

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

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| Date: | Thursday, January 29, 2026 | |
| Presenter: | Tomoyuki Shimoda | Officer, Deputy in charge of Corporate Communication Department |
| Moderator: | Taiga Uezono | Manager, Investor Relations Group |

The following summarizes the main Q&A from the briefing session.

- Q1) Regarding attendance, you mentioned no significant trend change between the first half and the third quarter. For domestic guests, is it correct to understand that while the number of guests from the Tokyo metropolitan area showed a slight decline, the opening effect of Fantasy Springs significantly drove demand from regional guests?
- A1) The trend in attendance by region remains consistent with the pattern seen through the first half. While guests from the Tokyo metropolitan area show a slight weakening, we view this as a reaction to the strong demand seen last fiscal year before the closure of attractions. On the other hand, guests from regional areas continue to perform well, indicating high demand for Fantasy Springs.
- Q2) We were concerned about the impact of deteriorating Japan-China relations on inbound guests, but the numbers seem to have held up relatively well. Could you explain the background here? Is it correct to understand that while guests from mainland China have decreased, this has been offset by overseas guests from other regions and domestic guests? Also, do you believe this trend is sustainable into the fourth quarter, which includes the Chinese New Year period?
- A2) The number of overseas guests for the first nine months was nearly the same as for the same period of the previous fiscal year, but below our projection. By region, the top three were East Asia, North America, and Southeast Asia in that order. Guests from mainland China have not yet recovered to pre-COVID levels. To supplement, guests from East Asia account for about 40% of all overseas guests, and within that, the proportion of mainland Chinese guests is largely consistent with the composition of total inbound visitors to Japan. The reasons for overseas guest numbers being on par with last year are considered to be similar to the first half: the impact of Expo 2025 Osaka, Kansai, the July earthquake prediction, and other factors. Furthermore, we believe that dispersion to regional destinations, particularly within Asia, is progressing due to factors like increased regional flight frequencies. We believe Japan-China relations had some impact, but as mentioned earlier, mainland Chinese guests do not constitute a large proportion of total attendance. Therefore, the overall impact on total attendance is not significant, and we consider the effect to be minor. However, as the Chinese New Year period approaches, we will

continue to closely monitor the potential impact of Japan-China relations on the fourth quarter.

- Q3) Please explain why the guidance for the fiscal year ending March 2026 remains unchanged. Specifically, we would like to confirm the risks anticipated for the fourth quarter. For example, what are the anticipated scales of the respective impacts for general risks that occur annually, such as weather, and for specific risks such as the cooling of Japan-China relations? Additionally, please share any factors that could contribute to upside potential.
- A3) We would like you to understand that weather impacts are the most significant potential risk for the fourth quarter. Additionally, we will continue to closely monitor trends in attendance among overseas guests due to the deterioration of Japan-China relations. Furthermore, the decision to maintain our guidance was also influenced by the expected deferral of cost recognition to the fourth quarter. Considering these factors comprehensively, we have decided to maintain the guidance at this time. However, as announced today, the results for the first nine months were strong, with consolidated operating profit exceeding our forecast by over 10 billion yen. Therefore, if this favorable situation continues, it could represent an upside. We will continue our efforts to realize this upside.
- Q4) Regarding the profit upside in the third quarter, you mentioned the impact of timing differences in expenses. How significant is this impact?
- A4) The breakdown of costs deferred to the fourth quarter includes sales promotion costs, IT-related expenses, and research and development expenses. The amount should be understood to be in the low billions of yen range.
- Q5) Regarding the Hotel Business Segment, the year-on-year growth rate of the average charge per room in the third quarter appears to have accelerated compared to the second quarter. You mentioned that room rates are adjusted through revenue management. Could you elaborate on the specifics of this adjustment? Also, do you anticipate sustainable growth in the Hotel Business Segment for the fourth quarter and the next fiscal year? Please share your outlook.
- A5) Regarding the average charge per room at Disney hotels, we believe our flexible pricing adjustments in response to demand proved effective. Furthermore, the strong occupancy performance at Tokyo DisneySea Fantasy Springs Hotel® throughout the full year also contributed to the increase in the average charge per room. Additionally, the third quarter is a period of particularly strong attendance at the parks, which is another factor making this a strong quarter for the Hotel Business Segment in terms of revenue.
- Q6) Regarding Tokyo DisneySea®, is it correct to understand that attracting guests will center around anniversary events? On the other hand, for Tokyo Disneyland® next fiscal year, we anticipate that attractions and capacity will remain restricted, as they are this fiscal year. Is it appropriate to base our thinking on this assumption? Or, are you planning to implement measures to increase attendance compared to this fiscal year through events and other initiatives?

