,771) | (28,710) |
| Total shareholders' equity | 357,740 | 366,795 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 19,290 | 16,709 |
| Revaluation reserve for land | 800 | 800 |
| Foreign currency translation adjustment | (952) | (156) |
| Remeasurements of defined benefit plans | (1,059) | (973) |
| Total accumulated other comprehensive income | 18,079 | 16,380 |
| Non-controlling interests | 13,191 | 13,075 |
| Total net assets | 389,011 | 396,251 |
| Total liabilities and net assets | 473,804 | 485,990 |

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

Quarterly consolidated statement of income

Nine months ended November 30, 2021

(Millions of yen)

| | Nine months ended November 30, 2020 | Nine months ended November 30, 2021 |
|--|--|--|
| Operating revenue | 137,840 | 168,620 |
| Operating costs | 87,184 | 100,392 |
| Gross profit | 50,655 | 68,228 |
| Selling, general and administrative expenses | | |
| Personnel expenses | 13,762 | 14,731 |
| Advertising expenses | 1,668 | 3,999 |
| Provision for bonuses | 114 | 140 |
| Retirement benefit expenses | 735 | 735 |
| Provision for retirement benefits for directors (and other officers) | 13 | 20 |
| Rent expenses on land and buildings | 4,720 | 5,626 |
| Other | 12,464 | 14,797 |
| Total selling, general and administrative expenses | 33,479 | 40,052 |
| Operating profit | 17,176 | 28,176 |
| Non-operating income | | |
| Interest income | 70 | 46 |
| Dividend income | 904 | 842 |
| Share of profit of entities accounted for using equity method | 205 | 198 |
| Foreign exchange gains | - | 441 |
| Other | 193 | 291 |
| Total non-operating income | 1,373 | 1,820 |
| Non-operating expenses | | |
| Interest expenses | 25 | 22 |
| Commission for purchase of treasury shares | - | 22 |
| Foreign exchange losses | 272 | - |
| Other | 46 | 5 |
| Total non-operating expenses | 344 | 50 |
| Ordinary profit | 18,205 | 29,946 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 684 | 5 |
| Gain on sales of investment securities | 405 | - |
| Received settlement fee | 180 | - |
| Subsidy income | 872 | 2,610 |
| Total extraordinary income | 2,141 | 2,616 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 81 | 23 |
| Impairment loss | 373 | - |
| Demolition cost of fixed asset | - | 1,186 |
| Loss caused by temporary closures | 2,211 | 548 |
| Total extraordinary losses | 2,666 | 1,758 |
| Profit before income taxes | 17,681 | 30,803 |
| Income taxes - current | 5,780 | 9,553 |
| Income taxes - deferred | (341) | (0) |
| Total income taxes | 5,438 | 9,552 |
| Profit | 12,242 | 21,250 |
| Profit attributable to non-controlling interests | 1,016 | 1,086 |
| Profit attributable to owners of parent | 11,226 | 20,164 |

Quarterly consolidated statement of comprehensive income

Nine months ended November 30, 2021

(Millions of yen)

| | Nine months ended November 30, 2020 | Nine months ended November 30, 2021 |
|--|--|--|
| Profit | 12,242 | 21,250 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (724) | (2,580) |
| Foreign currency translation adjustment | (428) | 796 |
| Remeasurements of defined benefit plans | 104 | 85 |
| Share of other comprehensive income of entities accounted for using equity method | (18) | 2 |
| Total other comprehensive income | (1,067) | (1,695) |
| Comprehensive income | 11,175 | 19,554 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 10,158 | 18,464 |
| Comprehensive income attributable to non-controlling interests | 1,016 | 1,089 |

