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May 20, 2026

## ■ Earnings Presentation for Fiscal Year Ended March 31, 2026: Q&A Session Summary

### Terrestrial Advertising Revenue: Assumptions for time and spot sales revenues

1. Regarding the FY27/3 full-year assumptions of 1.9% and 5.0% year-on-year decreases in time and spot sales revenues, respectively, the forecast for time sales seems conservative while that for spot sales is ambitious, in light of the trend in April and May. What are your assumptions for the first half and second half of the fiscal year? Also, was the decline in spot sales revenue for April and May mainly due to unit price fluctuations, and what is the outlook for advertisers' appetite for advertising in the Tokyo Area?

- For time advertising sales revenue, the assumptions for both the first half and second half are 98.1% year on year, resulting in a full-year assumption of 98.1%.
- On the other hand, for spot advertising sales revenue, the assumption for the first half is 88.6% year on year, especially taking into consideration the disappearance of the special demand related to Fuji TV and the absence of one-off programs. In contrast, we expect a recovery in the second half to 101.3%, resulting in a full-year assumption of 95.0%.
- For total advertising sales revenue, combining time and spot, the assumptions for the first half and second half are 92.7% and 99.9% year on year, respectively.
- We recognize the decline in spot advertising sales revenue in April and May is mainly attributable to three factors. The first is a change in allocation. Dilution due to a large sports event broadcast by other terrestrial stations and an over-the-top (OTT) service is heavily impacting our sales. The second is a change in competitive landscape. In the first half of the previous fiscal year, as Fuji TV virtually dropped out, the competition was among four stations, and this fiscal year it has returned to five stations. The third is a change in pricing. Compared to the four stations that raised prices last fiscal year, Fuji TV has maintained its rates at the level of the year before last in the face of weak demand primarily influenced by tensions in the Middle East. We believe that many advertisers find Fuji TV's pricing highly appealing, which is lowering overall market prices.

- Finally, regarding future advertising placements, total advertising expenditures in the Tokyo area is actually exceeding previous fiscal year's levels in both April and May. Furthermore, with major sports events scheduled this year, which are expected to attract substantial advertising spending, we believe there remains demand for overall TV advertising. The issue in the first half is allocation, and we expect the circumstance to change toward the second half, thus improving the overall situation.

### **Terrestrial Advertising Revenue: Advertising market**

2. Regarding the assumptions for the advertising market, to what extent has the market impact of the Middle East situation been factored into your forecast? Could you give an explanation separating this factor from the impact of advertisers' budgets shifting to your competitor.

- We view the disappearance of the special demand related to Fuji TV as the single largest variable for FY27/3. Moreover, since February, we are seeing how the situation in Iran is worsening.
- Our FY27/3 sales forecast factors in the disappearance of the Fuji TV-related special demand, and we expect that this will account for approximately 80% of the projected year-on-year revenue decline of 6.7 billion yen.
- Meanwhile, the impact of the situation in Iran has not been factored into our forecast.
- When formulating the basic plan for FY27/3, specific adverse impacts of the situation in Iran were uncertain; however, the adverse impacts have begun to surface since April. We recognize that these impacts are now clearly manifesting, as the pace of advertising placements in April and May has been slower than expected.

### **TOKYO DREAM PARK: Progress of the business plan**

3. The number of visitors to TOKYO DREAM PARK (TDP) is progressing very favorably in relation to the annual target of 2 million. What specific content is drawing visitors? Will the higher-than-expected visitor count directly lead to an upside in TDP's financial performance? Please share your perspective along with TDP's monetization model.

- Since its opening on March 27, TDP is attracting a large number of visitors. During the 45-day Opening Celebration Ariake Spring Festival, we welcomed more than 570,000 visitors, running at a pace 1.3 times ahead of our initial target.
- Regarding content, SGC HALL ARIAKE—the main facility—hosted the Opening Premiere Series featuring Japan’s top-tier artists, with 22 performances held through May 10. The hall is equipped with an immersive audio system, making a world-first for a permanent installation. It has received outstanding reviews from both performing artists and visitors for its excellent acoustics and ambience.
- Additionally, on April 3, a special episode of our flagship program *Music Station* was broadcast live from this hall.
- At EX THEATER ARIAKE, the opening stage production *AmberS* launched on April 25, with tickets already sold out for all 32 performances.
- On the seventh floor, the exhibition event *100% DORAEMON & FRIENDS in Tokyo* is underway and has gotten off to an excellent start, with tickets all sold out, including same-day tickets.
- During Golden Week—a Japanese holiday from late April to early May—we held three days of live events for three of our programs, including *Ame Ta--lk* and *50TA*, at the neighboring TOYOTA ARENA TOKYO. Tickets for the 7,000-capacity venue were completely sold out, and event merchandise also sold out rapidly, contributing to our revenue increase.
- We believe the success of TDP and the Ariake Spring Festival is built upon the operational know-how we have accumulated over more than a decade through the *TV Asahi-Roppongi Hills “NATSU-MATSURI” SUMMER STATION* and EX THEATER ROPPONGI and these accumulated experiences and know-how are the most important factors of our current success.
- We are confident we have created a new flow of people in the Ariake area. This foot traffic serves as a physical touchpoint for advertisers, directly translating into event sponsorships and digital signage advertising placements.
- Looking ahead, we are planning diverse events for the summer holidays and the Christmas season. Furthermore, bookings for the hall and theater are nearly full for the coming year. We therefore believe that there is ample room for TDP’s financial performance to exceed the forecast.

