

Tohokushinsha Film Corporation

Summary of Financial Results

for 1H of the Fiscal Year Ending March 31, 2025

*- Japanese GAAP, Consolidated Results -
December 24, 2024*





FY2024 1H Financial Results Full-year Forecasts

The earnings forecast is based on the "Notice Regarding Recording of Extraordinary Loss and Revision of Earnings Forecast" announced on June 27, 2024, during the period.

From FY2021, the Company has adopted the Accounting Standard for Revenue Recognition and the results and forecasts are based on this standard.

At the Company, the principal change in accounting for sales from various types of agency transactions is from gross amounts to net amounts.

(Hereinafter referred to as "impact of applying revenue recognition")

Net sales: ¥19.8 billion (-¥4.5 billion YoY), Operating income: ¥0.8 billion (+¥0.01 billion YoY), Net income after taxes: ¥1.7 billion (+¥0.3 billion YoY)

Net sales: Increased in <Advertising> while decreased in <Content>; decreased in <Broadcasting> and <Others (Retail/merchandising, etc.)> due to transfer of the Star Channel business and the supermarket business

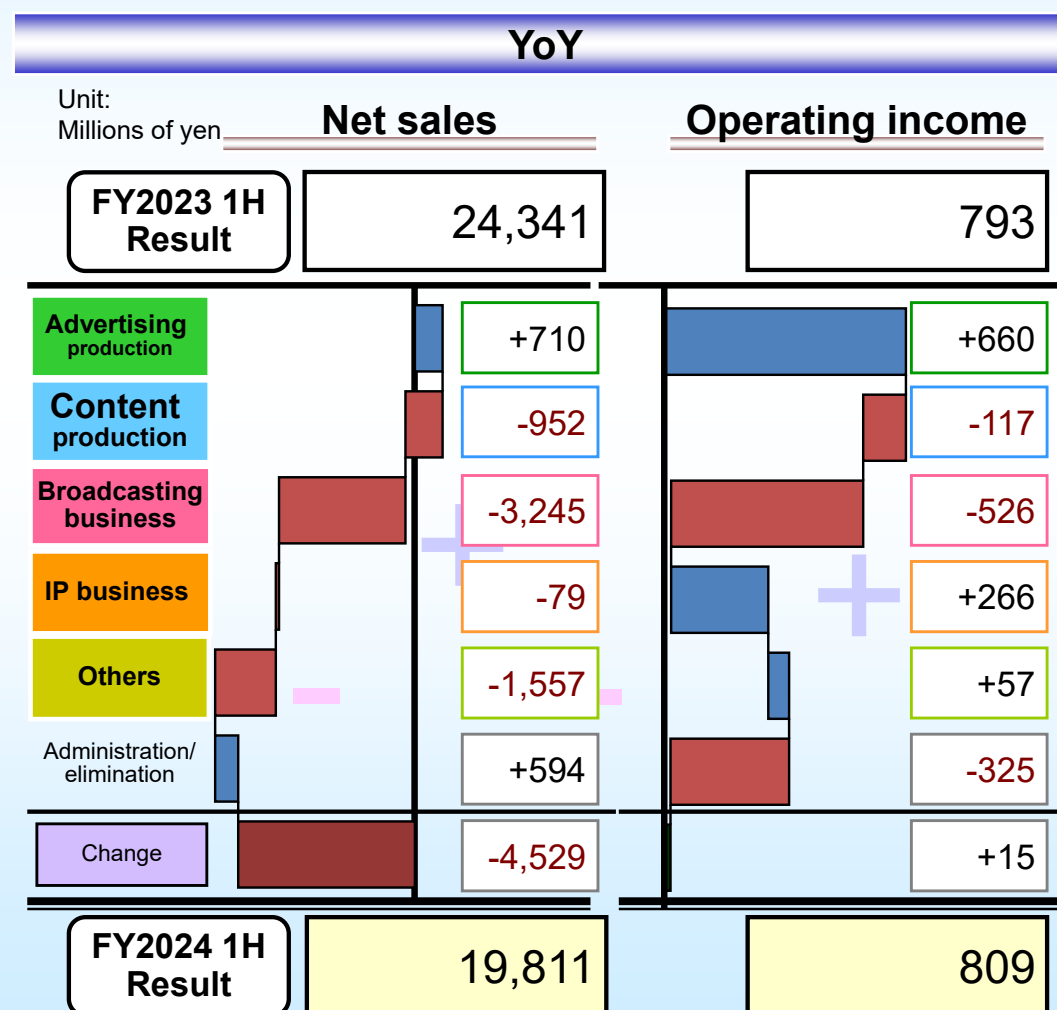
Operating income: Increased in <Advertising>, <IP>, and <Others>; decreased in <Content> and <Broadcasting>.

* Non-operating income increased due to the impact of the previous year's loss on investments in investment partnerships (-¥0.6 billion).

Unit: Millions of yen
(Amounts less than one million yen have been rounded down.)

