

Teleconference Overview of Results
for the Second Quarter of the Fiscal Year Ending March 31, 2026 Questions
& Answers

Date:	Thursday, October 30, 2025	
Presenters:	Wataru Takahashi Tomoyuki Shimoda	Representative Director, President and COO Officer in charge of Finance/Accounting Department
Moderator:	Taiga Uezono (Moderator)	Manager, Investor Relations Group

The following summarizes the main Questions & Answers from the briefing session.

- Q1) Attendance figures showed a slight year-on-year increase in the second quarter, but this appears to be driven by weather conditions and various events and content, resulting in significant monthly volatility that makes it difficult to gauge the underlying strength. Looking back at the first half, attendance growth seems to have slowed. How do you assess the current underlying strength?
- A1) It is true that external factors like weather cause significant monthly fluctuations in attendance. However, we recognize that the trend becomes relatively stable when averaged over the half-year period. Furthermore, demand varies between parks depending on the season. While attendance was concentrated at Tokyo DisneySea® in the first half due to the opening of Fantasy Springs, we expect the second half will show increased attendance at Tokyo Disneyland® driven by events like Halloween and Christmas, demonstrating seasonal shifts.
- Q2) Regarding summer measures, please explain their impact on attendance figures, considering what worked well this period, what seems applicable for the next period, and what requires improvement.
- A2) Explaining by month: July was weaker than expected due to a greater-than-anticipated impact of a surge in demand before the closure of Space Mountain last year. August saw summer special events and content appeal strongly to younger demographic. Conversely, September was impacted by the high comparison base from the previous year's exceptional demand before the closure of Buzz Lightyear's Astro Blasters. Overall, the summer period saw various content and initiatives implemented, contributing to an overall increase in attendance.
- Q3) I'd like to confirm the correlation between attendance numbers and crowd levels. Checking the Tokyo Disney Resort® App, I had assumed that wait times were generally longer from July to September, and that attendance numbers were also growing year-on-year. However, the actual results were more stable. Could you explain the possible factors behind this discrepancy between the expected momentum of wait times and attendance

- numbers? For example, I'd like to know if this is influenced by the composition of overseas guests and students, or if it varies depending on guests' purpose for visiting.
- A3) Attraction wait times and attendance do not necessarily always show a high correlation. For instance, changes in overall park conditions, such as attraction closures due to maintenance or cancellations of parades and shows, can influence these figures. Additionally, seasonal variations and the composition of guests on a given day can create behavioral biases that affect wait times. Furthermore, wait times can fluctuate sharply depending on the time of day, such as immediately after a parade ends. We ask for your understanding that the combination of these factors can create gaps between projected wait times and actual attendance.
- Q4) Regarding second-quarter attendance, I understand that domestic guests showed stronger numbers than overseas guests. Is this understanding correct? If so, could you explain the background?
- A4) That is correct. Overseas guests showed some weakness due to temporary factors. We believe the Osaka Expo and the impact of the July earthquake prediction played a role to some extent. We will also keep a close eye on the progress of regional dispersion, particularly in Asia, driven by increased flights on regional routes.
- Q5) I would like to hear your outlook on the future trend of guest ratios by region. Considering the impact of the Osaka Expo as temporary, I believe overseas guests should be viewed structurally when excluding the Expo's influence. Are one-time visits increasing, or is there still room for growth? Also, please share any measures currently being considered to increase overseas guests.
- A5) First, we recognize that the number of international visitors to Japan is projected to reach an annual scale of 40 million, representing a significant market size. However, the current uptake rate for theme parks is declining. We believe this decline was influenced by special factors in the first half of the year. For example, earthquake predictions led to reduced passenger flights to Japan, significantly impacting visitors from Asia, who traditionally make up a large portion of our overseas guests. We also believe the Osaka Expo had a certain degree of impact. Going forward, we will carefully examine the results for the second half of the year while considering countermeasures.
- Q6) Please provide information on attendance and reservations for October and beyond, to the extent possible. I am particularly concerned about rainy weather in mid-October and wish to confirm this.
- A6) Attendance is lower on rainy days, but this is partially offset by guests rescheduling to sunny days. Reservations for October and beyond are progressing largely as expected.
- Q7) Considering the situation in the first half and October, while weather impacts from rain exist, is it correct to understand that the full-year attendance has the potential to achieve a slight increase as initially forecasted?
- A7) As of now, reservations for October and beyond are progressing largely as expected.