### **TDP & Events Business: Profitability**

4. Regarding TDP's profitability, the operating profit margin for the TDP & Events Business is projected at 1.2% for this fiscal year. Assuming the variance from the previous fiscal year's reference figure is driven solely by TDP, the margin would come in at approximately 6.8%. Going forward, what level of improvement in profitability do you expect?

- While the operating profit margin for the TDP & Events Business is calculated at 1.2% under this fiscal year's forecast, the previous fiscal year's results includes upfront investments for the opening of TDP. Furthermore, we do not disclose sales and operating profit for TDP on a standalone basis; this segment also includes other businesses, such as the Music Publication Business. Therefore, we do not necessarily view the variance as being driven solely by TDP's contribution.
- To improve future profitability, TV Asahi will develop its own new events. This will enable us to develop these events in a multifaceted manner, including the development of program-related events, streaming of the events, the development and sales of event merchandise, and sponsorships. Therefore, we can fully expect the expansion of this segment's business going forward.

### **Full-year Forecast**

5. Regarding the variances within this fiscal year's forecast, what are the factors behind the increases and decreases for the projected revenue and profits for each business segment? Additionally, could you provide the forecasts for the Internet Business and digital ads-related revenues?

- In the Media & Content Business, for our mainstay terrestrial advertising, revenue is projected to decrease by 1.9% and 5.0% year on year for time and spot advertising, respectively.
- As for the Internet sector, regarding our catch-up services centered on TVer, TV Asahi's digital ads-related revenue for the previous fiscal year achieved substantial growth, expanding by 37% year on year. Although we do not disclose specific figures for this fiscal year's forecast, we expect continued double-digit growth, driven by the overall expansion of the TVer platform and our content's consistently high and stable viewership share in recent months.
- Furthermore, in areas other than digital ads-related revenue, revenues from TELASA, our owned platform, and ABEMA, as well as from content sales and

contracted production for external platforms are also expected to remain solid for this fiscal year.

- Globally, we will continue to focus on expanding our content business, placing anime content at the core.
- However, as mentioned at the outset, due to the significant impact of our mainstay terrestrial advertising revenue, we forecast a year-on-year decrease in both revenue and profit for the Media & Content Business.
- For the TDP & Events Business, we plan to actively expand our business through the opening of TOKYO DREAM PARK. In addition, with a nationwide concert tour by an artist under management in the Music Publication Business, we forecast a year-on-year increase in both revenue and profit for this segment.
- For the TDP & Events Business, EBITDA is projected at 3.7 billion yen, a significant increase from the previous fiscal year's reference figure. However, operating profit is projected at 0.5 billion yen, reflecting the recording of depreciation and other expenses associated with the opening of TOKYO DREAM PARK.
- The Other Businesses segment primarily comprises equipment sales and leasing. Although we face rising expenses driven by inflation and surging labor costs, we forecast a year-on-year increase in both revenue and profit, boosted by robust demand for concerts and other events.

### **Capital Policy**

6. Article 308 of the Companies Act, which provides the “voting rights restrictions on cross-shareholdings,” is considered one of the hurdles to improving capital efficiency over the medium- to long-term. Could you tell us about your initiatives with your two major shareholders aimed at addressing this “Article 308” hurdle?

- Regarding capital policies such as improving the liquidity of shares and share buybacks, we conducted a secondary offering equivalent to 7.2% of the total number of issued shares in April 2025, which improved our share liquidity to around 40%. Since one of the companies in the offering was The Asahi Shimbun Company, our major shareholder, the issue of “voting rights restrictions on cross-shareholdings” under Article 308 of the Companies Act was eased, establishing a foundation that allows for flexible share buybacks. Accordingly, as a first step, we conducted a share buyback of 1.14 million shares totaling approximately 3 billion

yen in the previous fiscal year.

- Going forward, we will continue to explore capital policies that respond to the business environment, while taking into consideration the liquidity of shares and the voting rights restrictions on cross-shareholdings.
- Regarding our cross-shareholdings with our major shareholders, The Asahi Shimbun Company and TOEI COMPANY, LTD., we position both companies as important strategic business partners. Amid drastic changes in the media environment, the importance of “reliable news and information” continues to grow. Under these circumstances, we have built a strong cooperative relationship with The Asahi Shimbun Company, particularly with regard to news and information activities.
- With TOEI COMPANY, LTD., we concluded an agreement of a new partnership in May 2024. We have established a production scheme eyeing movie adaptations and global expansion right from the drama planning stage, thereby developing our IP business to adapt to the new era.
- We believe that the medium- to long-term strategic value generated by our strong capital relationships with The Asahi Shimbun Company and the Toei Group is more essential to enhancing our corporate value than the optimization of short-term financial efficiency.