FY2024 1H Result (cumulative)

		YoY
Net sales	19,811	-4,529 -18.6%
Cost of sales	14,090	-3,427 -19.6%
SG&A expenses	4,911	-1,117 -18.5%
Operating income	809	+15 +2.0%
Operating margin	4.1%	+0.8 pt
Non-operating income	217	+780
Ordinary income	1,026	+795 +344.1%
Recurring margin	5.2%	+4.2 pt
Extraordinary income (loss)	2,110	+428
Net income after taxes	1,676	+331 +24.6%
Net margin	8.5%	+3.0 pt



Forecast sales of ¥46.0 billion (-¥6.7 billion YoY), operating income of ¥2.2 billion (-¥0.4 billion YoY), and net income of ¥3.5 billion (+¥0.5 billion YoY)

Net sales: <Broadcasting> and <Others> There was a large decrease in due to the sale of the Star Channel business and the supermarket business, respectively
 Operating income: <Advertising>, <Content>, and <IP> An increase is forecast; <Broadcasting> A decrease is forecast

Unit: Millions of yen
 (Amounts less than one million yen have been rounded down.)

FY2024 Full Year Forecast (cumulative)

		YoY
Net sales	46,045	-6,774 -12.8%
Cost of sales	33,855	-5,163 -13.2%
SG&A expenses	10,027	-1,095 -9.8%
Operating income	2,163	-381 -14.2%
Operating margin	4.7%	-0.4 pt
Non-operating income	541	+1,005
Ordinary income	2,705	+490 +22.1%
Recurring margin	5.9%	+1.7 pt
Extraordinary income (loss)	2,374	+443
Net income after taxes	3,469	-552 -13.7%
Net margin	7.5%	-0.1 pt

	YoY	
	Net sales	Operating income
Unit: Millions of yen		
FY2023 Full Year Results	52,819	2,678
Advertising production	+27	+215
Content production	-1,098	+435
Broadcasting business	-5,795	-623
IP business	-600	+311
Others	-1,628	-42
Administration/elimination	+1,486	-677
Change	-7,608	-381
FY2024 Full Year Forecast	46,045	2,163

Total assets: ¥93.4 billion (YoY -¥4.4 billion)

Increase in cash and deposits due to collection of accounts receivable – trade at the end of the previous term and the sale of the supermarket business

Mar. 31, 2024

Sep. 30, 2024

YoY

Unit: Millions of yen




Points

	Mar. 31, 2024	Share	Sep. 30, 2024	Share	YoY	
Total Assets	97,871	100.0%	93,439	100.0%	-4,432	
Assets	Current assets	63.5%	61,595	65.9%	-529	<ul style="list-style-type: none"> ■ Increase in cash and deposits +¥4.4 billion * Mainly due to a ¥2.5 billion increase in operating cash flow, the sale of the Star Channel business and -¥4.35 billion due to dividend payments ■ Trade notes & accounts receivable -¥4.7 billion * Due to shortened payment terms from advertising firms and the receipt of accounts receivable - trade at the end of the previous term ■ Investments and other assets -¥3.5 billion * A -¥2.7 billion in sale of investment partnership, a -¥0.5 billion in sales of securities, etc.
	Cash and deposit	45,710	50,151	+4,441		
	Trade notes & accounts receivable	10,704	5,933	-4,771		
	Entertainment content exploitation rights	2,368	899	-1,468		
	Work in progress	2,255	3,408	+1,153		
	Fixed assets	36.5%	31,843	34.1%	-3,903	
Tangible fixed assets	17,555	17,462	-92			
Intangible fixed assets	2,387	2,169	-217			
Investments and other assets	15,804	12,211	-3,592			
Liabilities / Net Assets	Liabilities	15.8%	12,982	13.9%	-2,469	<ul style="list-style-type: none"> ■ Equity ratio: 85.2% ■ Current net income +¥1.7 billion ■ Dividend paid -¥4.4 billion ■ Foreign currency translation adjustment +¥1.0 billion ■ Valuation difference on securities -¥0.3 billion
	Current liabilities	12,367	10,259	-2,107		
	Fixed liabilities	3,084	2,723	-361		
	Net assets	84.2%	80,456	86.1%	-1,963	
	Capital stock	2,487	2,487	±0		
Capital surplus/retained earnings	75,225	72,561	-2,664			
Treasury earnings	-1,728	-1,699	+28			
Other comprehensive income	5,588	6,255	+667			

Cash and cash equivalents at end of 1H: ¥47.3 billion (Change during 1H: +¥4.0 billion)

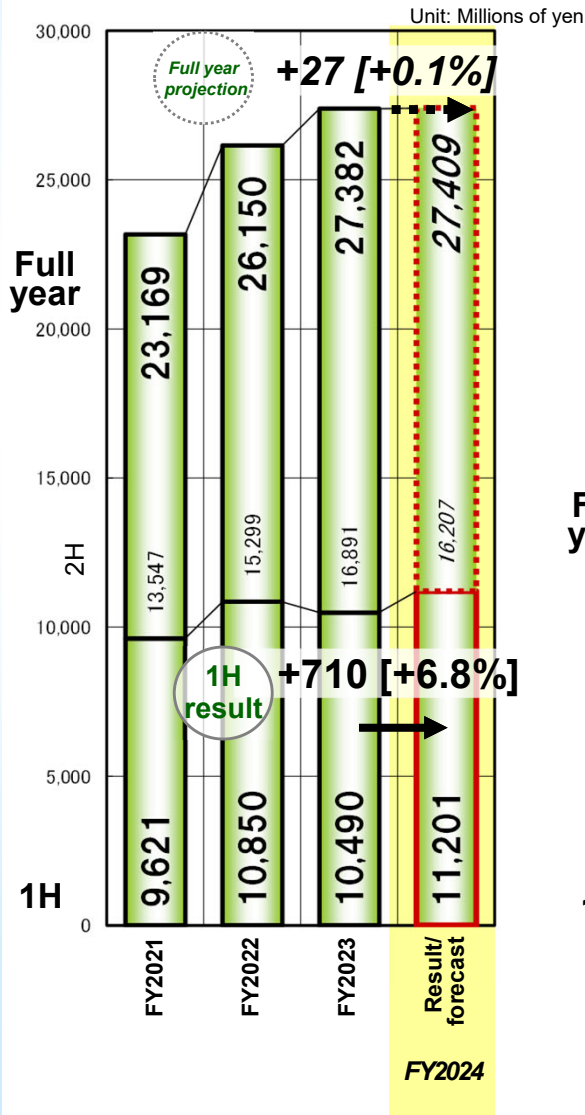
Cash flows from operating activities +¥2.4 billion, cash flows from investing activities +¥5.8 billion, cash flows from financing activities -¥4.7 billion