- Q8) I would like to confirm the approach to attendance. For the second half of the fiscal year ending March 2026, seasonal events will be held and limited-time ticket types will be sold. Furthermore, starting in the fiscal year ending March 2027, Tokyo DisneySea 25th Anniversary events and the opening of new attractions at Tokyo Disneyland are scheduled. In other words, is it correct to understand that you will gradually aim to increase attendance going forward?
- A8) Content plays a crucial role in boosting attendance. The Tokyo DisneySea 25th Anniversary events are a major highlight for the fiscal year ending March 2027; we are preparing for them and will develop them as a key focus for the year. Additionally, we will enhance seasonal special events. For example, we will put more effort into summer initiatives, building on the efforts made this fiscal year. Specific attendance figures are currently being formulated; please await the announcement at the fiscal year-end results presentation next April. Furthermore, the appeal of the parks will be significantly enhanced by the upcoming new attraction based on the world of the Disney film *Wreck-It Ralph*, scheduled to open after the fiscal year ending March 2027, and the new Space Mountain, slated for opening in 2027. Consequently, we envision attendance levels beyond those of this fiscal year and next fiscal year.
- Q9) I'd like to ask about the long-term trend in attendance. It seems like the weather, particularly rainfall, is having a significant negative impact. While attractions are indoors, queues are often outside. Could you share your approach to addressing rain?
- A9) First, regarding rainfall, we anticipate an increase in sudden heavy downpours, but we do not expect a sharp rise in the number of rainy days. While attendance does drop on rainy days, we see a certain degree of recovery on sunny days. Therefore, our rain countermeasures focus primarily on keeping guests as dry as possible. When planning attractions and other facilities, we design queues with rainy weather in mind. Fundamentally, Tokyo Disneyland's World Bazaar was designed with Japan's climate in mind, making it the world's only main street with a roof. Regarding lightning, safety is our top priority, and we implement various measures. Compared to our focus on countermeasures for severe heat, we currently have no plans to prioritize rain countermeasures.
- Q10) Regarding net sales per guest for attractions and shows in the second quarter, is it at the same level as last year or slightly lower? Looking at the ticket price calendar, it doesn't appear that the effects of dynamic pricing are showing. What factors are offsetting this? Will current trends impact the plan to gradually raise the average ticket price over several years by offering various ticket types?
- A10) Net sales per guest for attractions and shows in the second quarter increased year-on-year. The main factors were strong sales of Disney Premier Access and an increase in the proportion of higher-priced tickets. Compared to the first quarter, there was a downward pressure from the impact of night tickets, but attractions and shows revenue increased due to the larger proportion of higher-priced tickets. There is no change to the basic ticket strategy.

