

[The 38th Annual General Meeting of Shareholders: Summary of Main Questions and Answers]

Q1: While your financial performance remains solid, how do you view the current situation in which the stock price appears to be undervalued? What specific initiatives will you take going forward?

A1: Although we have achieved record-high profits for three consecutive fiscal years, we take the current level of our share price very seriously. To address this issue, we will optimize our cost structure while actively reinvesting the profits generated by our strong current business performance to drive future growth. As part of these efforts, we will fully implement a company-led structure for product planning, development, and sales this year. While global expansion of our IP business requires a medium-to long-term approach, we are committed to establishing a robust business model that can compete with companies that have already pioneered this market. Looking ahead, we intend to leverage the expansion platform we have built through the Ultraman franchise to roll out other new IP across multiple channels and become a “Global IP Platformer” capable of competing in the global market. By steadily executing these business strategies and achieving sustainable growth, we will enhance corporate value and meet the expectations of our shareholders.

Q2: How do you view the recent challenges concerning the visual quality and production structure of the Ultraman series? What is your medium-to long-term policy for maintaining and improving quality?

A2: We take feedback regarding the decline in visual quality seriously and are making fundamental improvements. The quality of our television series is important not only for domestic and overseas merchandise sales, but also for our reputation in the Chinese market. However, our recent production structure relied heavily on multiple external partners, which led to inconsistencies in target audiences and quality. Going forward, we will use our internal reserves to significantly increase investment in content production and IP acquisition. Specifically, we have shifted to a company-led production structure and increased our investment ratio compared with last year. Due to existing production schedules, the full impact of this new production structure is expected to become visible beginning next year. We will enforce rigorous quality control to maximize the value of our IP. At the same time, we will work to enhance the sustainable value of our brand globally, while carefully monitoring external factors such as changes in local market evaluations and country risk in China.

Q3: Competitors are rolling out high-quality transformation items targeted at adults. Does the company plan to pursue a similar product expansion for the Ultraman series?

A3: This point is aligned with our strategic direction. The domestic market for Ultraman currently remains at approximately 15 billion yen. In China, we have achieved significant sales by collaborating with highly committed partner companies to launch a diverse range of products. In Japan, our approach has primarily been to act as a licensor, entrusting product development to partner companies (licensees). Going forward, we will shift to a company-led approach that covers the entire process from product planning and manufacturing to sales. As part of this initiative, we will open a company-operated store in Harajuku and expand our network of official Ultraman-related shops nationwide. In addition, we will promote the production of new films, collaborations with animation studios, and large-scale screen-content projects.

Q4: Are rising prices and increasing production costs affecting the quality of products (including card games) or the production floor? What is your assessment of the current situation, and what is your strategy for addressing it?

A4: In China, we recorded significant revenue growth driven by increasing demand for card games. Considering the recent stabilization of the Chinese market, we launched the new ULTRAMAN CARD GAME as part of our new company-led product rollout in Japan. As a company engaged in this business, we recognize the need to pursue top-tier quality. At the same time, we acknowledge that there have been challenges. In some of our recent television programs and product rollouts, we prioritized securing short-term profits over quality, resulting in insufficient quality. Taking our current profit levels into account, our policy going forward is to increase investment appropriately in video production and product development in order to improve overall quality. This policy will be incorporated into each business segment from the first year of our three-year business plan.

Q5: To strengthen the female and adult markets, do you plan to introduce Ultraman or Kaiju (monster) plush toys with AI technology?

A5: We recognize plush toys as an important and highly profitable product category, and we will continue to strengthen this area. Although Ultraman has traditionally been a character who does not speak extensively, we will explore a broad range of possibilities for Ultraman and Kaiju based on the concept of “conversation.”

Q6: To encourage long-term shareholding among individual shareholders, do you plan to introduce a shareholder benefits program, such as distributing commemorative gifts, as you have in the past?

A6: The lapel pins previously distributed were produced at the time of the merger between Tsuburaya Productions and FIELDS. The purpose was to expand our shareholder base among fans. As part

of our shareholder return policy, we are currently working out the details with a view to introducing a shareholder benefit program at an early stage.

Q7: Could you please share the progress of your overseas expansion in regions other than Japan and China, as well as your perspective on creating new IP for future growth?

A7: Outside Japan and China, sales are growing in the ASEAN region, and we are securing stable earnings by using our Singapore subsidiary as a regional base. In North America, we are exploring the development of Hollywood projects. Last August, we visited Los Angeles and participated in events such as throwing the ceremonial first pitch at Dodger Stadium as part of promotional activities to support negotiations. In terms of our global expansion strategy, we will first solidify our growth foundation in Japan and China. We will then gradually expand our global footprint, starting with ASEAN and North America.

Q8: As you expand your domestic operations ahead of Ultra Series 60th Anniversary, what policies will you implement to maintain and improve event quality and strengthen your operational and staffing structures, in light of certain media reports?

A8: Reports concerning our company are not based on any official announcements from our company and include the media's own subjective interpretations as well as factual inaccuracies. We have consistently refrained from responding to individual interview requests or written inquiries regarding this matter. Compliance with laws and regulations is a fundamental principle of our business operations, and we strive daily to maintain a safe and appropriate working environment for all our employees, as well as to ensure the thorough implementation of sound organizational management. We take feedback regarding the quality of our events and products seriously. We recognize that we are a company expected to consistently deliver top-tier quality. Going forward, we will implement fundamental structural reforms rather than relying solely on incremental improvements. By fully renewing our organizational structure and building a system capable of consistently delivering high-quality products, events, and visual content, we aim to improve the profitability of our domestic business and enhance corporate value.

* This document is an excerpt consisting only of questions, opinions, and requests raised in relation to this General Meeting of Shareholders.