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Consolidated Financial Results for the Fiscal Year Ended February 28, 2023 <Under Japanese GAAP>

April 13, 2023

Company name: **TOHO CO., LTD.**
 Listing: Tokyo Stock Exchange/Fukuoka Stock Exchange
 Securities code: 9602
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 Scheduled date of annual general meeting of shareholders: May 25, 2023
 Scheduled date to commence dividend payments: May 26, 2023
 Scheduled date to file Annual Securities Report: May 25, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(1) Consolidated operating results

(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	%
Fiscal year ended February 28, 2023	244,295	–	44,880	–	47,815	–	33,430	–
February 28, 2022	228,367	19.0	39,948	78.0	42,790	76.9	29,568	101.3

Note: Comprehensive income Fiscal year ended February 28, 2023 ¥34,756 million [–%]
 Fiscal year ended February 28, 2022 ¥32,487 million [81.2%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
February 28, 2023	190.37	–	8.3	9.2	18.4
February 28, 2022	167.24	–	7.7	8.8	17.5

Reference: Share of profit (loss) of entities accounted for using equity method
 Fiscal year ended February 28, 2023 ¥394 million
 Fiscal year ended February 28, 2022 ¥243 million

Note: Please note that the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. were adopted from the beginning of the fiscal year ended February 28, 2023, and each figure for the fiscal year ended February 28, 2023, reflects the adoption of the accounting standard, etc. As such, year-on-year percentage changes are not provided.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2023	534,097	423,691	76.6	2,344.59
February 28, 2022	502,532	409,181	78.7	2,241.23

Reference: Equity

As of February 28, 2023

¥409,306 million

As of February 28, 2022

¥395,722 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2023	45,404	(9,175)	(19,125)	112,121
February 28, 2022	53,460	(36,030)	(12,482)	92,341

2. Cash dividends

	Annual cash dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended February 28, 2022	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
	–	17.50	–	27.50	45.00	7,960	26.9	2.1
Fiscal year ended February 28, 2023	–	20.00	–	40.00	60.00	10,517	31.5	2.6
Fiscal year ending February 29, 2024 (forecast)	–	20.00	–	20.00	40.00		25.1	

Breakdown of year-end dividends Fiscal year ended February 28, 2022 Special dividend – ¥10.00

Note: The projected second quarter-end and year-end dividends for the fiscal year ending February 29, 2024 are stated as base dividends in accordance with the Company's basic policy on profit distribution.

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	253,000	3.6	40,000	(10.9)	43,000	(10.1)	28,000	(16.2)	159.44

*** Notes**

- (1) Changes in significant subsidiaries during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - Restatement: None

Note: For details, please see “Changes in accounting policies” on page 18.

(3) Number of issued shares (common shares)

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

As of February 28, 2023	186,490,633 shares
As of February 28, 2022	186,490,633 shares

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

As of February 28, 2023	11,915,882 shares
As of February 28, 2022	9,925,592 shares

c. Average number of shares during the period

Fiscal year ended February 28, 2023	175,612,981 shares
Fiscal year ended February 28, 2022	176,797,902 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
February 28, 2023	122,924	–	28,009	–	34,260	–	28,122	–
February 28, 2022	120,831	15.3	29,936	48.1	33,212	34.1	24,903	37.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 28, 2023	159.79	–
February 28, 2022	140.56	–

Note: Please note that the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. were adopted from the beginning of the fiscal year ended February 28, 2023, and each figure for the fiscal year ended February 28, 2023, reflects the adoption of the accounting standard, etc. As such, year-on-year percentage changes are not provided.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2023	452,034	299,095	66.2	1,710.11
February 28, 2022	428,631	293,125	68.4	1,655.37

Reference: Equity

As of February 28, 2023

¥299,095 million

As of February 28, 2022

¥293,125 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

1. 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. For the assumptions underlying the earnings forecasts and notes on their use, please refer to “(4) Future outlook” in “1. Overview of Operating Results, etc.” on page 5 of the accompanying materials.
2. The supplementary document on financial results is disclosed on the same day as the financial results, and it is made available on the Company’s website.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

In the fiscal year ended February 28, 2023, the outlook for the Japanese economy remained uncertain due to the effect of rising prices, etc. amid concerns that the circumstances in Ukraine will be protracted, despite signs of a recovery.

In the movie industry, box office receipts for 2022 totaled ¥213,111 million, exceeding ¥200,000 million for the first time in three years since 2019 before the spread of COVID-19, an increase of 31.6% from the previous year.

Under these conditions, the Group carried out flexible sales activities in each business while working to prevent the spread of COVID-19. In the Cinema business, its flagship operation, popular animation works and other much-talked-about works were distributed. As a result, operating revenue was ¥244,295 million (¥228,367 million in the previous fiscal year), operating profit was ¥44,880 million (¥39,948 million in the previous fiscal year), ordinary profit was ¥47,815 million (¥42,790 million in the previous fiscal year) and profit attributable to owners of parent was ¥33,430 million (¥29,568 million in the previous fiscal year). Furthermore, cooperative grants for large-scale facilities, etc. associated with the impact of COVID-19 have been recorded under extraordinary income as “subsidy income.”

In addition, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review. Consequently, since the figures for the fiscal year under review are the amounts following the application of such accounting standards, etc., we have not presented changes as compared to the previous fiscal year.

In addition, in April 2022, we launched the “TOHO VISION 2032 TOHO Group Management Corporate Strategy” comprised of the “Long-term Vision 2032,” which is targeting the 100th anniversary, and the “Medium-term Management Plan 2025,” which outlines specific measures for 3 years, and we are engaged in initiatives for sustained growth and increased medium- to long-term corporate value.

The operating results by segment are as follows.

