

**Financial Results Briefing for the Year Ended March 31st, 2026
(Q&A from Analysts and Investors (Summary))**

<Questions Related to the Content and Digital Business Segment>

Q1: With what "actionable and realistic initiatives" do you plan to achieve the operating profit plan listed in the current medium-term management plan (FY2026: 3.0 billion yen, FY2027: 3.7 billion yen, FY2028: 5.0 billion yen)?

A1: Based on the cost optimization and structural reforms implemented at the end of FY2025, we plan to advance sales reforms, leverage AI, and strengthen our in-house merchandising business. In addition, we will enhance collaboration with SCLA, our master licensee in China, and expand customer touchpoints across video, digital, and real-world channels. Some of these initiatives are already underway, and specific details will be announced sequentially moving forward.

Q2: Why has China licensing revenue halved in FY2025?

A2: China licensing revenue was primarily affected by three market environment factors. First, the supply adjustment in the trading card game market; second, the normalization of the block toy boom; and third, constraints on promotional activities, such as the postponement of large-scale events due to the impact of soured Japan-China relations. Currently, there are signs of market demand recovery, and we aim to restore growth going forward while reviewing our strategies.

Q3: Regarding China, it appears that the policy is to continue working with the master licensee, SCLA, but what are your thoughts on directly entering the China market?

A3: In our China business, we will continue to strengthen our collaboration with SCLA. We will expand the provision of video and promotional materials, designs, and marketing support, aiming to increase growth opportunities by combining SCLA's execution capabilities with our own strength in IP value creation. At present, our policy is to steadily expand the business first by strengthening this partnership.

Q4: I believe revitalization of domestic marketing is necessary. What specific plans do you have for FY2026 and FY2027?

A4: We will re-strengthen domestic marketing from FY2026 to FY2027 based on four main pillars. Specifically, these are: video content rollouts that link terrestrial broadcasting with digital media; greater outreach leveraging social media and short-form videos; large-scale events centered around the *Ultraman* series 60th anniversary; and the acquisition of new customers through our in-house product sales and collaborations. Through these initiatives, we aim to continuously capture public attention and expand the ripple effect to our directly operated stores and retail venues nationwide.

Q5: What is your future approach regarding marketing to child fans?

A5: For marketing targeting children, we will enhance digital outreach via short-form videos (TikTok), social media, and YouTube, in addition to television broadcasts. In addition, by coordinating video games, events, and store touchpoints, we will expand opportunities for children to interact with *Ultraman* on a daily basis. Through this, we aim to further expand our adult fan base in addition to our children fan base.

Q6: What is your strategy for other IP other than *Ultraman*?

A6: Our priority for the next three years is to enhance the value of *Ultraman* to further strengthen our business foundation. Subsequently, we intend to utilize this foundation to expand our business into other IP, through collaboration with group companies such as FIELDS CORPORATION.

Q7: How much growth are you expecting by region for the content and digital business segment business plan? Also, what specific upfront investments do you foresee in the future? What are the expected results and when do you expect them to materialize?

A7: During the period of this medium-term management plan, the Japanese market is positioned as the primary growth driver for the content and digital business segment. In terms of upfront investments, we will proceed with strengthening our product planning, development, and sales structures, as well as establishing the framework for expanding our in-house merchandise business. Through these initiatives, we anticipate revenue growth and steady improvement of profitability toward the latter half of the medium-term management plan.

Q8: How are initiatives to strengthen human and organizational resources associated with the "10 Practical Initiatives" progressing? In addition, when will future investments bear fruit as earnings, allowing ROI to become measurable?

A8: By the end of FY2025, we implemented structural reforms in preparation for the plans starting FY2026. We advanced the recruitment of specialized talent, placed leaders in planning, development, and sales, and streamlined the organization. Furthermore, we have established a framework to share SCLA's planning expertise and development resources, aiming to accelerate the speed of our domestic business. Moving forward, while curbing development costs and mitigating risks, we will steadily advance our transition into a high-value-added licensor.

<Questions Related to the Amusement Equipment Business Segment>

Q9: What do you expect the installation share of smart pachinko and smart pachislot to be in FY2026?

A9: For smart pachinko machines, approximately 120,000 additional units are expected to be introduced within FY2026, reaching approximately 550,000 units out of about 1.81 million pachinko units in total, representing a composition ratio of approximately 30%. Although many low-rate machines remain, we believe that smart pachinko adoption will progress steadily going forward as new machine sales shift primarily toward "e" machines (smart pachinko machines). For smart pachislot machines, approximately 770,000 units have already been installed as of FY2025, and we anticipate an additional introduction of approximately 260,000 units in FY2026, leading us to expect further expansion and penetration moving forward.

Q10: Regarding regulatory trends, I believe discussions surrounding "regulation 7.0 machines" will emerge in the medium term. Do you think the trend toward deregulation will continue?

A10: Regulation 7.0 machines will be an important discussion point over the medium term. We also anticipate a certain degree of easing of regulations, and we have high expectations particularly for further evolution in gameplay and presentation.

Q11: "Younger demographics" and "IP" are keywords in the current medium-term management plan. Are there any specific initiatives you are considering in collaboration with the content and digital business segment?

A11: Our Group possesses the video production capabilities of Digital Frontier, the IP

development power of Tsuburaya Productions, and the PS machine development and sales capabilities of FIELDS. We anticipate further expansion of business opportunities through collaboration among these companies. We are also advancing investments in IP targeted at younger demographics, and we plan to incorporate these new IP into Tsuburaya Productions' IP platform strategy under the current medium-term management plan.

Q12: The pachinko market continues to be sluggish even after the introduction of "Lucky Trigger 3.0 Plus," what are your specific initiatives for future market revitalization, and what is your policy for addressing rising component costs driven by soaring semiconductor prices?

A12: The PS machine market is in a phase where new growth opportunities are expanding, such as the rising need for short-duration gameplay and increased player circulation between pachinko and pachislot. We have three strategies to address this: first, we will address rising component costs by improving manufacturing efficiency through the use of AI and other technologies; second, we will secure high-quality IP and strengthen products aimed at younger demographics; and third, we will leverage smart PS machines and new features to achieve both hall profitability and fan satisfaction.

<Questions Related to Business in General>

Q13: The dividend forecast for FY2026 shows a 20-yen increase compared to the previous forecast. What were the considerations behind this decision?

A13: The decision to increase the full-year dividend by 20 yen from the initial forecast to 70 yen was made based on a comprehensive assessment of our earnings trends and the market environment. Our basic policy is to provide stable and continuous shareholder returns through profit growth. Going forward, while taking into account growth investments, capital efficiency, and financial balance, we will strive to enhance returns in a stable and sustainable manner.