

November 8, 2024

## Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: Tohokushinsha Film Corporation  
 Listing: Tokyo Stock Exchange  
 Securities code: 2329  
 URL: <https://www.tfc.co.jp/>  
 Representative: Keiichi Kosaka, President & CEO, Representative Director  
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 Scheduled date to file semi-annual securities report: November 8, 2024  
 Scheduled date to commence dividend payments: December 16, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024 )

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2024	19,811	(18.6)	809	2.0	1,026	344.1	1,676	24.6
September 30, 2023	24,341	(4.9)	793	(62.4)	231	(90.4)	1,345	4.1

Note: Comprehensive income For the six months ended September 30, 2024: ¥ 2,378 million [ 8.6 % ]  
 For the six months ended September 30, 2023: ¥ 2,189 million [ 5.2 % ]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended				
September 30, 2024	12.43	-	-	-
September 30, 2023	9.98	-	-	-

Note: On July 1, 2024, the Company conducted a share split at a ratio of 3 shares per share of common shares. Net income per share" and "Diluted net income per share" are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio	
	Millions of yen		Millions of yen		%	
As of						
September 30, 2024	93,439	85.2	80,456	85.2		
March 31, 2024	97,871	83.3	82,419	83.3		

Reference: Equity  
 As of September 30, 2024: ¥ 79,604 million  
 As of March 31, 2024 : ¥ 81,572 million

### 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended					
March 31, 2024	-	0.00	-	78.00	78.00
Fiscal year ending					
March 31, 2025	19.00	6.67			
Fiscal year ending					
March 31, 2025 (Forecast)			6.33	6.67	

Note: Revisions to the forecast of cash dividends most recently announced: None

2. On July 1, 2024, the Company conducted a share split at a ratio of 3 shares per share of common shares. The figures for the fiscal year ending March 31, 2024 and the end of the first quarter of the fiscal year ending March 31, 2025 represent the actual dividend amount prior to the stock split. The annual dividend forecast is not shown because a simple comparison is not possible due to the implementation of a stock split. The annual dividend without considering the stock split would be 78.01 yen per share, the same level as the previous year.

### 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		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									
March 31, 2025	46,045	(12.8)	2,163	(19.2)	2,705	22.1	3,469	(13.7)	25.72

Note: Revisions to the earnings forecasts most recently announced: None

2. On July 1, 2024, the Company conducted a share split at a ratio of 3 shares per share of common shares. Net income per share" in the forecast of consolidated financial results takes into account the effect of this stock split. Net income per share" without considering the stock split would be 77.15 yen.

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1 company ( Star Channel Inc. )

Note: For details, please refer to "2. Interim Consolidated Financial Statements and Major Notes (4) Notes to Interim Consolidated Financial Statements (Notes on Changes in Scope of Consolidation or Application of Equity Method)" on page 10 of the attached document.

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to "2. Interim Consolidated Financial Statements and Major Notes (4) Notes to Interim Consolidated Financial Statements (Notes on accounting procedures specific to preparation of interim consolidated financial statements)" on page 10 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2024	140,206,002 shares
As of March 31, 2024	140,206,002 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2024	5,271,963 shares
As of March 31, 2024	5,360,787 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	134,877,735 shares
Six months ended September 30, 2023	134,845,412 shares

Note: On July 1, 2024, the Company conducted a share split at a ratio of 3 shares per share of common shares. "Total number of issued shares at the end of the period," "number of treasury shares at the end of the period," and "average number of shares outstanding during the period" are calculated on the assumption that the said share split was conducted at the beginning of the previous fiscal year.

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual financial results, etc. may differ substantially due to various factors. Please refer to "1. Operating Results (3) Explanation of Forward-Looking Statements" on page 3 of the attached materials for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

## Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	45,710	50,151
Notes and accounts receivable - trade, and contract assets	10,704	5,933
Securities	73	33
TV exhibition rights and Videogram rights	2,368	899
Work in process	2,255	3,408
Other inventories	186	253
Other	840	923
Allowance for doubtful accounts	(14)	(8)
<b>Total current assets</b>	<b>62,124</b>	<b>61,595</b>
Non-current assets		
Property, plant and equipment		
Land	11,972	12,066
Other, net	5,583	5,395
<b>Total property, plant and equipment</b>	<b>17,555</b>	<b>17,462</b>
Intangible assets		
Goodwill	1,309	1,225
Customer-related intangible assets	811	759
Other	265	184
<b>Total intangible assets</b>	<b>2,387</b>	<b>2,169</b>
Investments and other assets		
Investment securities	14,577	11,088
Other	1,468	1,354
Allowance for doubtful accounts	(241)	(231)
<b>Total investments and other assets</b>	<b>15,804</b>	<b>12,211</b>
<b>Total non-current assets</b>	<b>35,747</b>	<b>31,843</b>
<b>Total assets</b>	<b>97,871</b>	<b>93,439</b>