Cinema business

In the production section of the Production and Distribution business, TOHO CO., LTD. co-produced 19 films, including “Suzume,” “Detective Conan: The Bride of Halloween,” “KINGDOM2: Far and Away,” and “SHIN ULTRAMAN.”

In the distribution section of the Production and Distribution business, in addition to the above films, 25 films were distributed as first releases for TOHO CO., LTD. in the fiscal year under review, including “Demon Slayer: Kimetsu no Yaiba -To the Swordsmith Village-” and “Silent Parade,” and 18 films for TOHO-TOWA Co., Ltd. and others, including “Top Gun: Maverick,” “Jurassic World: Dominion,” “Minions: The Rise of Gru,” and “Sing 2.” In addition, we did not recognize the total amount of revenue for some international movie distribution transactions within film distribution where the Group’s role is categorized as an agency under the application of Accounting Standard for Revenue Recognition, etc., and changed to recognizing revenue on a net basis after deducting related expenses. As a result, operating revenue in the Production and Distribution business was ¥40,903 million (¥40,439 million in the previous fiscal year) and operating profit was ¥13,532 million (¥11,507 million in the previous fiscal year). The above operating revenue mainly consists of ¥26,815 million from distribution to movie theaters (*1) and ¥3,341 million from the domestic streaming of theatrical films (*2).

In the Movie Theater Chain business, TOHO Cinemas Ltd. and others benefited from the above distributed works being blockbusters, release of popular works such as “ONE PIECE FILM RED” and “THE FIRST SLAM DUNK,” and theater closures, etc. not lasting as long compared with the previous fiscal year. As a result, the number of movie theater customers in the fiscal year ended February 28,

2023 increased by 30.8% year on year to 39,263,000. In addition, we did not recognize the total amount of revenue for sales of some souvenir programs and merchandise at the retail shops in theaters where the Group's role is categorized as an agency under the application of Accounting Standard for Revenue Recognition, etc., and changed to recognizing revenue on a net basis after deducting related expenses. As a result, operating revenue in the Movie Theater Chain business was ¥71,054 million (¥57,673 million in the previous fiscal year) and operating profit was ¥7,394 million (¥1,678 million in the previous fiscal year). With regard to theater changes in the fiscal year under review, TOHO Cinemas Ltd. opened "TOHO Cinemas LaLaport Fukuoka" (9 screens) in Hakata-ku, Fukuoka City on April 25. As a result, the number of screens managed by the corporate group increased by 9 to 721 throughout Japan (including 56 collaboratively managed screens).

In the Production and Licensing business, TOHO animation recorded revenue as a result of royalty from various platforms and through investing into the production of "My Hero Academia," "SPY x FAMILY," "BLUE GIANT" and other works in addition to revenue from distribution and royalties from merchandising rights in Japan and overseas. In the Home Entertainment business, the animated film "Jujutsu Kaisen: Zero" sold well. In the Publishing and Merchandising business, sales grew for souvenir programs and character goods for works distributed by the Company such as the movies "Suzume," "SHIN ULTRAMAN," "Jujutsu Kaisen: Zero," and "Detective Conan: The Bride of Halloween," and for the international movie "Top Gun: Maverick." The Alternative Content business provided works such as "TOKU TOUKEN RANBU -HANAMARU- SETSUGETSUKA" animation trilogy, "BLUE GIANT," and so on. TOHO Studios Co., Ltd. operated smoothly as a result of integrating the Production and Studio businesses. At TOHO EIZO BIJUTSU Co., Ltd. and TOHO STAGE CRAFT Co., Ltd., the situation is improving after a difficult period 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. As a result, operating revenue in the Production and Licensing business was ¥46,058 million (¥46,667 million in the previous fiscal year) and operating profit was ¥8,148 million (¥11,708 million in the previous fiscal year). The above operating revenue mainly consists of ¥17,530 million for the use of animation contents (*3), ¥5,597 million for sale of home entertainment and ¥8,561 million for art production related to production and licensing works, etc. (*4).

As a result, in the overall Cinema business, operating revenue was ¥158,015 million (¥144,781 million in the previous fiscal year) and operating profit was ¥29,075 million (¥24,894 million in the previous fiscal year).

In the fiscal year under review, TOHO animation STUDIO Inc. and AID-DCC Inc. became consolidated subsidiaries. In addition, goodwill of ¥1,111 million arising from the conversion of AID-DCC Inc. into a subsidiary was amortized in a lump sum.

Theatrical business

In the Theatrical business, the first stage performance of "Spirited Away," as a work commemorating the 90th anniversary of TOHO's founding, was staged at the Imperial Theatre and was completely sold out. Subsequently, the Company rolled out various initiatives including performance and live streaming at regions throughout Japan. "Endless SHOCK -Eternal-," "Guys and Dolls," "Miss Saigon," "DREAM BOYS," "Elisabeth," "ABC Za 10th Anniversary Legend of Johnny's 2022," "JOHNNYS' World Next Stage" and "Kingdom" were performed and achieved success at the Imperial Theatre. "Piaf," "Next to Normal," "CROSS ROAD," "Only 1, NOT No.1," "Daddy Long Legs," "Thoroughly Modern Millie," "The Great War of Archimedes," "The Fantasticks," "SHOW-ism XI BERBER RENDEZVOUS," "NAOTO KAIHO CONCERT ATTENTION PLEASE!," "CLUB SEVEN 20th Anniversary" and others were performed at Theatre Creation. "Your Lie in April," "Jersey Boys," "The Beautiful Game" and others were performed at Nissay Theatre. "Sister Act" and others were performed at TOKYU THEATRE Orb. "Hairspray" was performed to a full house at Brillia HALL. However, as was the case last year, performances of some works were cancelled due to the spread of COVID-19, which affected financial results. At TOHO Entertainment Co., Ltd., affiliated actors performed strongly on commercial performances, etc.