Unit: Millions of yen

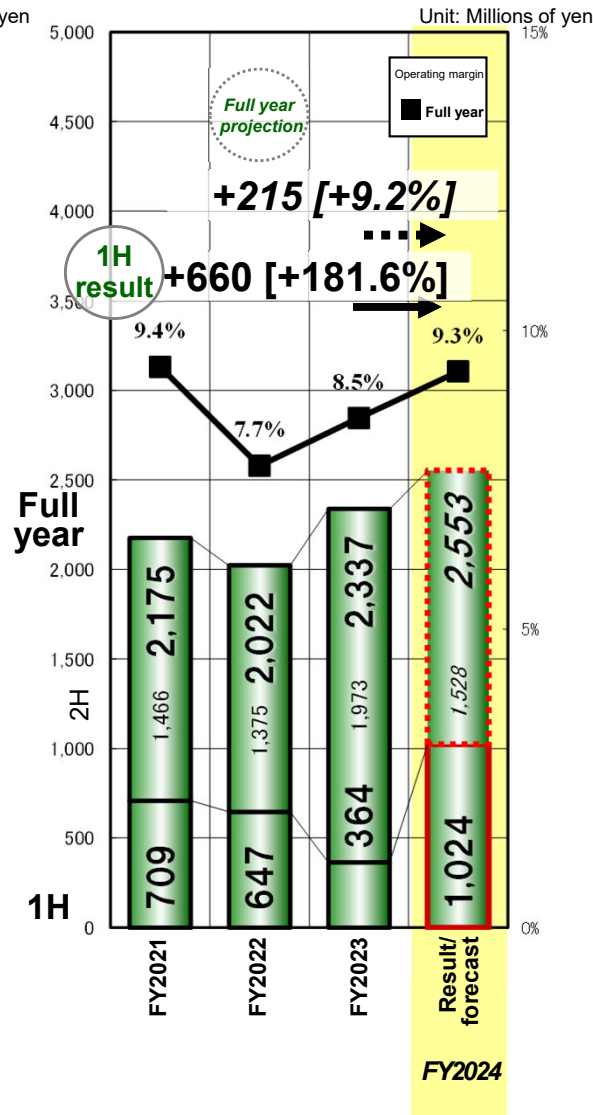
	6 months ended September 30, 2023 (From April 1 to September 30, 2023)	6 months ended September 30, 2024 (From April 1 to September 30, 2024)	
Operating Activities:			
Net income before tax	1,913	3,137	
Depreciation and amortization	639	426	
Gain on sale of tangible fixed assets	-1,041	-14	
Decrease (increase) in operating receivables	5,186	4,342	
Increase (decrease) in operating payables	-922	-1,210	
Loss (gain) on sale of shares of affiliates	-640	-4,141	
Increase (decrease) in advances received	659	499	
Others	-640	-132	
Subtotal	5,154	2,907	
Interest, corporate tax, etc.	-641	-443	
Net cash flows from operating activities	4,512	2,463	 <ul style="list-style-type: none"> ■ Mainly due to collection of accounts receivable - trade and income before income taxes
Investing Activities:			
Balance of time deposit	95	40	
Balance of tangible fixed assets	1,655	-121	
Balance of intangible fixed assets	-44	-19	
Balance of investment securities	-80	1,192	
Proceeds from sale of shares of subsidiaries	994	2,334	
Other	-4	2,407	
Net cash flows from investing activities	2,614	5,834	 <ul style="list-style-type: none"> ■ Mainly due to proceeds related to the sale of the Star Channel business and the sale of the investment partnership
Financing Activities:			
Balance of short/long-term loans payable	-171	-171	
Repayment of lease obligations	-174	-104	
Cash dividends paid	-872	-4,389	
Others	-5	0	
Net cash flows from financing activities	-1,226	-4,666	 <ul style="list-style-type: none"> ■ Dividend paid -¥4.4 billion
Cash and cash equivalents:			
Cash and cash equivalents at beginning of period	35,288	43,343	
After conversion: Increase	5,986	3,966	
Cash and cash equivalents at end of period	41,274	47,310	

The ongoing proactive order-taking activities from the previous term have been successful and forecast an increase in sales and profits for the full year following the first half.

Net sales



Operating income



Highlights of performance

- <Commercial production>
 1H: Sales increased and profits grew significantly as a result of enhanced order-taking activities and profit management.
 2H: Forecast year-on-year increases in both sales and profits for the full year.
- Sales decreased due to the impact of the change in the fiscal term of ENJIN in the previous term (-¥0.6 billion)
- <Sales promotion>
 An increase is expected in both sales and profits as a result of increased staffing and a steady increase in orders received directly from clients and other orders for the spring campaign.