- A6) We believe it is important to secure balanced attendance across both parks. Therefore, for example, at Tokyo Disneyland, we aim to improve performance by leveraging special events like Christmas, which were well-received this fiscal year.
- Q7) Page 14 shows increased transparency in the guidance for the next fiscal year. Given this, how is the fiscal year ending March 2027 positioned within the Long-term Management Strategy?
- A7) We ask for your patience regarding next fiscal year's guidance until the year-end earnings announcement. Regarding the positioning of the fiscal year ending March 2027, the primary premise is to maximize the upside potential of the Tokyo DisneySea 25th Anniversary events as a key factor to stimulate demand. At the same time, we intend to diligently work in parallel on preparing the operational environment for future growth. We are currently formulating our guidance while positioning this fiscal year as one focused on addressing both aspects.
- Q8) Regarding the additional options outlined on page 16, I would like to confirm the future direction. Multiple ticket initiatives are listed, including setting appropriate ticket prices, reviewing the composition of price tiers, changing the price tiers themselves, expanding attractions eligible for Disney Premier Access and considering their appropriate pricing, and introducing pre-visit sales for Disney Premier Access. While multiple options are presented at this stage, could you tell us whether any of the measures may be implemented within the next fiscal year?
- A8) We cannot discuss specific measures to be implemented next fiscal year at this time. However, regarding ticket price revisions, we believe the basic precondition is to enhance the guest experience. We intend to review ticket pricing based on the premise of substantially increasing the value of the parks and the guest experience.
- Q9) From the perspective of guest satisfaction, I believe introducing a service that allows guests to purchase Disney Premier Access before their visit is the most urgent measure. With Tokyo DisneySea 25th Anniversary events starting in April and a certain increase in attendance expected, could you explain the background as to why it couldn't be introduced before the event starts?
- A9) We currently plan to make pre-visit purchases of Disney Premier Access available within our parks by the end of 2027. Therefore, we anticipate sales will begin a certain period before the service launch. The timing of sales and pricing are currently under adjustment. Concurrently, we will also proceed with expanding the range of eligible attractions and considering appropriate pricing for Disney Premier Access.
- Q10) Regarding ticket price revisions, changes to the price tier composition, expanding Disney Premier Access to more attractions, and reviewing appropriate pricing levels—are these planned to coincide with the timing of attraction openings? Or is there also the possibility of implementing them flexibly based on circumstances, such as by monitoring guest satisfaction? I would like to confirm your approach regarding the timing.

- A10) We intend to carefully determine the timing and methods for implementing these measures, giving full consideration to their impact on guests. Specific details will be announced sequentially as decisions are made.
- Q11) Please elaborate on the additional options mentioned on page 16. Aside from advance purchase of Disney Premier Access, there was no mention of a timeline. We assume the implementation timeline for each option may vary based on execution difficulty. Regarding options for increasing unit prices, what measures are being considered in the short term versus the medium to long term? Alternatively, are these being considered for simultaneous implementation? We would appreciate your perspective, even if qualitative.
- A11) Regarding future additional options, we intend to combine measures from both short-term and medium-to-long-term perspectives, taking into account factors like facility opening schedules. For both short-term and medium-to-long-term, we aim to explore optimal approaches by combining measures such as expanding Disney Premier Access eligibility and reviewing ticket pricing.
- Q12) I would like to confirm the definition of "appropriate pricing" mentioned on page 16. Does "appropriate pricing" refer to maximizing revenue, or maximizing customer satisfaction? Given that the supply-demand balance is expected to fluctuate over time, are you aiming to optimize the balance? Please clarify which approach is prioritized when determining prices. Additionally, I would like to reconfirm your overall approach to appropriate pricing, including whether this priority might change in the future.
- A12) Regarding price optimization, our primary premise is enhancing the guest experience value. We aim to achieve both: increasing guest experience value and satisfaction while improving the company's financial health. We do not favor one over the other. We are currently working to improve both aspects. We appreciate your continued understanding.
- Q13) Regarding park tickets, we would like to understand the rationale behind the need for identical pricing across both theme parks. Currently, ticket prices for Tokyo Disneyland and Tokyo DisneySea are the same. However, we anticipate that the timing for value enhancement will differ between the two parks going forward. How do you envision the timing for raising ticket prices? If there are any internal considerations being discussed at this stage, please share them.
- A13) As you pointed out, the concept of park value can vary from year to year due to factors such as event content and new facility openings. However, our company does not perceive a difference in value between Tokyo Disneyland and Tokyo DisneySea. While it is true that Tokyo DisneySea has seen increased attendance following the opening of Fantasy Springs, Tokyo Disneyland is also currently performing well with special events such as Halloween and Christmas, and has new attractions planned for the future. To reiterate, at this point in time, we do not recognize any difference in value between the two parks. We intend to consider our ticket pricing strategy while keeping this perspective in mind.

- Q14) I would like to confirm the company's stance on share buybacks and shareholder returns. I understand that the Long-term Management Strategy disclosed plans for the disciplined use of financial leverage and responses to potential share disposals. While the external environment has likely changed since then, given the current stock price level, I believe share buybacks as a form of shareholder return hold certain significance, particularly from the perspective of addressing existing shareholders. Could you provide an update on the company's current thinking regarding such shareholder returns?
- A14) Regarding capital policies, including the use of financial leverage and share buybacks, we have outlined our approach within our medium- to long-term cash allocation strategy as part of our Long-term Management Strategy. We take the current stock price seriously and are exploring various methods to enable execution at an appropriate time. For shareholder returns, we intend to continue stable dividends while also appropriately utilizing share buybacks and other measures as circumstances warrant.
- Q15) I would like to confirm whether the redevelopment of Space Mountain and the entire surrounding area is proceeding as planned.
- A15) The redevelopment is proceeding as planned. We will announce the specific opening date once it is determined.
- Q16) I would also like to ask about the progress of the cruise business. I understand that the total investment amount included a buffer to accommodate fluctuations in macro factors such as exchange rates amid currency volatility. Could you provide an update on the current progress, including this aspect?
- A16) The cruise business is also progressing as planned at this time. We have been advancing detailed design and styling work for the cruise ship starting this fiscal year, and we are working towards commencing full-scale shipbuilding from the next fiscal year. Regarding the financial impact of exchange rates, we have already implemented hedging to a certain extent through foreign exchange forward contracts. We intend to continue monitoring exchange rate trends and respond appropriately. Furthermore, we are currently updating the specifics regarding returns and other aspects, and we plan to disclose this information once the details are finalized.

End

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