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November 18, 2025

■ Earnings Presentation for the Semi-Annual Results of Fiscal Year Ending March 31, 2026: Q&A Session Summary

TV Advertising Revenue: Advertising market

1. I would like to ask about the assumptions regarding time and spot advertising revenue for the second half of FY26/3. What is your outlook for the spot sales market and your share among the Tokyo key stations? Also, please let us know whether you expect increased revenue in the next fiscal year.

- First, regarding the assumptions for time and spot advertising in the second half of the fiscal year, we are expecting time advertising to be at the same level as the previous year, and we have reflected this in our forecast. For spot advertising in the second half of the fiscal year, we are expecting the area to remain at the same level as the previous year and forecast an increase of 1.7% for our company.
- In order to achieve this figure, our approach in time advertising sales is to increase fixed revenue of our programming season sales, achieve price increases for the special programs during the New Year holiday season, and continue to sell open time slots at high prices on a regular basis.
- For spot advertising, we assume that the budget in the Tokyo area in the second half of the fiscal year will likely be at the same level as the previous year. In fact, we believe that we will be able to surpass the previous year's strong performance and achieve 5% or more. In the fourth quarter, there will naturally be a reduction in slots due to the Milano Cortina 2026 Olympic Winter Games, but we will work to minimize the impact.
- Currently, programming season sales are progressing smoothly. Several popular programs are seeing price increases of more than 10% compared to the previous year. Sales for year-end special programs are also currently performing well in terms of pricing and booked slots.
- In addition, we are continuing to receive widespread demand for spot advertising. Although spot advertising inventory has fallen by several percentage points

compared to the previous year, transaction prices have remained significantly higher, resulting in an overall increase in sales.

- Our share trended between 28% and 29% for every month in the first half of the fiscal year, but it has been declining as Fuji TV recovers. However, we still expect to maintain a share in the mid-25% range in the third quarter. For reference, our spot share was in the mid-23% range before the Fuji TV incident.
- Finally, regarding the next fiscal year, this fiscal year was very singular, structurally speaking, and we naturally expect some reactionary pressure to occur. We believe that this pressure will be particularly strong in the first half of the next fiscal year. However, it is not all negative, as current advertising demand remains strong. At present, there are not any specific cases to be pessimistic about.
- On the other hand, since FY25/3, we have been steadily increasing advertising prices, and we are looking to increase our share by continuing to raise prices next fiscal year. In the second quarter of this fiscal year, a large sports event was broadcast by another station, but as this event will not take place next year, we will return to a normalized market next fiscal year.
- In any case, there is no doubt that it will be a very challenging fiscal year, and we will work to generate sales by building on our successful track record.

TV Advertising: Advertising trends

2. Regarding trends in TV advertising revenue, sales are performing well due to an increase in viewer ratings share. Have there been any changes in advertising trends, such as client composition, industry, or advertising methods?

- In terms of client composition, we receive demand from a wide range of industries, but one sector that stands out for us is beer companies. As always, we are seeing very strong demand, and our demographic targets matches the demand.
- In addition, the human resources sector continues to grow, with very large budgets being spent. Moreover, the recent increase in inbound tourism and the depreciation of the yen have led to increased demand for domestic travel, and the transportation and leisure sector is also on the rise.
- Telecommunications carriers are returning, and companies that were temporarily suspending commercials due to misconduct or production line issues are returning. As a result, so-called 'recovery-type' ads are also becoming prevalent.
- Some sectors are responding to inflation. For example, the food-service sector is seeing higher average customer spending, and we understand this to be a result of strong business performance. In addition, as part of measures to combat inflation,

funds are being channeled into finance and real estate both domestically and internationally, and this has led to an increase in advertising.