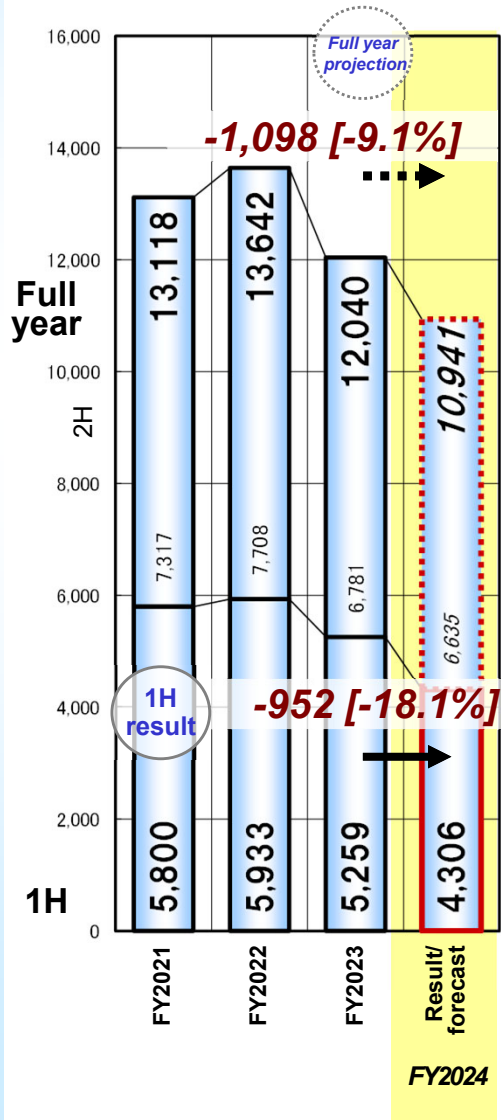
Full-year projection for the segment

		YoY
Sales:	¥27.4 bil.	+¥0.03 bil. [+0.1%]
Operating income:	¥2.5 bil.	+¥0.22 bil. [+9.2%]

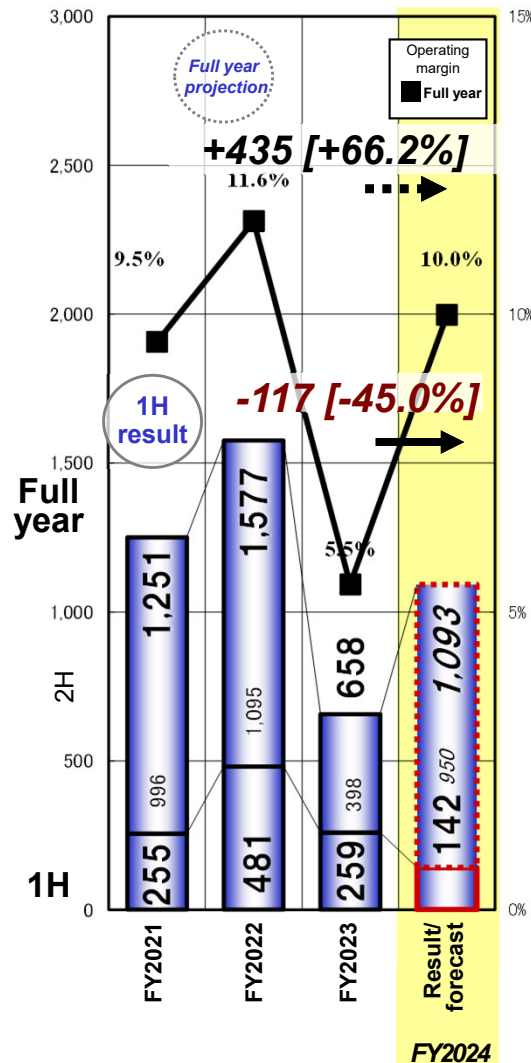
<Production of dubs and subtitles> Sales and profits decreased due to a weak recovery in performance following the strikes in the U.S. in the previous year and the impact of streaming service providers narrowing their selection of works.

<Digital production> Worked on structural reforms. Orders for large-scale CGI works were not received, contributing to a decrease in sales and profits.

Net sales



Operating income



Highlights of performance

- <Production of dubs and subtitles>
Following the strikes by SAG-AFTRA actors and the Writers Guild of America in the previous year, new orders declined due to the trend of distribution platforms narrowing their selection of works. Decrease in orders for games from major clients also had an impact. Working to increase orders in the second half.
- <Production of movies and TV programs>
Continued decrease in production for own CS channels, strengthening of efforts to acquire external projects. Expect an increase in sales and profits as a result of producing a new series of "GARO."
- <Digital production>
Worked on business restructuring and reduced part of the TV program editing operation. Expect a decrease in sales and profits due to a lack of orders received for large-scale CGI works.