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

| | Nine months ended November 30, 2020 | Nine months ended November 30, 2021 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 17,681 | 30,803 |
| Depreciation | 6,425 | 6,573 |
| Amortization of goodwill | 534 | 688 |
| Increase (decrease) in allowance for doubtful accounts | (116) | (230) |
| Interest and dividend income | (975) | (888) |
| Interest expenses | 25 | 22 |
| Share of loss (profit) of entities accounted for using equity method | (205) | (198) |
| Loss (gain) on valuation of investment securities | 81 | 23 |
| Decrease (increase) in trade receivables | (902) | (1,923) |
| Decrease (increase) in inventories | 668 | 11 |
| Increase (decrease) in trade payables | 8,184 | (1,630) |
| Increase (decrease) in accrued consumption taxes | (3,280) | 1,708 |
| Other | (3,694) | 6,349 |
| Subtotal | 24,427 | 41,308 |
| Interest and dividends received | 1,458 | 1,049 |
| Interest paid | (32) | (49) |
| Income taxes paid | (18,645) | (6,284) |
| Income taxes refund | 25 | 2,355 |
| Net cash provided by (used in) operating activities | 7,233 | 38,379 |
| Cash flows from investing activities | | |
| Purchase of securities | (12,199) | (35,599) |
| Proceeds from sales of securities | 46,600 | 47,500 |
| Purchase of property, plant and equipment | (8,316) | (23,840) |
| Proceeds from sales of property, plant and equipment | 783 | 174 |
| Purchase of investment securities | (6,109) | (2,006) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | – | (92) |
| Loan advances | (4) | (61) |
| Collection of loans receivable | 62 | 36 |
| Investments in money held in trust | – | (300) |
| Proceeds from cancellation of money held in trust | – | 3,100 |
| Other | 317 | (323) |
| Net cash provided by (used in) investing activities | 21,132 | (11,412) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (5) | (54) |
| Proceeds from long-term borrowings | 15 | – |
| Repayments of long-term borrowings | (15) | – |
| Purchase of treasury shares | (6,868) | (5,788) |
| Dividends paid | (9,797) | (6,133) |
| Dividends paid to non-controlling interests | (423) | (367) |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (4) | (3) |
| Repayments of lease obligations | (11) | (11) |
| Net cash provided by (used in) financing activities | (17,111) | (12,360) |
| Effect of exchange rate change on cash and cash equivalents | (437) | 1,148 |
| Net increase (decrease) in cash and cash equivalents | 10,816 | 15,755 |
| Cash and cash equivalents at beginning of period | 118,445 | 85,827 |
| Cash and cash equivalents at end of period | 129,262 | 101,583 |

(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 purchased 1,366,503 treasury shares through tender offer based on a resolution at the Board of Directors meeting held on April 13, 2021. Due to this purchase, treasury shares increased by ¥4,938 million in the nine months ended November 30, 2021, bringing the amount of treasury shares to ¥28,710 million as of the end of the third quarter ended November 30, 2021.

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

None

(Additional information)

Amid repeated declarations of states of emergency, the Group suspended operations and shortened business hours at movie theaters in applicable areas, cancelled, refunded, etc. theatre performances and suspended operations of commercial facilities based on policies, requests, etc. from each local government, and changed release schedules for film distribution in light of the status of COVID-19. The Group has continued business, while taking appropriate measures to prevent infection even after lifting of state of emergency on September 30, 2021.

There has been no material change from the assumptions regarding the impact of COVID-19 presented in the additional information in the annual securities report for the previous fiscal year.

There is a considerable amount of uncertainty regarding the spread of infection going forward and when COVID-19 will come under control as well as the market after COVID-19 comes under control and consumer trends. In the event that the status of COVID-19 or the impact on the economic environment deviates from these assumptions, it could have an impact on the Group's financial position, operating results, and cash flow.

(Segment information)

[Segment information]

I. Nine months ended November 30, 2020

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 | 82,270 | 4,793 | 48,812 | 135,876 | 1,963 | 137,840 | – | 137,840 |
| Intersegment sales or transfers | 1,039 | 12 | 3,220 | 4,273 | 32 | 4,305 | (4,305) | – |
| Total | 83,309 | 4,806 | 52,033 | 140,150 | 1,995 | 142,145 | (4,305) | 137,840 |
| Segment profit (loss) | 7,811 | (1,043) | 13,395 | 20,163 | (232) | 19,930 | (2,754) | 17,176 |

- (Notes) 1. The “Other” category is a business segment that is not included in the reportable segments and includes businesses that operate restaurants and sports facilities.
2. The ¥2,754 million deducted from segment profit (loss) as adjustment consists of an addition of ¥1 million in intersegment transaction elimination, and a deduction of ¥2,755 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, 2021

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 | 106,865 | 11,904 | 47,885 | 166,655 | 1,965 | 168,620 | – | 168,620 |
| Intersegment sales or transfers | 1,774 | 20 | 3,764 | 5,559 | 35 | 5,595 | (5,595) | – |
| Total | 108,640 | 11,925 | 51,649 | 172,215 | 2,001 | 174,216 | (5,595) | 168,620 |
| Segment profit (loss) | 16,328 | 2,455 | 12,283 | 31,066 | (35) | 31,030 | (2,854) | 28,176 |

- (Notes) 1. The “Other” category is a business segment that is not included in the reportable segments and includes businesses that operate restaurants and sports facilities.
2. The ¥2,854 million deducted from segment profit (loss) as adjustment consists of an addition of ¥1 million in intersegment transaction elimination, and a deduction of ¥2,856 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.