- Regarding the question of whether there are any differences from previous advertising methods, one thing that can be said is that advertisers are looking to stably secure commercial slots, which has led to stronger demand for time slots. Due to the rise in advertising demand and the Fuji TV incident, advertisers are finding it difficult to secure spot advertising slots, and thus, they are purchasing time slots as a way to reliably secure commercial airtime. In fact, at TV Asahi, we have seen a continuous decrease in open time slots in the April and October programming season, with open slots having fallen to about one-third of what they were in FY25/3.
- In terms of overall trends, transaction pace is also accelerating. Due to increased demand, it is becoming necessary to secure slots early, which has led to advertisers purchasing earlier.
- Another trend we are seeing is the significant increase in BtoB-related advertising needs. We are seeing new clients in the fields of IT, software, shipbuilding, steel, heavy electrical equipment, and consulting, all of which we had little transactions with until now. Transaction prices are also at appropriate levels in line with market prices.
- The backdrop to this trend is the need to deal with structural issues such as securing personnel and renewing the brand following company name changes. In this regard, we believe they consider online advertising to be insufficient in reach, lacking reliability, and weak in terms of effectiveness.

TV Advertising: The value of TV as an advertising medium

3. In the internet industry, Meta and Alphabet are reporting strong earnings, and the advertising value of their platforms is on the rise as the use of generative AI expands. Taking into consideration that further improvements will be made in the recommendation accuracy of internet advertising, I would like to ask about the relative attractiveness and risk of declining competitiveness of terrestrial television advertising, and about your company's response and initiatives related to changes in the industry's competitive environment.

- We are aware from news reports that Meta and Alphabet's earnings were extremely strong, mainly due to their advertising businesses, and that the use of generative AI was a key factor behind their performance. On the other hand, as can be seen from

our own earnings, advertising spending on Japanese terrestrial television is currently strong.

- We believe the reason behind this is that the roles played by television advertising and online advertising are becoming clearer to advertisers. In other words, as mentioned in your question, the role of online advertising is to make more specific recommendations to a more specific audience, while the role of television advertising is to reach the masses and raise awareness.
- Many of the companies we do business with understand the differences between online advertising and television advertising, and we believe that currently the two co-exist. Generative AI is increasing the appeal of digital advertising by refining recommendations and generating creative content, but we believe that companies are also placing television ads upon analyzing the effectiveness, business impact, and ROI of television advertising based on data.
- For example, companies like Google, as mentioned in the question, are increasing their budgets for television, and advertising by BtoB companies has become prevalent in recent years.
- We believe that by maintaining and improving the reliability of television content, we will contribute to building the brand and trust of advertisers. In addition, we will further advance new initiatives, such as collaborating with real in-person events and working together with distribution services such as ABEMA and TVer. We believe these initiatives will include the production of our own creative content using generative AI. Moreover, we are looking to further increase the value of terrestrial advertising by measuring effectiveness based on viewing data and expanding a new service called “tv asahi link,” which links “tv asahi iD” with viewing data.

TOKYO DREAM PARK: Direction of the business plan

4. I have been following the press releases of the various scheduled events, but I would like to ask again about the business model of TOKYO DREAM PARK and how you plan to make money. Could you also provide an overview of major sales and expenses, as well as the medium-term outlook.

- First, allow me to talk about the business positioning of TOKYO DREAM PARK. As you know, at TOKYO DREAM PARK, we are building a business that

entertains customers by combining real in-person entertainment events with digital features in order to generate revenue.

- Considering Dentsu's outlook, it is unlikely that terrestrial advertising revenue will rapidly expand in the medium to long term. Given this circumstance, we have expectations that TOKYO DREAM PARK will serve as a supplementary source of revenue in the next five to ten years.
- Discussions are currently underway on the next management plan, with TOKYO DREAM PARK becoming a major pillar alongside IP/anime development, collaboration with start-ups through CVC, and the use of new technologies such as AI.
- The opening will be in four months from now, and as entertainment-related programs are currently performing well, we expect a smooth start.
- The Tokyo Waterfront City area, where Ariake is located, is being actively developed by the Tokyo Metropolitan Government as a futuristic city in the bay area. It is an ideal location for entertainment, with inbound demand expected due to the development of large-scale arenas such as TOYOTA ARENA TOKYO and an international cruise terminal. We believe that by creating new excitement in this market and utilizing our know-how accumulated over many years of program production, EX THEATER ROPPONGI operations, and summer festival events, we are able to generate stable revenue.
- Regarding specific plans underway, the construction of TOKYO DREAM PARK is currently progressing smoothly. The opening is scheduled for March 27 next year, and it will impact business performance from FY27/3.
- To commemorate the opening of SGC HALL ARIAKE, the multi-purpose hall that is the main facility of the establishment, we have lined up a Grand Opening Premiere Series for approximately one month from March 28 to April 29. We are planning appearances by prominent guests from a variety of musical genres and have made an announcement that the performance of sakanaction, a Japanese rock band, has been confirmed. A number of large-scale performances will follow.
- As for the theater, the opening lineup for EX THEATER ARIAKE will be the large-scale stage production AmberS, which is an original story and script by Shigeaki Kato, and will star popular artists Kazuya Ohashi from the Japanese boy band, Naniwa Danshi, and Takuto Teranishi from the Japanese boy band, timelesz. The second show will be a new stage production by Gekidan☆Shinkansen, which is celebrating its 45th anniversary this year, and the third show will be the Tony

