

Notice: This is a translation of a notice in Japanese. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

January 22, 2024

Company name: TOEI COMPANY, Ltd.  
Representative: Fumio Yoshimura, President & Chief  
Executive Officer  
(Stock code: 9605, TSE Prime Market)  
Contact: Koichi Wada, Senior Managing Director  
Head of Managing Director, Strategic  
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TEL +81-3-3535-4641 (Representative)

## Notice Regarding Company Split (Simplified Absorption-type Company Split) with Consolidated Subsidiary

Toei Company, Ltd. (the “Company”) hereby announces that at a meeting of its Board of Directors held on January 22, 2024 it resolved to transfer the Home Video business operated by the Company (the “Business”) to Toei Video Co., Ltd. (“Toei Video” or the “succeeding company”), a consolidated subsidiary of the Company, through an absorption-type split (the “Company Split”) with a planned effective date of April 1, 2024, and that it concluded an absorption-type split agreement with Toei Video as of January 22, 2024.

Some disclosure items and details have been omitted because the impact of the Company Split on the Company’s total assets is expected to be less than 10% of net assets at the end of the immediately preceding business year and that on its net sales is expected to be less than 3% at the said fiscal year end.

### 1. Purpose of the Company Split

With stable management centered around the Company, the Group will continue to provide high-quality entertainment, including visual content, to the world, in line with its mission "Fill the world with stories that bring people joy." The purpose of the Company Split is to further develop the Business through consolidation of business resources of the two companies in order to achieve improvement of management efficiency.

### 2. Outline of the Company Split

#### (1) Schedule of the Company Split

Date of resolution by the Board of Directors : January 22, 2024

Date of conclusion of absorption-type company split agreement : January 22, 2024

Effective date : April 1, 2024 (plan)

(Note) The Company will not hold a general shareholders' meeting regarding the Company Split because it is a simplified company split for the Company as provided for in Paragraph 2, Article 784 of the Companies Act and does not require approval of general shareholders for the conclusion of the absorption-type split agreement.

(2) Method of the Company Split

This will be an absorption-type split in which the Company will be the splitting company and Toei Video will be the succeeding company.

(3) Share allotment relating to the Company Split

The Company will receive 642 shares of Toei Video's common stock as consideration of the Company Split.

(4) Treatment of share acquisition rights and bonds with share acquisition rights arising from the Company Split

The Company has not issued any stock acquisition rights and bonds with stock acquisition rights.

(5) Increase or decrease in capital stock as result of the Company Split

There will be no increase or decrease in share capital of the Company as a result of the Company Split.

(6) Rights and obligations to be assumed by the succeeding company

When the Company Split is implemented, Toei Video will succeed to the Business operated by the Company and assets, liabilities and other rights and obligations and contractual status which the Company owns with regard to the Business, limited to those prescribed in the absorption-type split agreement as of the end of the preceding day of the effective date of the Company Split.

(7) Prospect of fulfillment of debt obligations

The Company foresees no problems in the fulfillment of liabilities to be assumed by Toei Video on and after the effective date of the Company Split.

3. Approach to calculating detailed allotment in the Company Split

Regarding the split ratio in the Company Split, the Company requested Yamada & Partners Advisory Co., a third-party valuation institution that is independent of both the Company and Toei Video, to calculate the split ratio.

The said independent third-party valuation institution used the discount cashflow method (the “DCF method”) in the computation to reflect the status of future business activities on the evaluation. As a result of the calculation, the value of the Business to be assigned as a result of the Company Split came to 259,895 thousand yen as of September 30, 2023. Moreover, the value per share of Toei Video was 404,821 yen as of September 30, 2023 according to the said institution.

Having conducted negotiations by referring to the results shown above, the Company and Toei Video have agreed that consideration for the Company Split would be as shown in 2.(3) above. In the business forecasts on which the calculation is based, the Company does not assume any substantial increase or decrease in profits. Moreover, although the impact of the Company Split on consolidated business performance will be insignificant as of the time of this announcement, it is expected to contribute to the improvement of profits over the medium to long terms.

#### 4. Overview of the subject companies (as of March 31, 2023)

	Splitting company		Succeeding company	
( 1 ) Name	TOEI COMPANY, LTD.		Toei Video Co., Ltd.	
( 2 ) Head office location	2-17, Ginza 3 Chome, Chuo-ku, Tokyo, Japan		1-12-22 Tsukiji 1 Chome, Chuo-ku, Tokyo, Japan	
( 3 ) Representative	Fumio Yoshimura, President & Chief Executive Officer		Yasuyuki Kaneko, President & Chief Executive Officer	
( 4 ) Line of business	Production, distribution, etc. of movies		Planning, production, reproduction, selling, rental, import, export, etc. of recorded or videotaped materials that use record, videotape, audiotape, film and any other media	
( 5 ) Share capital	11,707 million yen		27 million yen	
( 6 ) Established	October 1, 1949		November 7, 1972	
( 7 ) Number of shares issued	14,768,909 shares		54,000 shares	
( 8 ) Accounting period	March 31		March 31	
( 9 ) Major shareholders and shareholding ratios (excluding	TV Asahi Holdings Corporation	19.62%	TOEI COMPANY, LTD.	37.04%
	Tokyo Broadcasting System Television, Inc.	9.43%	TOEI LABO TECH CO.,LTD.	25.00%

treasury shares) (as of September 30, 2023)	BANDAI NAMCO Holdings Inc.	8.05%	TOEI ANIMATION CO., LTD.	24.63%
	JP MORGAN CHASE BANK 380815	7.23%	SAN-EI PRINTING CO., LTD	13.33%
	The Master Trust Bank of Japan, Ltd. (Trust account)	5.89%		
	Custody Bank of Japan, Ltd. (Trust account)	5.32%		

(10) Financial position and operating results of the immediately preceding fiscal year

	TOEI COMPANY, LTD. (consolidated)	Toei Video Co., Ltd. (non- consolidated)
Accounting period	As of March 31, 2023	As of March 31, 2023
Net assets (million yen)	283,172	21,816
Total assets (million yen)	379,889	29,822
Net assets per share (yen)	17,172.50	404,010.19
Net sales (million yen)	174,358	5,200
Operating profit (million yen)	36,339	-83
Ordinary profit (million yen)	40,172	157
Profit attributable to owners of parent (million yen)	15,025	115
Earning per share (yen)	1,212.40	2,146.44

(Note) Profit is shown in the column for profit attributable to owners of parent of Toei Video in (10) above.

5. Outline of business to be split

(1) Details of businesses to be split

Home Video business

(2) Results of the business to be split

Net sales: 4,066 million yen

Operating profit: 361 million yen

(3) Items and book value of assets and liabilities to be split (million yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Assets	1,112	Liabilities	1,112

The above figures have been compiled based on the balance sheet as of September 30, 2023. Actual amounts subject to the split will reflect an increase or a decrease from the above amounts that may arise until the effective date.

6. Status of the company after the Company Split

There will be no change in the name, location of head office, title or name of the representative person, business description, capital amount, and fiscal year end of the Company and Toei Video.

7. Future outlook

The impact of the Company Split on the Company's consolidated operating results will be insignificant because it is a corporate split between the Company and a consolidated subsidiary.

(Reference) Business results forecasts for current fiscal year and actual results of previous fiscal year (million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earning per share (yen)
Consolidated business forecasts for the current fiscal year (Fiscal year ending March 31, 2024)	145,200	21,800	25,200	11,800	953.02
Consolidated business results for the previous fiscal year (Fiscal year ended March 31, 2023)	174,358	36,339	40,172	15,025	1,212.40

End