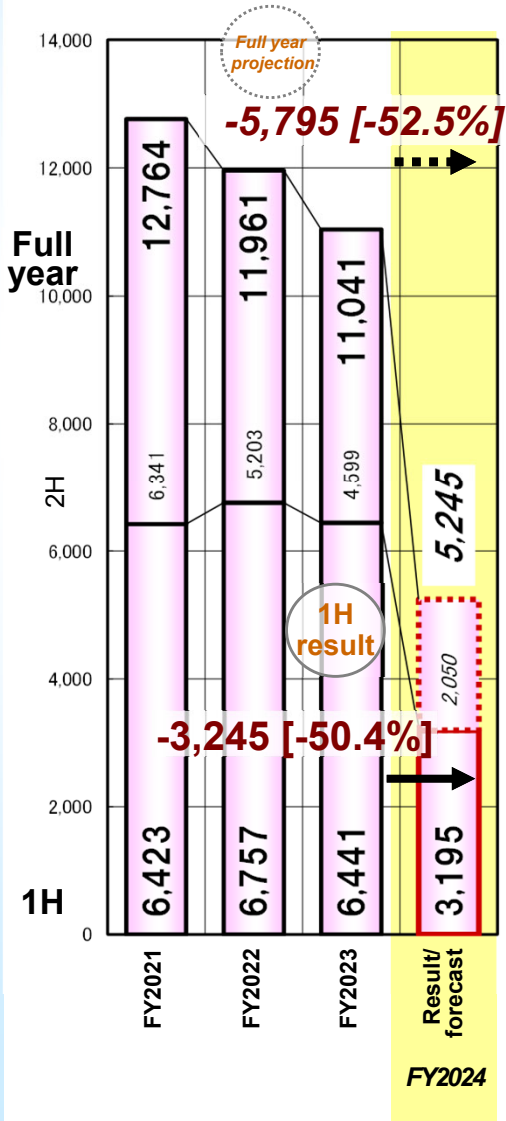
Full-year projection for the segment

		YoY
Sales:	¥10.9 bil.	-¥1.10 bil. [-9.1%]
Operating income:	¥1.1 bil.	+¥0.44 bil. [+66.2%]

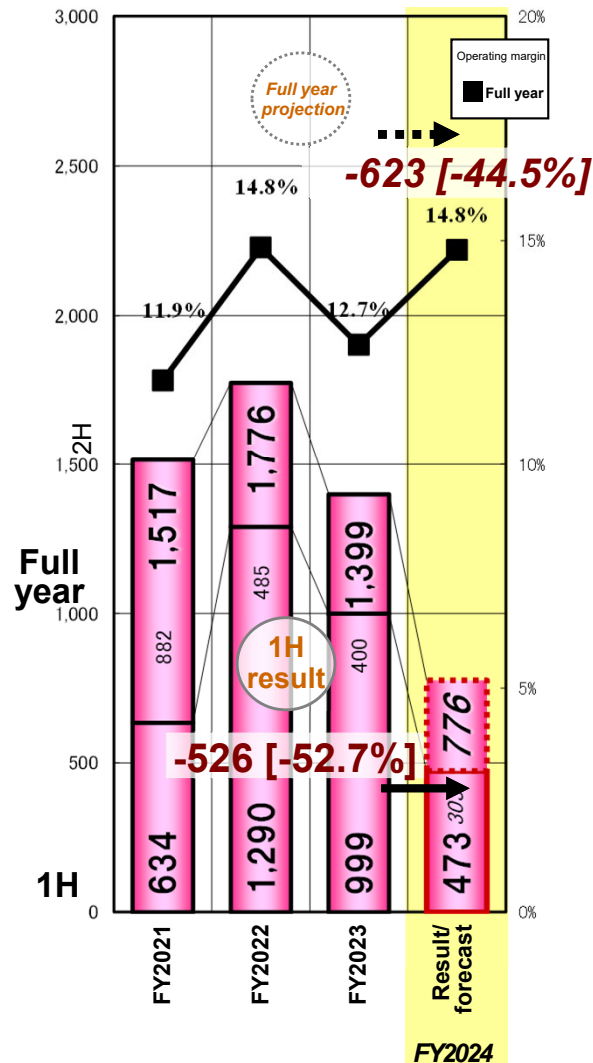
Sales and profits decreased due to the sale of the Star Channel business, etc.

There is also an impact from the change in the fiscal term of consolidation channels implemented in the previous term.

Net sales



Operating income



Highlights of performance

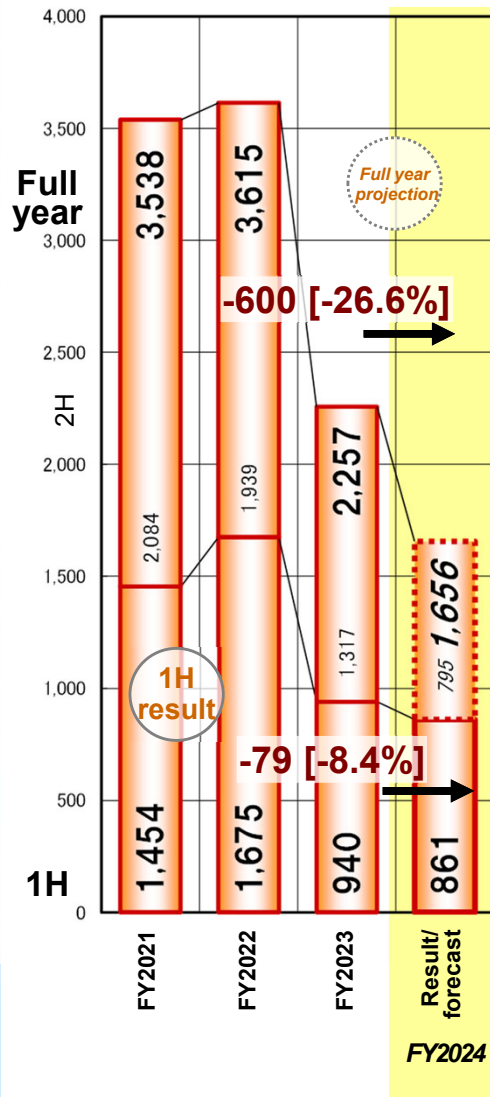
- Sales decreased due to the sale of the Star Channel business (end of May).
- The change in the fiscal term (Star Channel/Igo Shogi) during the previous term had an impact on the decrease in sales and profits.
- Strive to reduce costs by reducing program production and promotion expenses.