Award-winning Broadway musical DEAR EVAN HANSEN, which will be making its Japanese premiere.

- We will steadily expand our business through these strong entertainment content.

AI

5. Generative AI tools for creating videos and music can only generate short videos, and they face issues and risks concerning compliance and rights. However, in the medium to long term, these issues will ease, and it will become possible to generate long videos. As generative AI advances, how do you view the effect this change will have on your company and the broadcasting industry?

- Generative AI will bring about major changes not only in the broadcasting industry, but in all industries.
- If it becomes possible to generate high-quality long videos in the future, it will be a major benefit for the broadcasting industry. It will enable new visual expressions that, until now, could not be realized due to time and cost constraints, although creators may have such ideas.
- On the other hand, as the barriers to video production become lower and competition intensifies, concept-generating and planning skills will become increasingly vital, and the ability to effectively use AI will also be crucial.
- Regarding our value in this new era, we believe that generative AI is simply a tool that generates content based on past learning data, and that it is humans who are able to ultimately create value. We believe that our strength lies in our innovative ideas and creative capabilities that allow us to create content from scratch.
- Furthermore, as we enter an era overflowing with generative AI content, the value of one of our other strengths, reliability, will likely become more important than ever. Accordingly, we will continue produce content that can be trusted.

AI Utilization

6. AI technology can be seen as a tool capable of generating videos of the same quality as before, depending on how it is used. From the stock market's perspective, it is a technology that is expected to significantly improve profitability by reducing program production costs as well as production periods. On the other hand, it also carries the risk of shrinking the industry for performers and production staff. How do you think about the potential for changes in program production as new technologies emerge, and how proactive will you be in utilizing these new technologies?

- We believe that AI initiatives will be an important theme in our next medium-term management plan. We recently held an “AI Short Video Contest” for employees and received over 50 submissions. All of the works were of high quality, demonstrating the high level of interest among employees and the new possibilities for our company's content production.
- We believe that advances in generative AI technology will bring about major changes in program production and potentially solve problems such as previously unrealistic video production and chronic labor shortages. We hope to continue to actively utilize it as a tool to support creators.
- Regarding the risks posed by AI, the increased efficiency brought about by AI will not necessarily take away jobs from performers and production staff but will instead create new areas that only humans can handle. We believe that this will lead to the reassignment of people to more creative work, and that this creativity is our raison d'etre.
- To that end, we will look to provide learning opportunities and establish a governance system that is conducive to adapting to the AI era.

Next Medium-term Management Plan

7. What is the current timing for the announcement of the next medium-term management plan? Could you also explain the direction you are considering in terms of capital policy, growth strategies, etc.

- Discussions on the medium-term management plan starting from FY27/3 began in the summer and are now reaching the final stages.
- We have achieved significant results in terms of viewer ratings and business performance under the current management plan, despite the severe business

conditions during the COVID-19 pandemic. Trends and technological innovations are evolving at an accelerating pace, and we will not rest on our current achievements, but will stay focused and respond to the new era.

- In terms of strengthening the timetable and content, the development of young talent in particular is dynamically progressing. We believe the anime and IP business will be our main battlefield in the future, and thus, we will focus on new initiatives, such as developing promising IP with partner companies.
- In terms of capital policy, we are conscious of capital efficiency and are currently discussing investments in growth strategies and strengthening shareholder returns. We are taking the perspectives of investors and shareholders into consideration in our discussions.
- We will solidify the direction, including a catchphrase and timing of announcement, by the end of the year, and shall present it to you in time.

