

May 17, 2024

## Consolidated Financial Results for the Fiscal Year Ended March 31, 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 of annual general meeting of shareholders: June 27, 2024  
 Scheduled date to commence dividend payments: June 28, 2024  
 Scheduled date to file annual securities report: June 28, 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 fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	52,819	(5.5)	2,678	(36.3)	2,214	(54.1)	4,021	28.3
March 31, 2023	55,922	6.0	4,201	1.6	4,820	(12.5)	3,133	2.1

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥5,365 million [19.6%]  
 For the fiscal year ended March 31, 2023: ¥4,486 million [70.4%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	89.47	-	5.1	2.3	5.1
March 31, 2023	69.72	-	4.2	5.0	7.5

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2024: ¥(139) million  
 For the fiscal year ended March 31, 2023: ¥(65) million

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	97,871	82,419	83.3	1,814.81
March 31, 2023	97,148	77,946	79.5	1,718.36

Reference: Equity  
 As of March 31, 2024: ¥81,572 million  
 As of March 31, 2023: ¥77,237 million

#### (3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	6,087	4,062	(2,173)	43,343
March 31, 2023	4,655	(1,223)	(1,341)	35,288

### 2. Cash dividends

Fiscal year ended	Annual 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			
March 31, 2023	-	0.00	-	19.00	19.00	854	27.3	1.1
March 31, 2024	-	0.00	-	78.00	78.00	3,505	87.2	4.4
March 31, 2025 (Forecast)	19.00	20.00	19.00	20.00	78.00		68.8	

Note: The year-end dividend per share for the fiscal year ended March 31, 2024 was changed from ¥19 to ¥78. For details, please refer to the "Notice Concerning Dividend of Surplus (Dividend Increase)" released today (May 17, 2024).

### 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	5,098	26.8	113.42

#### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	46,735,334 shares
As of March 31, 2023	46,735,334 shares

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

As of March 31, 2024	1,786,929 shares
As of March 31, 2023	1,786,847 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	44,948,438 shares
Fiscal year ended March 31, 2023	44,948,487 shares

#### [Reference] Overview of non-consolidated financial results

##### 1. Non-Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

###### (1) Non-Consolidated operating results

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	27,923	(8.0)	(143)	-	3,437	0.7	6,232	127.5
March 31, 2023	30,356	2.2	1,456	(0.1)	3,413	4.3	2,739	37.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2024	138.65	-
March 31, 2023	60.95	-

###### (2) Non-Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	76,397	66,003	86.4	1,468.42
March 31, 2023	75,911	59,954	79.0	1,333.84

Reference: Equity

As of March 31, 2024: ¥ 66,003 million

As of March 31, 2023: ¥ 59,954 million

In the audio subtitling division, there was a decrease in orders from video distribution service companies, which had been strong in the previous fiscal year, as well as the impact of cancellations and postponements of production of foreign films, foreign dramas, and games due to the strike by the American Actors Equity Association, and a decrease in sales related to "GARO". On the other hand, ordinary income and net income increased due to gains on the transfer of shares and fixed assets associated with the transfer of the supermarket business of Nasional Bussan Corporation as described in the "Notice of Corporate Separation (Absorption-Type Demerger), Transfer of Subsidiary (Transfer of Shares), Transfer of Fixed Assets, Recording of Extraordinary Income and Revision of Business Forecast" disclosed on June 16, 2023, and the reversal of allowance for doubtful accounts and income tax (gain) adjustment associated with the conclusion of a transfer agreement of Star Channel Inc. as described in the "Notice of Change of Consolidated Subsidiary (Transfer of Shares)" disclosed on April 19, 2024.