- Q11) I understand that the College Passport program scheduled for January-March 2026 is a de facto price reduction measure. Could you provide an estimate of the planned number of tickets to be sold, the expected increase in attendance, and the impact on net sales per guest?
- A11) Of course, while there is an element of a de facto price reduction in terms of net sales per guest, the College Passport is not implemented as a simple price cut to attract guests. Instead, it is executed from a medium-to-long-term perspective, aiming to foster future repeat guests. In terms of sales volume, the scale does not excessively impact performance and remains largely unchanged from the previous year. We aim to attract students by targeting graduation trips and exam breaks. Note that sales figures for individual ticket types are not disclosed.
- Q12) I understand that the College Passport offers discounts within a limited-time ticket framework, aiming to cultivate future repeat guests among younger demographics. Conversely, you monetize by providing value-added services like Disney Premier Access for affluent guests and those with limited time. May I understand that there are no changes to this pricing strategy direction?
- A12) As you understand, there is no change in the direction of our pricing strategy. However, please understand that Disney Premier Access is not intended for affluent guests, but rather aims to enhance convenience for guests who live far away and have limited opportunities to visit, or for overseas guests. We believe this will also have a positive impact on our company's performance. We want all guests to enjoy themselves and, as a result of providing a highly convenient environment, we seek appropriate compensation.
- Q13) I'd like to clarify the ticket pricing strategy. I view the fiscal year ending March 2027, when the Tokyo DisneySea 25th Anniversary events take place, as an opportunity for profit maximization. For example, there may still be room to monetize the Tokyo Disney Resort 40th Anniversary Priority Pass, and I believe there is also potential to explore new ticket types. Furthermore, by 2027, when the Tomorrowland area development is complete, the experience value will increase significantly, making a price increase entirely feasible. Considering these points, please outline the timeline and approach for the future ticket pricing strategy.
- A13) The fundamental approach to our ticket pricing strategy remains unchanged: we will review prices in line with the increasing experience value. However, we must now consider more carefully than before the fact that income growth is not keeping pace with rising prices. We need to carefully assess this point and deliberate accordingly. While the specific amount and timing of any price adjustments are undecided, we will respond appropriately when the time is right.
- Q14) The fiscal year ending March 2027, marking Tokyo DisneySea's 25th anniversary, presents an ideal opportunity to reassess ticket pricing levels based on the experience value. Historically, during anniversary periods every five years, you have evaluated the experience value of the parks, taking into account the introduction of new areas and content refreshes up to that point. While the President's comments mentioned assessing inflation, Tokyo Disney Resort is a unique brand in Japan and does not inherently follow

general price trends. Furthermore, with an investment of approximately ¥300 billion in Fantasy Springs, the company is in a position to design its own value, and the stock market has recognized this position. Therefore, at this milestone marking the 25th anniversary of Tokyo DisneySea, a time to reaffirm the brand's value, should the company not reassess prices based on the current experience value of the parks without hesitation? I would like to hear the management's thoughts and direction on this.

- A14) We understand the intent of your point. However, we also place great importance on welcoming a diverse range of guests. Price revisions require careful judgment, considering the significant impact they could have on our annual attendance, which has reached 28 million. Significant ticket price revisions that could substantially impact performance could greatly affect guest behavior and carry the risk of losing guests. Theme parks' philosophy prioritizes providing a wonderful space and experience to as many guests as possible, delivering a truly unique service. Therefore, it is crucial to discuss not just ticket price adjustments alone, but also to consider expanding convenient services and options, setting appropriate value for these offerings, and providing them. We ask for your understanding that we will comprehensively examine ways to increase net sales per guest, including not only ticket price revisions but also various options like Disney Premier Access. Naturally, the timing and extent of any ticket price revisions will be determined based on progress in enhancing the park experience and the demand environment.
- Q15) When communicating our ticket pricing strategy, you must be mindful of all stakeholders. Compared to 40 years ago, prices are roughly triple, so it's natural that raising them becomes more difficult. However, while I understand the policy outlined in the Long-term Management Strategy—increasing the number of ticket options available to guests, thereby raising the weighted average price—remains in place, the current communication seems to focus solely on the message that "revising the price of the 1-Day Ticket is difficult." Therefore, I would like to reconfirm whether there has been any change in the ticket pricing strategy policy.
- A15) There has been no change in policy since the announcement of the Long-term Management Strategy. We are not simply discussing raising ticket prices alone. We are exploring how to create various content offerings and elevate the overall experience to an appropriate level. For example, we are discussing how to combine and allocate offerings with special value, such as Disney Premier Access, Tokyo Disney Resort Vacation Packages, and VIP tours. Alongside this, we are conducting a comprehensive review, including a reassessment of the ticket price tiers. That said, regarding ticket price revisions, it is crucial to set an appropriate price tier at the right timing, specifically when the park experience value has increased. We also intend to consider the respective experience values of both parks and plan price revisions at the appropriate time.
- Q16) Considering the ticket price revision, I believe introducing tickets that offer convenience and value is urgent. You should swiftly establish an environment where guests unfamiliar with the parks can enjoy themselves without worry. Are ticket measures for this purpose being discussed? If things continue as they are, even guests paying over ¥10,000 for admission might find themselves unable to ride their desired attractions once inside the park. I'm concerned this could lead to negative word spreading on social media.