Full-year projection for the segment

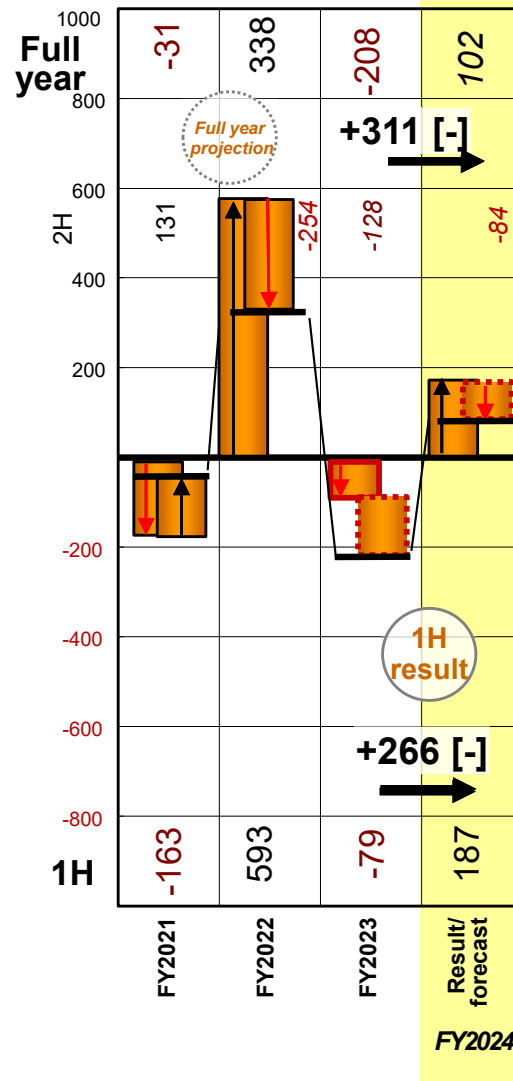
		YoY
Sales:	¥5.2 bil.	-¥5.80 bil. [-52.5%]
Operating income:	¥0.7 bil.	-¥0.62 bil. [-44.5%]

<Rights> Profits increased due to the contribution of the GARO project and the impact of the front-loaded write-offs that occurred in the previous term.

Net sales



Operating income



Highlights of performance

<TV distribution>

- Forecast a decrease in sales and profits due to the sale of the Star Channel business.

<Rights>

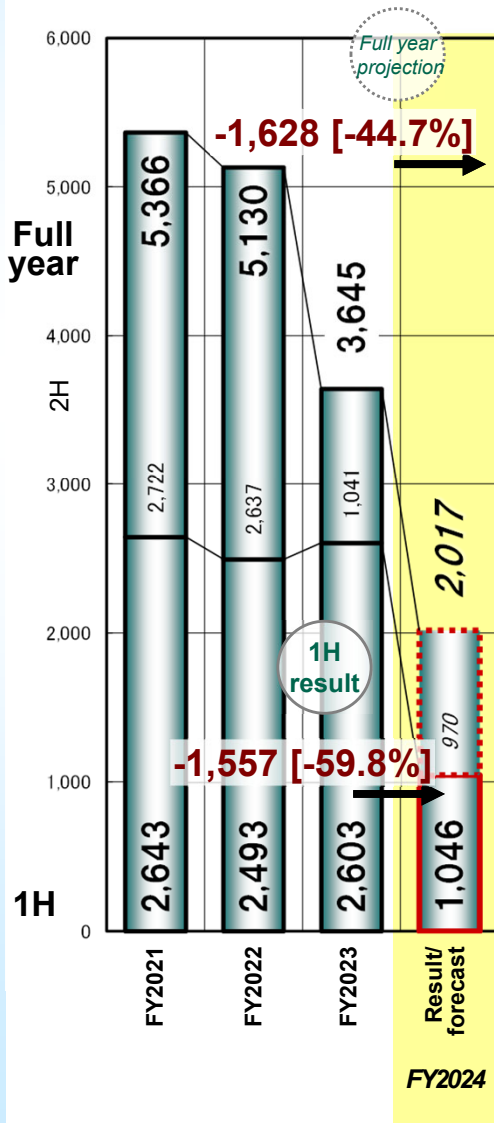
- Royalty from sales of "GARO" contributed.
- Also, executed licensing agreements for Audrey Hepburn.
- Forecast an increase in profits despite a decrease in sales.