Capital Policy

8. My impression is that your company's capital policy is less proactive than your competitors perhaps because of the "voting rights restrictions on cross-shareholdings" in Article 308 of the Companies Act. How do you intend to increase flexibility and improve the restrictions on capital policy imposed by provisions of the Companies Act and Broadcasting Act in the medium to long term?

- We have received many comments regarding capital policies such as improving the liquidity of shares and share buybacks.
- In April of this year, we conducted a share offering of 7.85 million shares, equivalent to 7.2% of the total number of issued shares, with the purpose of improving the liquidity of our shares and establishing a foundation for flexible share buybacks.
- As a result, our tradable share ratio has risen to nearly 40%.
- In addition, one of the companies in the offering was The Asahi Shimbun Company, our major shareholder, and the "voting rights restrictions on cross-shareholdings" were eased, creating an environment that allowed for flexible share buybacks. We have already conducted a share buyback of 1.14 million shares totaling 2.9 billion yen between May and July.
- Going forward, we will continue to implement a capital policy that responds to the business environment, while keeping an eye on the liquidity of shares and voting

rights restrictions on cross-shareholdings.

Shareholder Returns

9. I would like to ask about your shareholder return policy. Do you make use of any quantitative financial data in the resolution on commemorative dividends and special dividends, such as the full-year profit forecast level and the level of cash and deposits?

- Our current dividend policy is to consider commemorative dividends in milestone years and special dividends in response to performance trends, in addition to maintaining stable common dividends with an emphasis on continued growth, to enhance shareholder returns.
- The common dividend for the current fiscal year was increased by 10 yen to 60 yen. This will be the base, and we will consider commemorative dividends and special dividends as necessary. Specifically, we will consider the matter while taking into account performance trends, etc.
- With regard to share buybacks, we have already acquired 1.14 million shares totaling 2.9 billion yen this fiscal year, and we will continue to flexibly consider the timing of share buybacks going forward.

Anime

10. I assume that the business performance of Shin-ei Animation, a group company, is progressing steadily. Could you let us know about Shin-ei Animation's current initiatives and future growth strategies.

- Shin-ei Animation not only produces *Doraemon* and *Crayon Shin chan*, but has also produced the currently released *The Obsessed*, and is focused on nurturing young creators.
- We explained our AI initiatives earlier, and as anime production changes with the times, we are exploring next-generation anime productions that includes the adoption of new technologies.
- Our company has rights to the nationally beloved anime *Doraemon* and *Crayon Shin chan*, but we are also increasing the number of late-night anime programs and are hoping to strategically expand overseas.
- We are currently promoting *Crayon Shin chan* movies in India, and one of our important strategies is to distribute IP in a 360-degree, multifaceted manner by

using a vertically integrated model, which involves producing anime at Shin-ei Animation, distributing it through our terrestrial TV channel and ABEMA, and then collaborating with partner companies, such as KOTOBUKIYA, to create merchandise. We believe that Shin-ei Animation is at the core of this strategy.

Anime Business

11. I understand that *Crayon Shin chan* and *Doraemon* are extremely popular in emerging countries such as India and Southeast Asian countries. With the expansion of the anime business, centered on Shin-ei Animation, how much do you think you can expand revenue in the future?

- Going forward, we are considering increasing the number of late-night anime slots. Anime is one of the most promising content genres for global distribution.
- We have a relationship with BookLive, and many of the e-books they publish have the potential to be turned into anime going forward. We would like to embrace this vertical integration model within the Group, from the creation of the original story, to broadcasting, and to the development of merchandise, games, etc.
- If this is realized, we believe it will generate even greater revenue.

Impact of Rising Tensions in Japan-China Relations

12. If tensions between Japan and China continue to rise, what impact could this have on your company, such as the trend in inbound tourists to the TOKYO DREAM PARK business?

- TOKYO DREAM PARK is not just about attracting inbound tourists but rather focuses on customers who seek Japanese entertainment and thus, it is not as if it will not be viable without inbound tourism.
- We understand that policies such as discouraging people from traveling to Japan are being taken, but we expect that this issue will eventually be resolved. We will keep an eye on future negotiations, but inbound tourists come not only from China, and we believe it will not have a major impact on our TOKYO DREAM PARK business.

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