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	7,827	5,796
Short-term borrowings	283	111
Income taxes payable	682	1,319
Provision for bonuses	823	666
Other	2,750	2,365
Total current liabilities	12,367	10,259
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	347	333
Retirement benefit liability	1,255	996
Other	1,482	1,392
Total non-current liabilities	3,084	2,723
Total liabilities	15,451	12,982
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,487	2,487
Capital surplus	3,588	3,607
Retained earnings	71,637	68,954
Treasury shares	(1,728)	(1,699)
Total shareholders' equity	75,984	73,349
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,705	3,395
Foreign currency translation adjustment	1,598	2,628
Remeasurements of defined benefit plans	284	231
Total accumulated other comprehensive income	5,588	6,255
Non-controlling interests	847	851
Total net assets	82,419	80,456
<b>Total liabilities and net assets</b>	<b>97,871</b>	<b>93,439</b>

## Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	24,341	19,811
Cost of sales	17,518	14,090
Gross profit	6,822	5,720
Selling, general and administrative expenses	6,029	4,911
Operating profit	793	809
Non-operating income		
Interest income	49	84
Dividend income	90	89
Foreign exchange gains	-	15
Consulting fee income	54	56
Rental income from buildings	124	218
Other	28	20
Total non-operating income	347	484
Non-operating expenses		
Interest expenses	16	4
Share of loss of entities accounted for using equity method	92	7
Foreign exchange losses	113	-
Rental costs on real estate	50	114
Loss on investments in investment partnerships	608	127
Commission expenses	17	10
Other	10	1
Total non-operating expenses	909	266
Ordinary profit	231	1,026
Extraordinary income		
Gain on sale of non-current assets	1,041	14
Gain on sale of investment securities	-	347
Gain on sale of shares of subsidiaries and associates	640	4,141
Total extraordinary income	1,682	4,503
Extraordinary losses		
Impairment losses	-	205
Loss on valuation of investment securities	-	2,065
Expenses related to the proposed Tender Offer	-	122
Total extraordinary losses	-	2,392
Profit before income taxes	1,913	3,137
Income taxes	443	1,426
Profit	1,470	1,711
Profit attributable to non-controlling interests	125	34
Profit attributable to owners of parent	1,345	1,676

## Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,470	1,711
Other comprehensive income		
Valuation difference on available-for-sale securities	43	(310)
Foreign currency translation adjustment	731	1,030
Remeasurements of defined benefit plans, net of tax	(73)	(52)
Share of other comprehensive income of entities accounted for using equity method	18	-
Total other comprehensive income	719	667
Comprehensive income	2,189	2,378
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,064	2,343
Comprehensive income attributable to non-controlling interests	125	34

## Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,913	3,137
Depreciation	639	426
Impairment losses	-	205
Amortization of goodwill	126	84
Increase (decrease) in allowance for doubtful accounts	7	(5)
Interest and dividend income	(139)	(173)
Interest expenses	16	4
Share of loss (profit) of entities accounted for using equity method	92	7
Loss (gain) on sale of non-current assets	(1,041)	(14)
Decrease (increase) in trade receivables	5,186	4,342
Decrease (increase) in inventories	(1,419)	(797)
Increase (decrease) in trade payables	(922)	(1,210)
Loss (gain) on sale of investment securities	-	(347)
Increase (decrease) in provision for bonuses	(163)	(153)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(16)	(13)
Increase (decrease) in retirement benefit liability	(88)	(139)
Decrease (increase) in retirement benefit asset	10	8
Loss (gain) on valuation of investment securities	-	2,065
Loss (gain) on sale of shares of subsidiaries and associates	(640)	(4,141)
Loss (gain) on investments in capital	6	(1)
Loss (gain) on investments in investment partnerships	608	127
Increase (decrease) in advances received	659	499
Decrease (increase) in advance payments to suppliers	(80)	(19)
Increase (decrease) in accrued consumption taxes	(48)	(340)
Decrease(Increase) in Deffered consumer tax	(1)	(12)
Other, net	448	(628)
Subtotal	5,154	2,907
Interest and dividends received	152	191
Interest paid	(16)	(4)
Income taxes paid	(784)	(635)
Income taxes refund	6	5
Net cash provided by (used in) operating activities	4,512	2,463

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(253)	(140)
Proceeds from sale of property, plant and equipment	1,909	18
Purchase of investment securities	(80)	(65)
Proceeds from sale of investment securities	-	1,257
Purchase of intangible assets	(44)	(19)
Payments into time deposits	(2,542)	(2,713)
Proceeds from withdrawal of time deposits	2,637	2,754
Proceeds from collection of short-term loans receivable	-	2,400
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	994	2,334
Other, net	(4)	7
Net cash provided by (used in) investing activities	2,614	5,834
Cash flows from financing activities		
Repayments of long-term borrowings	(171)	(171)
Dividends paid	(854)	(4,359)
Dividends paid to non-controlling interests	(20)	(29)
Repayments of lease liabilities	(174)	(104)
Other, net	(5)	-
Net cash provided by (used in) financing activities	(1,226)	(4,666)
Effect of exchange rate change on cash and cash equivalents	85	259
Net increase (decrease) in cash and cash equivalents	5,986	3,891
Cash and cash equivalents at beginning of period	35,288	43,343
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	74
Cash and cash equivalents at end of period	41,274	47,310