As a result of the above, operating revenue in the Theatrical business was ¥18,202 million (¥15,157 million in the previous fiscal year) and operating profit was ¥2,774 million (¥2,472 million in the previous fiscal 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 market, but due to efforts to effectively use owned properties and comprehensively respond to tenants, the vacancy rate of real estate for leasing was 1.0% as of the end of the fiscal year under review. As a result, operating revenue in the Lease of Land and Buildings business was ¥28,022 million (¥27,155 million in the previous fiscal year) and operating profit was ¥11,554 million (¥11,733 million in the previous fiscal year). In February 2023, construction of the TOHO Hibiya Promenade Building was completed.

In the Road business, there was strong public investment, but the situation continued to be unpredictable due to factors such as a chronic labor shortage, intensified competition in obtaining orders, and continued rise in labor costs, equipment and materials prices, and fuel prices. Subaru Enterprise Co., Ltd. and its consolidated subsidiaries worked to streamline operations and reduce costs while securing constant orders. As a result, operating revenue in the Road business was ¥28,907 million (¥28,977 million in the previous fiscal year) and operating profit was ¥5,092 million (¥4,207 million in the previous fiscal year). Operating revenue mainly consists of ¥26,421 million from road maintenance, repair and cleaning services and also includes ¥802 million of other revenue.

In the Building Maintenance business, TOHO BUILDING MANAGEMENT Co., Ltd. and TOHO Facilities Co., Ltd. worked to secure new orders. As a result, operating revenue was ¥9,983 million (¥9,699 million in the previous fiscal year) and operating profit was ¥926 million (¥715 million in the previous fiscal year).

As a result of the above, operating revenue in the overall Real Estate business was ¥66,913 million (¥65,832 million in the previous fiscal year) and operating profit was ¥17,572 million (¥16,657 million in the previous fiscal year).

Other business

TOHO Kyoei Kigyo Co., Ltd.'s TOHO Chofu Sports Park and TOHO RETAIL CO., LTD.'s theater concession stands, etc. developed various sales measures and carried out sales activities taking profitability into consideration. TOHO RETAIL CO., LTD. withdrew from the Directly Managed Restaurant business in August 2021. As a result, operating revenue in Other business was ¥1,163 million (¥2,596 million in the previous fiscal year) and operating profit was ¥130 million (operating loss of ¥90 million in the previous fiscal year).

* Additional information

- (*1) Distribution to movie theaters: Revenue recognized on a net basis with respect to some international movie distribution transactions within film distribution to box-office companies
- (*2) Domestic streaming of theatrical films: Domestic streaming of theatrical films excluding income from streaming TV animation
- (*3) Use of animation contents: Sales of programs mainly centered on streaming, royalty from merchandising rights, etc.
- (*4) Art production related to production and licensing works, etc.: Art production works for movies and TV, event construction, and production services for display items, etc.

(2) Overview of financial position for the fiscal year under review

With regard to the financial position as of the end of the fiscal year under review, total assets increased by ¥31,564 million from the end of the previous fiscal year to ¥534,097 million. This was mainly due to increases of ¥6,508 million in cash and deposits, ¥10,069 million in notes and accounts receivable - trade, and contract assets compared to the notes and accounts receivable - trade at the end of the previous fiscal year, ¥10,999 million in short-term loans receivable with resale agreement, ¥5,384

million in buildings and structures (net), and ¥5,036 million in land, despite a decrease of ¥13,392 million in investment securities.

Liabilities increased by ¥17,054 million from the end of the previous fiscal year to ¥110,405 million. This was mainly due to an increase of ¥11,467 million in accounts payable - trade and ¥2,187 million in accounts payable - other.

Net assets increased by ¥14,510 million from the end of the previous fiscal year to ¥423,691 million. This was mainly due to an increase of ¥23,794 million in retained earnings due to the recording of ¥33,430 million in profit attributable to owners of parent and ¥8,385 million in dividends of surplus as well as an increase of ¥10,153 million in treasury shares.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (“cash”) on a consolidated basis at the end of the fiscal year under review increased by ¥19,780 million from the end of the previous fiscal year to ¥112,121 million.

(Cash flows from operating activities)

Net cash provided by operating activities decreased by ¥8,055 million year on year to ¥45,404 million for the fiscal year under review, mainly due to ¥50,490 million of profit before income taxes, ¥9,514 million of depreciation, an increase of ¥11,421 million in trade payables, an increase of ¥9,929 million in trade receivables and contract assets, and ¥16,620 million of income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities increased by ¥26,854 million year on year to ¥9,175 million for the fiscal year under review, mainly due to ¥62,395 million of purchase of securities, ¥16,922 million of purchase of property, plant and equipment and ¥6,425 million of purchase of investment securities, despite ¥71,200 million of proceeds from sale of securities and ¥4,900 million of proceeds from cancellation of money held in trust.

(Cash flows from financing activities)

Net cash used in financing activities decreased by ¥6,642 million year on year to ¥19,125 million for the fiscal year under review, mainly due to ¥10,192 million of purchase of treasury shares and ¥8,383 million of dividends paid.

(4) Future outlook

(Forecast for the fiscal year ending February 29, 2024)

The future outlook is expected to be uncertain due to the impact of rising prices and other factors. There are considerable uncertainties in future market and consumer trends, which may affect the Group’s financial position, operating results, and cash flows.

Cinema business

TOHO CO., LTD., TOHO-TOWA Co., Ltd., etc. will collaboratively produce and distribute the following popular works. Because of this, the Company expects operating revenue of ¥41,900 million (up 2.4% year on year) in the Production and Distribution business.