Full-year projection for the segment

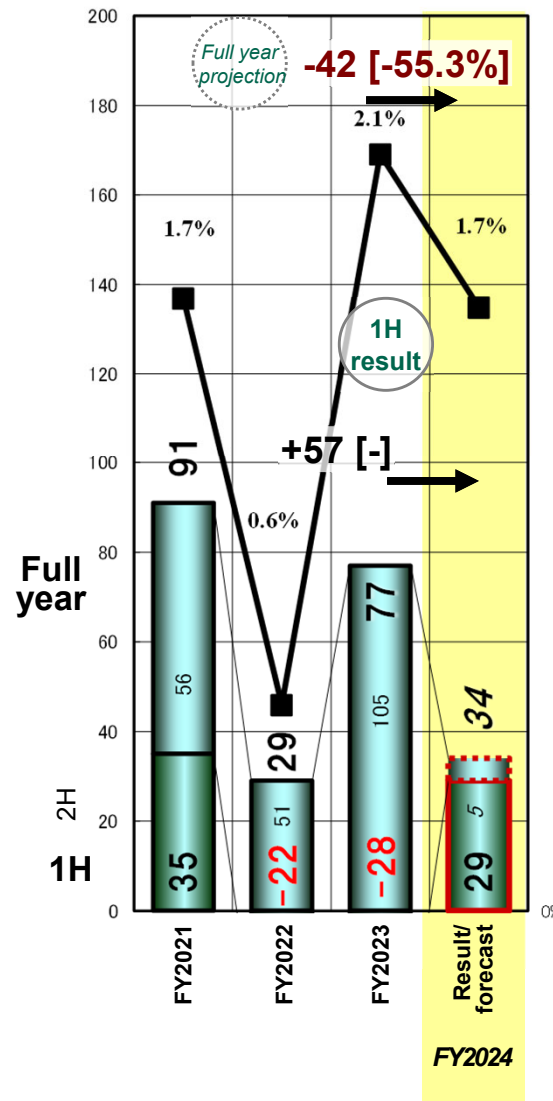
		YoY
Sales:	¥1.7 bil.	-¥0.60 bil. [-26.6%]
Operating income:	¥0.1 bil.	+¥0.31 bil. [-]

Sales decreased due to the full-year effect of the sale of the supermarket business.

Net sales



Operating income



Highlights of performance

- Sales decreased due to the full-year effect of the sale of the supermarket business at the end of September of the previous year.

Full-year projection for the segment

		YoY
Sales:	¥2.0 bil.	-¥1.63 bil. [-44.7%]
Operating income:	¥0.03 bil.	-¥0.04 bil. [-55.3%]



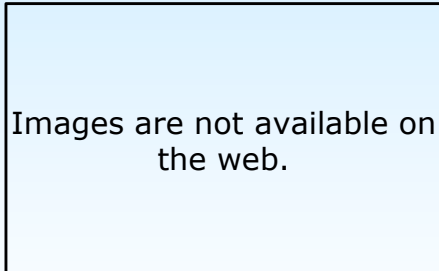
Business Topics

CAINZ CORPORATION "The Story of a Chair for Two" - Brand concept "Kurashi DIY" video



* JAAP Award 2024
Award for Design Excellence

Suntory Holdings Limited "Real Chinese Food Creator CM"



* YouTube Works Awards Japan 2024
BEST SHORTS ADS Category Winner

SANFUJI PLANNING Co., Ltd. "Two Cool People"



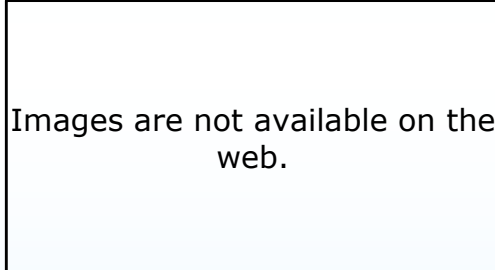
* The 11th Brain Online Video Award
"BOVA" Sponsor Award

Massmedian Co., Ltd. "Destiny"



* The 11th Brain Online Video Award
"BOVA" Sponsor Award

**Kansai Electrical Safety Inspection Association
The man whose partner became the Kansai
Electrical Safety Inspection Association**



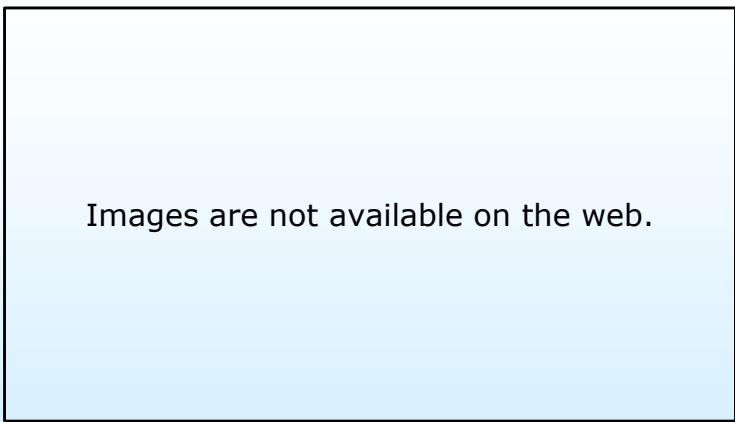
* The 11th Brain Online Video Award "BOVA"
Advertiser Category Silver

**<OND° /NIBAN-KOBO PRODUCTIONS CORP.>
Suntory Beverage & Food Limited
"The Youth C Side"**



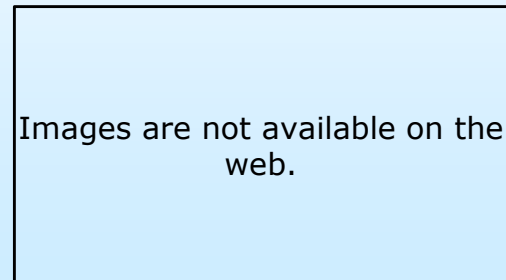
* The 11th Brain Online Video Award "BOVA"
General Public Entry Category Silver