\* 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

(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 "(4) Future outlook" of "1. Overview of Operating Results and Others" on page 4 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

## Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	37,583	45,710
Notes and accounts receivable - trade, and contract assets	14,410	10,704
Securities	96	73
TV exhibition rights and videogram rights	2,799	2,368
Work in process	2,105	2,255
Other inventories	506	186
Other	1,065	840
Allowance for doubtful accounts	(13)	(14)
<b>Total current assets</b>	<b>58,554</b>	<b>62,124</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	11,266	10,399
Accumulated depreciation	(6,377)	(5,934)
Buildings and structures, net	4,889	4,464
Machinery, equipment and vehicles	2,574	2,570
Accumulated depreciation	(1,679)	(2,040)
Machinery, equipment and vehicles, net	894	530
Land	13,492	11,972
Leased assets	492	333
Accumulated depreciation	(220)	(237)
Leased assets, net	271	95
Other	1,772	1,472
Accumulated depreciation	(1,212)	(980)
Other, net	560	492
<b>Total property, plant and equipment</b>	<b>20,107</b>	<b>17,555</b>
<b>Intangible assets</b>		
Goodwill	1,521	1,309
Customer-related intangible assets	942	811
Other	480	265
<b>Total intangible assets</b>	<b>2,944</b>	<b>2,387</b>
<b>Investments and other assets</b>		
Investment securities	14,295	14,577
Long-term loans receivable	70	70
Deferred tax assets	125	155
Retirement benefit asset	30	55
Other	1,240	1,187
Allowance for doubtful accounts	(220)	(241)
<b>Total investments and other assets</b>	<b>15,540</b>	<b>15,804</b>
<b>Total non-current assets</b>	<b>38,593</b>	<b>35,747</b>
<b>Total assets</b>	<b>97,148</b>	<b>97,871</b>

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	9,212	7,827
Short-term borrowings	700	-
Current portion of long-term borrowings	229	283
Lease liabilities	190	202
Income taxes payable	715	682
Provision for bonuses	869	823
Other	2,170	2,547
Total current liabilities	14,087	12,367
<b>Non-current liabilities</b>		
Long-term borrowings	440	-
Lease liabilities	343	353
Deferred tax liabilities	2,327	990
Provision for retirement benefits for directors (and other officers)	336	347
Retirement benefit liability	1,553	1,255
Other	112	137
Total non-current liabilities	5,113	3,084
Total liabilities	19,201	15,451
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,487	2,487
Capital surplus	3,588	3,588
Retained earnings	68,487	71,637
Treasury shares	(1,728)	(1,728)
Total shareholders' equity	72,834	75,984
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,035	3,705
Foreign currency translation adjustment	1,027	1,598
Remeasurements of defined benefit plans	340	284
Total accumulated other comprehensive income	4,402	5,588
Non-controlling interests	709	847
Total net assets	77,946	82,419
Total liabilities and net assets	97,148	97,871

## Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	55,922	52,819
Cost of sales	40,159	39,018
Gross profit	15,763	13,800
Selling, general and administrative expenses	11,561	11,122
Operating profit	4,201	2,678
Non-operating income		
Interest income	36	117
Dividend income	121	150
Gain on investments in capital	-	6
Gain on investments in investment partnerships	376	-
Consulting fee income	131	97
Rental income from buildings	239	327
Other	49	57
Total non-operating income	955	756
Non-operating expenses		
Interest expenses	15	21
Share of loss of entities accounted for using equity method	65	139
Loss on investments in capital	35	-
Loss on investments in investment partnerships	-	786
Foreign exchange losses	89	123
Rental costs on real estate	89	115
Commission expenses	25	28
Other	14	4
Total non-operating expenses	336	1,219
Ordinary profit	4,820	2,214
Extraordinary income		
Gain on sale of non-current assets	-	1,903
Gain on sale of investment securities	-	150
Gain on sale of shares of subsidiaries and associates	269	640
Total extraordinary income	269	2,694
Extraordinary losses		
Impairment losses	-	630
Loss on valuation of investment securities	2	52
Extra retirement payments	-	81
Total extraordinary losses	2	763
Profit before income taxes	5,087	4,145
Income taxes - current	1,488	1,659
Income taxes - deferred	357	(1,694)
Total income taxes	1,845	(34)
Profit	3,241	4,180
Profit attributable to non-controlling interests	107	158
Profit attributable to owners of parent	3,133	4,021

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,241	4,180
Other comprehensive income		
Valuation difference on available-for-sale securities	(71)	670
Foreign currency translation adjustment	1,073	556
Remeasurements of defined benefit plans, net of tax	216	(55)
Share of other comprehensive income of entities accounted for using equity method	26	13
Total other comprehensive income	1,244	1,185
Comprehensive income	4,486	5,365
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,378	5,206
Comprehensive income attributable to non-controlling interests	107	158

## Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,487	3,588	66,207	(1,728)	70,554
Dividends of surplus			(854)		(854)
Profit attributable to owners of parent			3,133		3,133
Purchase of treasury shares					-
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,279	-	2,279
Balance at end of period	2,487	3,588	68,487	(1,728)	72,834

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,107	(72)	123	3,158	652	74,365
Dividends of surplus						(854)
Profit attributable to owners of parent						3,133
Purchase of treasury shares						-
Change in scope of consolidation						-
Net changes in items other than shareholders' equity	(71)	1,099	216	1,244	56	1,301
Total changes during period	(71)	1,099	216	1,244	56	3,581
Balance at end of period	3,035	1,027	340	4,402	709	77,946

## Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,487	3,588	68,487	(1,728)	72,834
Dividends of surplus			(854)		(854)
Profit attributable to owners of parent			4,021		4,021
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			(17)		(17)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,149	(0)	3,149
Balance at end of period	2,487	3,588	71,637	(1,728)	75,984

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,035	1,027	340	4,402	709	77,946
Dividends of surplus						(854)
Profit attributable to owners of parent						4,021
Purchase of treasury shares						(0)
Change in scope of consolidation						(17)
Net changes in items other than shareholders' equity	670	570	(55)	1,185	138	1,323
Total changes during period	670	570	(55)	1,185	138	4,473
Balance at end of period	3,705	1,598	284	5,588	847	82,419



## Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,087	4,145
Depreciation	1,306	1,245
Impairment losses	-	630
Amortization of goodwill	169	211
Increase (decrease) in allowance for doubtful accounts	(4)	22
Interest and dividend income	(157)	(268)
Interest expenses	15	21
Share of loss (profit) of entities accounted for using equity method	65	139
Loss (gain) on sale of property, plant and equipment	-	(1,903)
Decrease (increase) in trade receivables	1,277	3,455
Decrease (increase) in inventories	1,269	438
Increase (decrease) in trade payables	(1,547)	(1,045)
Loss (gain) on sale of investment securities	-	(150)
Increase (decrease) in provision for bonuses	55	(26)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(101)	10
Increase (decrease) in retirement benefit liability	(523)	(298)
Decrease (increase) in retirement benefit asset	4	(31)
Loss (gain) on valuation of investment securities	2	52
Loss (gain) on sale of shares of subsidiaries and associates	(269)	(640)
Loss (gain) on investments in capital	35	(6)
Loss (gain) on investments in investment partnerships	(376)	786
Increase (decrease) in advances received	43	(110)
Decrease (increase) in advance payments to suppliers	139	(4)
Increase (decrease) in accrued consumption taxes	(188)	234
Decrease(increase)in deferred consumer's tax	70	8
Other, net	(290)	615
Subtotal	6,085	7,531
Interest and dividends received	164	278
Interest paid	(15)	(21)
Income taxes paid	(1,580)	(1,707)
Income taxes refund	1	6
Net cash provided by (used in) operating activities	4,655	6,087

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,187)	(474)
Proceeds from sale of property, plant and equipment	-	3,330
Purchase of investment securities	(230)	(84)
Proceeds from sale of investment securities	-	200
Purchase of intangible assets	(91)	(80)
Payments into time deposits	(4,828)	(5,189)
Proceeds from withdrawal of time deposits	4,782	5,269
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	394	994
Other, net	(63)	95
Net cash provided by (used in) investing activities	(1,223)	4,062
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(700)
Repayments of long-term borrowings	(229)	(386)
Dividends paid	(854)	(854)
Dividends paid to non-controlling interests	(18)	(20)
Repayments of lease liabilities	(235)	(207)
Other, net	(5)	(5)
Net cash provided by (used in) financing activities	(1,341)	(2,173)
Effect of exchange rate change on cash and cash equivalents	160	79
Net increase (decrease) in cash and cash equivalents	2,250	8,055
Cash and cash equivalents at beginning of period	33,037	35,288
Cash and cash equivalents at end of period	35,288	43,343