TOHO CO., LTD.'s collaborative productions/distributed works	
Doraemon the Movie: Nobita's Sky Utopia	As Long as We Both Shall Live
TOUKEN RANBU: THE MOVIE 2	Living
DETECTIVE CONAN Black Iron Submarine	TOKYO MER: Mobile Emergency Room - THE MOVIE
Hard Days	MONSTER
Emergency Interrogation Room THE FINAL	The Boy and the Heron
KINGDOM : The Flame of Destiny (Tentative title)	New Dimension! Crayon Shinchan the Movie: Battle of Supernatural Powers ~Flying Sushi~
SAND LAND	Don't Call it Mystery
THE SILENT SERVICE	Analog
KIMINOIRO (Tentative title)	New "Godzilla" movie in 2023 (Tentative title)
Totto-chan the Movie: The Little Girl at the Window	The Imaginary
SPY x FAMILY CODE: White	

Works contracted for distribution by TOHO-TOWA Co., Ltd., etc.	
The Fabelmans	Puss in Boots: The Last Wish
Dungeons & Dragons: Honor Among Thieves (TOWA PICTURES Co., Ltd.)	Knock at the Cabin
The Super Mario Bros. Movie	Fast X
M3GAN	Mission: Impossible- Dead Reckoning Part One (TOWA PICTURES Co., Ltd.)
Teenage Mutant Ninja Turtles: Mutant Mayhem (TOWA PICTURES Co., Ltd.)	Transformers: Rise of the Beasts (TOWA PICTURES Co., Ltd.)

Note: There is a possibility that changes, such as the postponement of releases, will occur for unreleased works. Please confirm the most recent information on the Company's website.

In the Movie Theater Chain business, TOHO Cinemas Ltd. and others are planning to release popular works, primarily those listed above. The Company expects operating revenue of ¥68,000 million (down 4.3% year on year) in the Movie Theater Chain business. With regard to changes planned at theaters for the next fiscal year, "TOHO Cinemas LaLaport Kadoma" (9 screens) is planned to open in Kadoma City, Osaka Prefecture on April 17, 2023, which will bring the Company to a 9 screen increase throughout Japan for a total of 730 screens (including 56 collaboratively managed screens). In addition, a new theater (Chuo-ku, Sapporo City, Hokkaido) is scheduled to open in the fall of 2023.

In the Production and Licensing business, TOHO animation of TOHO CO., LTD. has invested in the production of "JUJUTSU KAISEN," "SPY x FAMILY," "Frieren: Beyond Journey's End," "The Apothecary Diaries" and other works in an effort to secure earnings through wide usage, and in the game business, "JUJUTSU KAISEN phantom parade" is scheduled for release. In the Home Entertainment business, we will offer a varied lineup and develop various initiatives. The Publishing and Merchandising business plans to offer a wide range of souvenir programs and character goods for works distributed by the Company and others, including "DETECTIVE CONAN Black Iron Submarine," "The Boy and the Heron," New "Godzilla" movie in 2023 and "SPY x FAMILY CODE: White." Furthermore, it will work to further increase royalty from merchandising rights, etc. for the "TOHO Monster Series," which includes "Godzilla." TOHO Studios Co., Ltd. will work to secure orders for movie, TV and commercial production, etc. by integrating the Production and Studio businesses. TOHO EIZO BIJUTSU Co., Ltd. and TOHO STAGE CRAFT Co., Ltd. will work on construction management and cost management while working to obtain new customers in order to secure art production works for movies and TV, event construction, etc., and actively carry out sales activities. Based on the above, the Company expects operating revenue of ¥54,800 million (up 19.0% year on year) in the Production and Licensing business.

As a result, in the overall Cinema business, the Company expects operating revenue of ¥164,700 million (up 4.2% year on year).

Theatrical business

In the Theatrical business, we will carry out various initiatives including performances such as “Musical SPY x FAMILY,” an original stage adaptation of a very popular comic book, and “Moulin Rouge! The Musical,” which won the Tony Award for Best Musical. The Company plans to carry out the following performances at TOHO CO., LTD.’s Imperial Theatre, Theatre Creation and others, and will also expand “Musical SPY x FAMILY” and other performances as external theatrical works throughout Japan. Furthermore, TOHO Entertainment Co., Ltd. will proactively develop sales activities for affiliated actors’ activities in commercials, TV, movie, etc. As a result, the Company expects operating revenue of ¥19,300 million (up 6.0% year on year) in the Theatrical business.

Imperial Theatre	
(March) Musical SPY×FAMILY	(April - May) Endless SHOCK (Endless SHOCK/ Endless SHOCK -Eternal-)
(June - August) Moulin Rouge! The Musical	(October) Roald Dahl’s Charlie and the Chocolate Factory
(November) Musical Picaresque LUPIN ~The Secret of Countess Cagliostro~	
Theatre Creation	
(March - April) RENT	(April) The Odd Couple
(May) She Loves Me	(June) The Origin of Evil by Darwin Young
(July) SHOW BOY	(July - August) Like a Family
(August - September) SHINE SHOW!	(October) Nodame Cantabile*
Other theaters	
(March) Jekyll & Hyde (Tokyo International Forum)*	(March - April) Jane Eyre (Tokyo Metropolitan Theatre Playhouse, Umeda Arts Theater Dramacity)*
(April) Man of La Mancha (Yokosuka Arts Theater)*	(April - May) Meredith Willson’s “The Music Man” (Nissay Theatre)
(September) Ragtime (Nissay Theatre)	(September) Ikiru (New National Theatre, Tokyo Playhouse)*

Note: Titles with an asterisk are collaboratively produced productions. Note that there may be changes to the performance schedule, etc. Please confirm the most recent information on the Company’s website.

Real Estate business

Under the difficult situation, which includes changes in office market conditions, in the Lease of Land and Buildings business, TOHO CO., LTD.’s Corporate Real Estate department will aim to effectively utilize real estate held in Japan through corporate proposals for equipment repair and redevelopment from a long-term perspective while improving financial results by striving for comprehensive responses for and mutual understanding with tenants. As a result, the Company expects operating revenue of ¥28,800 million (up 2.8% year on year) in the Lease of Land and Buildings business.