### **Capital Expenditures**

7. Regarding capital expenditures, your plan for the new fiscal year is 13.3 billion yen on a consolidated basis, with a total over 40 billion yen allocated for the medium-term management plan period. Should we consider this 13.3 billion yen as a baseline for our expectations? I would like to know if we should anticipate an increase in annual capital expenditures at some point, driven by future business growth.

- Consolidated capital expenditures for FY27/3 are projected to decrease by 2.77 billion yen year on year to 13.3 billion yen, primarily due to TDP-related capital expenditures nearly completed.
- For future capital expenditures, a series of large-scale investments is scheduled, including broadcasting equipment, digital system investments, as well as an upgrade to a next-generation master control room from FY27/3 onward. To continuously curb overall capital expenditures, we will review upgrade timings and disperse the investments for studios, the signal distribution center, and IT

infrastructure, and actively explore downsizing equipment requirements during these upgrades.

- Furthermore, for broadcasting equipment and systems, we intend to continue curbing capital expenditures below 7 billion yen on a depreciation basis over the next 10 years, while also reviewing and reducing related expenses such as maintenance and lease costs.

### **Investment Strategy: Approach to M&A and CVC**

8. Amid the growing trend of proactive investment across the industry, investment opportunities are becoming increasingly limited. How do you view the current market environment for venture investments? Furthermore, regarding your investment strategy, how do you approach generating strategic synergies, rather than purely pursuing investment returns? Lastly, could you share your perspective on how to evaluate the quality of your future proactive investments?

- Regarding our two-party CVC partnership, we chose a two-party structure specifically because an important factor in evaluating target companies is whether they will contribute to our future content growth strategy. While the ultimate investment decision rests with our partner, we also participate in the investment committee to maximize strategic synergies with our businesses.
- To this end, we have seconded our employees to the fund managed by our partner—who oversees both fund operations and investment selection—while establishing the Investment Strategy Department within the Company to deepen collaboration across our various internal divisions and jointly nurture our investees.
- We have already invested in six startups and plan to expand our portfolio further, targeting a total of approximately 30 to 40 investees over the next four years.
- While it is true that options for target startups are limited, we aim to pursue both strategic synergies and capital gains in such a situation.
- Regarding M&A, separately from our CVC initiative, we are exploring larger-scale opportunities with companies that are not startups. Here as well, our fundamental principle of selecting targets that contribute to our future growth strategy remains unchanged.

## **SHIN-EI ANIMATION Co., Ltd.**

9. This year, what specific growth strategy, including global expansion, are you pursuing with your consolidated subsidiary SHIN-EI ANIMATION?

- For our flagship titles, *Doraemon* and *Crayon Shin chan*, we will continue to drive aggressive global expansion alongside the production of theatrical feature films.
- Regarding new anime works, we are launching several new projects mainly driven by young creators. We strongly believe that these works also hold significant potential for large-scale global expansion.
- SHIN-EI ANIMATION is actively pursuing initiatives to support next-generation creators and places high priority on creating a stronger production system from a medium- to long-term perspective.
- In the long run, we would like to explore the possibilities of utilizing AI and digital transformation (DX) within SHIN-EI ANIMATION in an auxiliary manner.
- Leveraging our production network cultivated over many years, we plan to deliver a more diverse lineup of works this fiscal year than in the previous one.

## **Production Costs and Sports Broadcasting**

10. Regarding your approach to sports content in terms of production costs, I assume that you are entering a phase of major review with a sharper focus on profitability. Historically, sports such as golf and figure skating, and more recently the World Cup, have served the role of boosting viewer ratings. Will this traditional trend come to an end, and will your future broadcasts focus more on profitability? Could you explain what changes have occurred in your approach to sports content and how they have shaped your current lineup?

- We believe it is a vital role of a broadcasting station to maintain an environment where everyone has equal, free access to major sports events of national interest, such as the Olympics, the World Cup, and the WORLD BASEBALL CLASSIC (WBC).
- Large-scale sports events not only secure high viewer ratings but also generate diverse ripple effects on news and information programs and variety shows.
- On the other hand, as you pointed out, broadcasting rights fees are soaring, and some of the events have become unprofitable. We believe it is our responsibility to meet the needs of our audience, while carefully selecting content.

## **Investment for Growth**

11. Going forward, I assume it will become increasingly important for global content businesses to invest in studios that produce content such as live-action films, dramas, and animation. How do you evaluate the importance of investing in such production capabilities? Additionally, could you share your perspective on the current competitive environment for acquiring promising studios?

- Among our investment projects, HIKE Holdings, in which we have already announced our stake, possesses its own anime production lines. To achieve the expansion of our anime business outlined in our growth strategy, this is a prime example of investing in such areas, especially given that production lines are currently strained.
- In addition, we will continue to actively invest in production studios and other entities that contribute to our content production.

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