**MIXI, Inc.
"Our Real Monster Hunter Stories"**



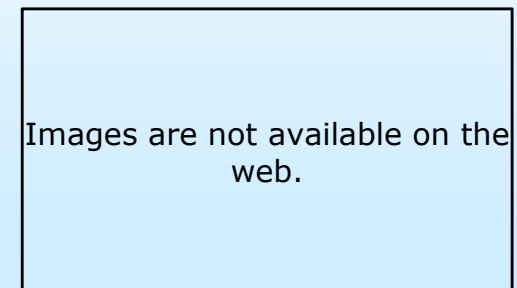
* YouTube Works Awards Japan 2024
Best Brand Lift Category Winner
* The 11th Brain Online Video Award "BOVA"
Advertiser Category Gold

**<Tohokushinsha/ENJIN TOKYO-OND° >
Maruho Co., Ltd.
"The Weak Champion"**



* The 11th Brain Online Video Award
"BOVA" Sponsor Award

**NIPPON PAPER CRECIA Co., Ltd.
"The Species Called 'Idols'"**



* The 11th Brain Online Video Award
"BOVA" Sponsor Award

Sayuri

Released on August 23, 2024

* Movie invested in by TFC

Produced by Production 2 Dept., #1 Center, Video Production Div.

©2024 "Sayuri" Production Committee



Dramatism "The Flawless Revenge by the Flawless Wife"

Produced by Production 1 Dept., #1 Center, Video Production Div.

©"Kanpeki Wife ni Yoru Kanpeki na Fukushuu Keikaku" Production Committee, MBS



STU48 Imousu TV

Produced by Production 4 Dept., #2 Center, Video Production Div.

©Tohokushinsha



AKB48 Nemousu TV

Produced by Production 3 Dept., #2 Center, Video Production Div.

©Tohokushinsha



Johnetsu-Tairiku, the Documentary, Mainichi Broadcasting System

Actor and singer: Erika Ikuta
Jazz trumpet player: Shutaro Matsui

Collaboration by Production 3 Dept., #2 Center, Video Production Div.
©MBS



Another Stories: Fate's Crossroads

Revival: Simon & Garfunkel in Central Park
The 24 Days That Shook Taiwan: The Truth About the Sunflower Student Movement

Collaboration by Production 3 Dept., #2 Center, Video Production Div.
©NHK



Dark Side Mystery

Where is the real horror? The Ed Gein Case: The Man Called Psycho The "modern Lupin" of love and grief!
The man who stole art worth 240 billion yen!?

Collaboration by Production 3 Dept., #2 Center, Video Production Div.
©NHK

Is this Hitachi too? The training diary of Abareru-kun, an employee on probation

Produced by Production 3 Dept., #2 Center, Video Production Div.
©Tohokushinsha



Beetlejuice Beetlejuice

Released for Cinema on September 27, 2024

Japanese Dubbed Subtitled Versions Production

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Ramen Akaneko

(Animation) Audio Production

©Angyaman / SHUEISHA Ramen Akaneko
Production Committee



Furiosa: A Mad Max Saga

Released for Cinema on May 31, 2024

Japanese Dubbed Subtitled Versions Production

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THE COLORS WITHIN

Released for Cinema on
August 30, 2024

(Animation) Audio
Production

©2024 "THE COLORS WITHIN"
Production Committee



Look Back

Released for Cinema on June 28, 2024

(Animation) Audio Production

©Tatsuki Fujimoto / SHUEISHA ©2024 "Look Back"
Production Committee



■ **Works distributed by TFC**

Batiment 5

Released on May 24, 2024

©SRAB FILMS – LYL Y FILMS – FRANCE 2 CINÉMA
– PANACHE PRODUCTIONS
– LA COMPAGNIE CINÉMATOGRAPHIQUE – 2023



My Neighbor Adolf

Released on July 26, 2024

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and Film Produkcja



12 movie masterpieces to be released
monthly under the banner of "12-month
Cinema Relay 2024-2025"

Released on November 1, 2024

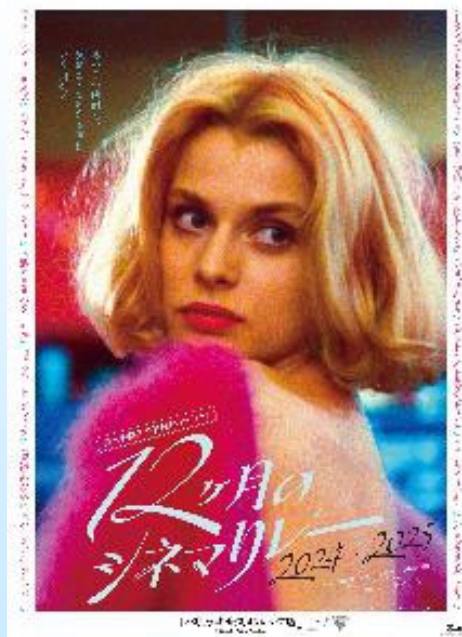
©1984 Road Movies Filmproduktion – Argos Films
Courtesy of Wim Wenders Stiftung – Argos Films

■ **Movies invested in by TFC**

Sayuri

Released on August 23, 2024

©2024 "Sayuri" Production Committee



Teogonia

TV broadcasting to start in 2025

©Maiji Tani / SHUFU TO SEIKATSU SHA Co., Ltd. / Teogonia
Production Committee





Within this report, performance projection figures have been calculated based on judgments and assumptions made with currently available information. Actual figures and results may differ from projections due to uncertain factors in such judgments/assumptions, and variability of future business administration and domestic/overseas situations.

Please also note that this report has been compiled to promote understanding on Tohokushinsha, and is not aimed at soliciting investment in this company.

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