In the Road business, Subaru Enterprise Co., Ltd. and its subsidiaries will work to expand orders by carrying out proactive sales activities based on thorough cost management. The Company expects operating revenue of ¥28,600 million (down 1.1% year on year) in the Road business.

In the Building Maintenance business, TOHO BUILDING MANAGEMENT Co., Ltd. and TOHO Facilities Co., Ltd. will work to secure new orders under this difficult business environment with ongoing price competition. As a result, the Company expects operating revenue of ¥10,400 million (up 4.2% year on year) in the Building Maintenance business.

Due to the above, in the overall Real Estate business, the Company expects operating revenue of ¥67,800 million (up 1.3% year on year).

Other business

The Amusement business and the Merchandise Sales business will proactively develop sales measures, etc. for TOHO Kyoei Kogyo Co., Ltd.'s TOHO Chofu Sports Park. Furthermore, TOHO RETAIL CO., LTD.'s theater concession stands, etc. will carry out sales activities taking into consideration profitability, etc.

As a result, the Company expects operating revenue of ¥1,200 million (up 3.1% year on year) in Other business.

Planned capital expenditures for the next fiscal year include ordinary repair work (repair work within the scope of depreciation (¥9,600 million budget)), the opening of "TOHO Cinemas LaLaport Kadoma" and other work. These capital expenditures are expected to be made within the budget of ¥14,800 million. However, the Company will flexibly carry out additional investments for the purchase of new properties and acquisition of equipment.

As a result, the Company is expected to record operating revenue of ¥253,000 million (up 3.6% year on year) in the fiscal year ending February 29, 2024, operating profit of ¥40,000 million (down 10.9% year on year), ordinary profit of ¥43,000 million (down 10.1% year on year), and profit attributable to owners of parent of ¥28,000 million (down 16.2% year on year).

2. Basic Policy on Selection of Accounting Standards

The Group has adopted the generally accepted accounting principles in Japan (Japanese GAAP). The Company will take into consideration the circumstances in Japan and overseas for appropriate adoption of the International Financial Reporting Standards (IFRS).

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of February 28, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	37,750	44,259
Notes and accounts receivable - trade	22,852	-
Notes and accounts receivable - trade, and contract assets	-	32,921
Investments in leases	16,852	15,997
Securities	40,607	44,986
Inventories	8,417	11,003
Short-term loans receivable with resale agreement	53,999	64,999
Other	7,461	10,629
Allowance for doubtful accounts	(74)	(89)
Total current assets	187,866	224,708
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	80,050	85,434
Machinery, equipment and vehicles, net	6,034	5,937
Tools, furniture and fixtures, net	2,879	2,849
Land	75,438	80,475
Construction in progress	5,453	2,749
Other, net	8	5
Total property, plant and equipment	169,865	177,451
Intangible assets		
Leasehold interests in land	1,191	1,191
Goodwill	2,745	2,032
Other	1,449	1,729
Total intangible assets	5,386	4,953
Investments and other assets		
Investment securities	121,891	108,499
Long-term loans receivable	133	20
Distressed receivables	5	23
Deferred tax assets	2,379	3,523
Retirement benefit asset	318	652
Guarantee deposits	13,027	12,525
Other	1,736	1,821
Allowance for doubtful accounts	(78)	(82)
Total investments and other assets	139,413	126,984
Total non-current assets	314,665	309,388
Total assets	502,532	534,097

(Millions of yen)

	As of February 28, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	19,305	30,773
Short-term borrowings	60	53
Accounts payable - other	3,123	5,311
Accrued expenses	4,136	3,819
Income taxes payable	9,751	9,782
Provision for bonuses	972	1,008
Provision for bonuses for directors (and other officers)	41	18
Provision for PCB disposal	129	150
Asset retirement obligations	-	52
Current portion of long-term borrowings	-	59
Other	10,009	14,732
Total current liabilities	47,531	65,762
Non-current liabilities		
Long-term borrowings	-	326
Deferred tax liabilities	11,633	10,428
Retirement benefit liability	3,636	3,437
Provision for retirement benefits for directors (and other officers)	140	178
Provision for PCB disposal	236	86
Asset retirement obligations	6,994	7,117
Long-term guarantee deposits	22,991	22,924
Other	186	145
Total non-current liabilities	45,819	44,643
Total liabilities	93,351	110,405
Net assets		
Shareholders' equity		
Share capital	10,355	10,355
Capital surplus	14,122	14,180
Retained earnings	380,430	404,225
Treasury shares	(28,712)	(38,866)
Total shareholders' equity	376,197	389,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,854	17,092
Revaluation reserve for land	800	800
Foreign currency translation adjustment	(121)	2,110
Remeasurements of defined benefit plans	(1,008)	(592)
Total accumulated other comprehensive income	19,525	19,411
Non-controlling interests	13,458	14,384
Total net assets	409,181	423,691
Total liabilities and net assets	502,532	534,097