- A16) We are currently preparing to offer advance purchase system of Disney Premier Access so guests can finalize their plans before arriving and enjoy the parks with peace of mind. We also recognize that the current situation, where guests focus on smartphone operations immediately upon entry, is not ideal. Going forward, we will enable guests to purchase Disney Premier Access before their visit, allowing them to arrive with confidence. The launch date will be announced once system readiness and other factors allow. Please understand that improving convenience remains our top priority.
- Q17) Regarding the average charge per room for Disney hotels, I estimate a low single-digit percentage increase for the three months of the second quarter. If this is generally accurate, could you explain the background behind the slower growth rate compared to the first quarter?
- A17) The average charge per room for the second quarter was slightly higher than the same period of the previous fiscal year and nearly on par with our budget. Last year saw exceptionally strong initial demand for Tokyo Disney Resort Vacation Packages due to the opening of Fantasy Springs. This quarter, demand settled down as a reaction to that. The first quarter benefited from the net increase impact of Tokyo DisneySea Fantasy Springs Hotel®, so growth appears slower when compared to that period. Incidentally, the average occupancy rate remains at a high level, and it is not the case that all Disney hotels uniformly experienced a decline in demand.
- Q18) Could you elaborate on the approach to hotel room rates considering inbound trends? The growth in Disney hotels' average charge per room seems moderate. We anticipated that increased inbound demand would impact hotel supply and demand, leading to higher rates. Does this mean Disney hotels are not experiencing such effects? While you mentioned that the average charge per room for the second quarter increased year on year, could you explain how you view the outlook for the second half of the fiscal year, including the difference in perception compared to the first quarter?
- A18) First, the overseas guest ratio at Disney hotels, specifically for the second quarter, temporarily fell below the level of the previous year, similar to the theme parks. The reason it appears moderate is because, unlike the first quarter, the second quarter did not benefit from the net increase effect of Tokyo DisneySea Fantasy Springs Hotel. Additionally, the previous year saw strong initial demand for Tokyo Disney Resort Vacation Packages. Going forward, we will continue to set appropriate average charge per room for the hotels, taking into account the overall revenue balance of the resort and demand trends for the hotels.
- Q19) Regarding organizational restructuring, I would like to ask about the background. I assume that the decision to implement a large-scale shift from a business-based to a function-based structure was driven by the recognition of certain areas needing improvement. For example, I imagined there might have been room to accelerate collaboration speed between business divisions. Could you elaborate on the background, including specific examples?

A19) This organizational restructuring involves shifting from a business division structure to a functional structure, eliminating overlapping areas and promoting centralization. The background includes improving the speed of future decision-making and operational execution, as well as enhancing cost control. Within the theme parks division, the Food Division, Merchandise Division, and Operations Division previously operated in silos. Going forward, we will prioritize the guest perspective. For instance, to enhance convenience, each division will address issues cross-functionally and with a sense of urgency. Additionally, we will gradually integrate common functions like general affairs, human resources, and training. By reducing redundant tasks, we aim to cut fixed expenses through better cost control. Regarding information dissemination, public relations and investor relations will be consolidated into the Corporate Communication Department to maintain message consistency, enhance expertise, and improve operational efficiency. Furthermore, the Risk Management Department will centralize management functions under one department, whereas previously operational risks and strategic risks arising in the parks were managed by different departments. In the management strategy domain, roles for numerical management and development planning will be clarified to strengthen expertise. This marks the first fundamental reform since Tokyo Disneyland opened.

End

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