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

Consolidated statement of income

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Operating revenue	228,367	244,295
Operating costs	133,527	135,669
Gross profit	94,840	108,625
Selling, general and administrative expenses		
Personnel expenses	20,014	20,994
Advertising expenses	5,408	7,212
Provision for bonuses	706	712
Retirement benefit expenses	944	919
Provision for retirement benefits for directors (and other officers)	26	26
Depreciation	3,521	3,959
Rent expenses on land and buildings	7,652	8,777
Other	16,617	21,143
Total selling, general and administrative expenses	54,891	63,745
Operating profit	39,948	44,880
Non-operating income		
Interest income	56	164
Dividend income	1,479	1,718
Share of profit of entities accounted for using equity method	243	394
Foreign exchange gains	858	421
Other	273	258
Total non-operating income	2,911	2,957
Non-operating expenses		
Interest expenses	24	8
Commission for purchase of treasury shares	22	0
Provision of allowance for doubtful accounts	-	6
Other	22	7
Total non-operating expenses	69	22
Ordinary profit	42,790	47,815
Extraordinary income		
Gain on sale of non-current assets	5	75
Gain on sale of investment securities	-	1,745
Compensation for expropriation	-	446
Subsidy income	3,869	2,729
Total extraordinary income	3,875	4,997
Extraordinary losses		
Impairment losses	425	1,211
Demolition cost of non-current assets	1,186	270
Loss on valuation of investment securities	23	28
Extra retirement payments	-	812
Loss caused by temporary closures	548	-
Total extraordinary losses	2,184	2,322
Profit before income taxes	44,481	50,490
Income taxes - current	13,489	16,556
Income taxes - deferred	(46)	(935)
Total income taxes	13,443	15,620
Profit	31,038	34,869
Profit attributable to non-controlling interests	1,470	1,438
Profit attributable to owners of parent	29,568	33,430

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Profit	31,038	34,869
Other comprehensive income		
Valuation difference on available-for-sale securities	572	(2,756)
Foreign currency translation adjustment	830	2,232
Remeasurements of defined benefit plans, net of tax	51	415
Share of other comprehensive income of entities accounted for using equity method	(5)	(4)
Total other comprehensive income	1,449	(113)
Comprehensive income	32,487	34,756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,014	33,317
Comprehensive income attributable to non-controlling interests	1,473	1,438

(3) Consolidated statement of changes in equity

Fiscal year ended February 28, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,355	14,087	357,068	(23,771)	357,740
Changes during period					
Dividends of surplus			(6,205)		(6,205)
Profit attributable to owners of parent			29,568		29,568
Purchase of treasury shares				(5,760)	(5,760)
Disposal of treasury shares		14		819	833
Change in ownership interest of parent due to transactions with non-controlling interests		20			20
Change in treasury shares arising from change in equity in entities accounted for using equity method				(0)	(0)
Net changes in items other than shareholders' equity					—
Total changes during period	—	34	23,362	(4,940)	18,456
Balance at end of period	10,355	14,122	380,430	(28,712)	376,197

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	19,290	800	(952)	(1,059)	18,079	13,191	389,011
Changes during period							
Dividends of surplus					—		(6,205)
Profit attributable to owners of parent					—		29,568
Purchase of treasury shares					—		(5,760)
Disposal of treasury shares					—		833
Change in ownership interest of parent due to transactions with non-controlling interests					—		20
Change in treasury shares arising from change in equity in entities accounted for using equity method					—		(0)
Net changes in items other than shareholders' equity	563	—	830	51	1,445	267	1,713
Total changes during period	563	—	830	51	1,445	267	20,169
Balance at end of period	19,854	800	(121)	(1,008)	19,525	13,458	409,181

Fiscal year ended February 28, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,355	14,122	380,430	(28,712)	376,197
Cumulative effects of changes in accounting policies			(1,250)		(1,250)
Restated balance	10,355	14,122	379,179	(28,712)	374,946
Changes during period					
Dividends of surplus			(8,385)		(8,385)
Profit attributable to owners of parent			33,430		33,430
Purchase of treasury shares				(10,187)	(10,187)
Disposal of treasury shares		35		33	69
Change in ownership interest of parent due to transactions with non-controlling interests		21			21
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Net changes in items other than shareholders' equity					—
Total changes during period	—	57	25,045	(10,153)	14,948
Balance at end of period	10,355	14,180	404,225	(38,866)	389,894

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	19,854	800	(121)	(1,008)	19,525	13,458	409,181
Cumulative effects of changes in accounting policies					—		(1,250)
Restated balance	19,854	800	(121)	(1,008)	19,525	13,458	407,930
Changes during period							
Dividends of surplus					—		(8,385)
Profit attributable to owners of parent					—		33,430
Purchase of treasury shares					—		(10,187)
Disposal of treasury shares					—		69
Change in ownership interest of parent due to transactions with non-controlling interests					—		21
Change in treasury shares arising from change in equity in entities accounted for using equity method					—		0
Net changes in items other than shareholders' equity	(2,761)	—	2,232	415	(113)	926	812
Total changes during period	(2,761)	—	2,232	415	(113)	926	15,761
Balance at end of period	17,092	800	2,110	(592)	19,411	14,384	423,691

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Cash flows from operating activities		
Profit before income taxes	44,481	50,490
Depreciation	8,951	9,514
Impairment losses	425	1,211
Amortization of goodwill	866	1,828
Increase (decrease) in allowance for doubtful accounts	(196)	18
Increase (decrease) in provision for PCB disposal	(52)	(129)
Increase (decrease) in retirement benefit liability	102	5
Decrease (increase) in retirement benefit asset	(62)	53
Interest and dividend income	(1,536)	(1,883)
Interest expenses	24	8
Share of loss (profit) of entities accounted for using equity method	(243)	(394)
Loss (gain) on sale of non-current assets	(6)	(86)
Loss on retirement of non-current assets	216	183
Loss (gain) on sale of investment securities	-	(1,745)
Loss (gain) on valuation of investment securities	23	28
Decrease (increase) in trade receivables	(2,452)	-
Decrease (increase) in trade receivables and contract assets	-	(9,929)
Decrease (increase) in inventories	575	(2,475)
Increase (decrease) in trade payables	891	11,421
Decrease (increase) in guarantee deposits	459	305
Increase (decrease) in accrued consumption taxes	2,350	(453)
Increase (decrease) in guarantee deposits received	341	788
Other	799	1,214
Subtotal	55,958	59,973
Interest and dividends received	1,707	2,059
Interest paid	(49)	(8)
Income taxes paid	(4,156)	(16,620)
Net cash provided by (used in) operating activities	53,460	45,404
Cash flows from investing activities		
Purchase of securities	(65,315)	(62,395)
Proceeds from sale of securities	71,700	71,200
Purchase of property, plant and equipment	(26,942)	(16,922)
Proceeds from sale of property, plant and equipment	175	367
Purchase of investment securities	(15,830)	(6,425)
Proceeds from sale of investment securities	295	4,764
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(92)	(842)
Loan advances	(91)	(83)
Proceeds from collection of loans receivable	68	78
Investments in money held in trust	(2,600)	(2,600)
Proceeds from cancellation of money held in trust	3,400	4,900
Payments into time deposits	(0)	(2)
Proceeds from withdrawal of time deposits	2	8
Other	(797)	(1,224)
Net cash provided by (used in) investing activities	(36,030)	(9,175)

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(55)	(7)
Repayments of long-term borrowings	-	(16)
Purchase of treasury shares	(5,790)	(10,192)
Dividends paid	(6,208)	(8,383)
Dividends paid to non-controlling interests	(406)	(460)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(4)	(50)
Repayments of lease obligations	(15)	(15)
Net cash provided by (used in) financing activities	(12,482)	(19,125)
Effect of exchange rate change on cash and cash equivalents	1,566	2,677
Net increase (decrease) in cash and cash equivalents	6,513	19,780
Cash and cash equivalents at beginning of period	85,827	92,341
Cash and cash equivalents at end of period	92,341	112,121

(5) Notes to consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, Etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. The main changes due to this are as follows.

We do not recognize the total amount of revenue such as for some international movie distribution transactions with distribution to movie theaters and for sales of some souvenir programs and merchandise at the retail shops in theaters in the management of movie theaters where the Group’s role is categorized as an agency and recognize revenue on a net basis after deducting related expenses.

With regard to point systems operated by the management of movie theaters, we do not recognize the points that are granted as revenue when the movie is viewed but recognize them as a performance obligation. We allocate the transaction price based on an independently calculated sales price that considers factors including the forecast future expiration.

We do not recognize revenue at the time of sale for future forecast returns of sales of home entertainment, etc., and deduct this from operating revenue and operating costs after estimating in accordance with the provisions related to variable consideration.

With regard to construction contracts for road civil engineering works under road maintenance, repair and cleaning services, the percentage-of-completion method was previously applied to construction contracts whose outcome was deemed certain, while the completed-contract method was applied to other construction contracts. However, revenue is now recognized over a certain period of time, based on the percentage of completion measured by the ratio of the cost of construction incurred to the total estimated cost of construction.

The application of the Accounting Standard for Revenue Recognition, etc. is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of applying the new accounting policy retrospectively prior to the beginning of the fiscal year under review is added to or deducted from the opening balance of the retained earnings of the fiscal year under review, and thus the new accounting policy is applied to such opening balance. However, in accordance with the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition, the new accounting policy was not retrospectively applied to contracts wherein almost all revenues were recognized before the beginning of the fiscal year under review according to the former treatment.

For the fiscal year under review, as a result of this change, operating revenue decreased by ¥13,907 million, operating costs decreased by ¥10,692 million and selling, general and administrative expenses decreased by ¥3,450 million, while operating profit increased by ¥235 million and ordinary profit and profit before income taxes each increased by ¥227 million. In addition, the opening balance of the retained earnings decreased by ¥1,250 million. The impact on per share information is immaterial.

Due to the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations, “Notes and accounts receivable - trade” under current assets of the consolidated balance sheet as of the end of the previous fiscal year has been included in “Notes and accounts receivable - trade, and contract assets” under current assets from the consolidated balance sheet as of the fiscal year under review. “Decrease (increase) in trade receivables” under “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year has been included in “Decrease (increase) in trade receivables and contract assets” from the fiscal year under review.

In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in

accordance with the new approach to presentation. In accordance with the transitional treatment provided for in paragraph 89-3 of the Accounting Standard for Revenue Recognition, the “Notes - Revenue recognition” for the previous fiscal year are not presented.

(Adoption of Accounting Standard for Fair Value Measurement, Etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no impact on the consolidated financial statements.

(Notes - Revenue recognition)

Breakdown of revenue from contracts with customers

Fiscal year ended February 28, 2023 (March 1, 2022 to February 28, 2023)

	Reportable segments			Other	Total
	Cinema business	Theatrical business	Real Estate business		
Main services					
Distribution to movie theaters	26,815	–	–	–	26,815
Domestic streaming of theatrical films	3,341	–	–	–	3,341
Management of movie theaters	71,054	–	–	–	71,054
Use of animation contents(*1)	17,530	–	–	–	17,530
Sale of home entertainment	5,597	–	–	–	5,597
Art production related to production and licensing works, etc.	8,561	–	–	–	8,561
Production and exhibition of theatrical works	–	18,202	–	–	18,202
Road maintenance, repair and cleaning services	–	–	26,421	–	26,421
Building maintenance	–	–	9,983	–	9,983
Other	25,115	–	1,683	1,163	27,962
Revenue from contracts with customers	158,015	18,202	38,088	1,163	215,470
Other revenue (*2)	–	–	28,824	–	28,824
Sales to external customers	158,015	18,202	66,913	1,163	244,295

(*1) Use of animation contents relates to program sales mainly centered on streaming, royalty from merchandising rights, etc.

(*2) Other revenue includes rental income based on ASBJ Statement No. 13 “Accounting Standard for Lease Transactions.”

(Segment information)

[Segment information]

1. Description of reportable segments

The reportable segments of the Group are those units for which separate financial information is available, and which are regularly examined by the Board of Directors concerning decisions on the allocation of management resources and for assessing business performance.

The Group is comprised of segments based on products and services, with the three reportable

segments of the “Cinema business,” the “Theatrical business” and the “Real Estate business.”

The “Cinema business” is engaged in the distribution of films to movie theaters, domestic streaming of theatrical films, management of movie theaters, use of animation contents, sale of home entertainment, and art production related to production and licensing works, etc. The “Theatrical business” is engaged in the production and exhibition of theatrical works. The “Real Estate business” is engaged in leasing real estate, road maintenance, repair and cleaning services, and building maintenance.

2. Calculation methods for net sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting methods for the business segments reported are generally the same as those adopted in preparing consolidated financial statements. Profit by reportable segment is based on operating profit. Intersegment sales and transfers are based on prevailing market prices.

As described in “Changes in accounting policies, etc.” the Company has applied the Accounting Standard for Revenue Recognition, etc. from the consolidated financial statements for the fiscal year under review, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of business segments.

For the fiscal year under review, as a result of this change, and compared with the figures obtained by the previous method, net sales decreased by ¥12,202 million and segment profit increased by ¥236 million for the Cinema business, while net sales decreased by ¥731 million and there was no impact on segment profit for the Real Estate business.

3. Disclosure of net sales, profit (loss), assets, liabilities and other items by reportable segment
Fiscal year ended February 28, 2022 (March 1, 2021 to February 28, 2022)

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amounts on consolidated financial statements (Note 3)
	Cinema business	Theatrical business	Real Estate business	Total				
Net sales								
Sales to external customers	144,781	15,157	65,832	225,771	2,596	228,367	–	228,367
Intersegment sales or transfers	2,444	26	5,176	7,647	49	7,696	(7,696)	–
Total	147,225	15,184	71,008	233,418	2,645	236,064	(7,696)	228,367
Segment profit (loss)	24,894	2,472	16,657	44,023	(90)	43,932	(3,984)	39,948
Segment assets	81,067	8,371	210,336	299,776	718	300,494	202,037	502,532
Other items								
Depreciation	3,172	179	5,392	8,744	38	8,783	167	8,951
Impairment losses	366	–	49	416	9	425	–	425
Amortization of goodwill	471	–	395	866	–	866	–	866
Balance of unamortized goodwill	471	–	2,273	2,745	–	2,745	–	2,745
Increase in property, plant and equipment and intangible assets	4,408	47	23,535	27,991	11	28,002	250	28,252

(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 ¥3,984 million deducted from segment profit (loss) as adjustment consists of an addition of ¥3 million in intersegment transaction elimination, and a deduction of ¥3,987 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.

The ¥202,037 million added to segment assets as adjustment consists of a deduction of ¥17,408 million in intersegment transaction elimination, and an addition of ¥219,445 million in corporate assets that cannot be allocated to any reportable segment. The main items of corporate assets are the Company’s surplus funds (cash and deposits, securities and short-term loans receivable with resale agreement) as well as long-term investment funds (investment securities).

3. Segment profit (loss) is adjusted with operating profit stated in the consolidated statement of income.

Fiscal year ended February 28, 2023 (March 1, 2022 to February 28, 2023)

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amounts on consolidated financial statements (Note 3)
	Cinema business	Theatrical business	Real Estate business	Total				
Net sales								
Sales to external customers	158,015	18,202	66,913	243,131	1,163	244,295	–	244,295
Intersegment sales or transfers	2,641	50	5,383	8,075	188	8,263	(8,263)	–
Total	160,657	18,253	72,296	251,207	1,351	252,559	(8,263)	244,295
Segment profit (loss)	29,075	2,774	17,572	49,422	130	49,553	(4,673)	44,880
Segment assets	97,960	9,844	218,711	326,517	913	327,430	206,666	534,097
Other items								
Depreciation	3,507	206	5,613	9,327	34	9,361	152	9,514
Impairment losses	1,211	–	–	1,211	–	1,211	–	1,211
Amortization of goodwill	1,587	–	241	1,828	–	1,828	–	1,828
Balance of unamortized goodwill	–	–	2,032	2,032	–	2,032	–	2,032
Increase in property, plant and equipment and intangible assets	5,083	294	13,820	19,198	17	19,215	348	19,564

(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 ¥4,673 million deducted from segment profit (loss) as adjustment consists of an addition of ¥6 million in intersegment transaction elimination, and a deduction of ¥4,680 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.

The ¥206,666 million added to segment assets as adjustment consists of a deduction of ¥17,863 million in intersegment transaction elimination, and an addition of ¥224,529 million in corporate assets that cannot be allocated to any reportable segment. The main items of corporate assets are the Company’s surplus funds (cash and deposits, securities and short-term loans receivable with resale agreement) as well as long-term investment funds (investment securities).

3. Segment profit (loss) is adjusted with operating profit stated in the consolidated statement of income.

(Per share information)

(Yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Net assets per share	2,241.23	2,344.59
Basic earnings per share	167.24	190.37

(Notes) 1. Diluted earnings per share is not presented because there are no dilutive shares.

2. The basis for calculation of basic earnings per share is as follows:

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Profit attributable to owners of parent (millions of yen)	29,568	33,430
Main components of amount not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common stock (millions of yen)	29,568	33,430
Average number of shares of common stock during period (shares)	176,797,902	175,612,981

3. The basis for calculation of net assets per share is as follows:

	As of February 28, 2022	As of February 28, 2023
Total net assets (millions of yen)	409,181	423,691
Amount to be deducted from total net assets (millions of yen)	13,458	14,384
(of which, non-controlling interests (millions of yen))	13,458	14,384
Net assets related to common stock at end of period (millions of yen)	395,722	409,306
Number of shares of common stock at end of period used in the calculation of net assets per share (shares)	176,565,041	174,574,751

(Significant subsequent events)

Not applicable.