Process of Happiness Creation toward Realizing Our Goal for 2035

Business Mission Our mission is to create happiness and contentment by offering wonderful dreams and moving experiences created with original, imaginative ideas.

Inputs

P.23

Financial Capital

Manufactured Capital

Competitive Advantage

Attractive space created by facilities and content

Human Capital

Competitive Advantage

Highly hospitable employees who see the satisfaction of customers as their own pleasure

Intellectual Capital

Social and Relationship Capital

Competitive Advantage

License from Disney Enterprises, Inc., which has unrivaled brand power, creativity, and development capabilities

Natural Capital

Business Activities and Strategies

Growth Through Business

P.39

Strengthen and Utilize Customer Acquisition Platform

Theme Park Segment
Provide appealing theme parks and establish new revenue models

Hotel Business Segment
Maximize revenue through revenue management and consider establishing new Disney hotels

Cruise Business
Build a new pillar of growth by entering the Cruise Business, which has strengths not found in our existing businesses

Activities that Support Business Growth, Contribute to a Sustainable Society, and Increase Corporate Value

P.48

ESG Materiality
- Enhance business value and resolve social issues
- Laying the foundation for sustainable business

CVC Activities
Investment in Online-Merge-Offline (OMO), human resources, learning, and tourism

Sources of Growth

Attractive Space
Facilities and content

×

Employees
High levels of loyalty and hospitality

Risks / Opportunities

P.24

Risks
- Domestic market shrinking due to declining birthrate and aging population
- Cost inflation (personnel expenses, construction costs)
- Diversification of leisure activities
- Climate change and natural disasters

Opportunities
- Possession of land and customer acquisition platform
- Increase in overseas guests
- Establish new revenue models
- Increase sustainability by enhancing business value and resolving social issues

Outputs and Outcomes

Our Goal for 2035

Bringing more "Happiness" to you and the community.

What the OLC Group aspires to be

- Provide enjoyment that drives people into tomorrow through spaces and times where diverse people can share joy, laughter, and inspiration
- Cherish the world that nurtures and sustains us, and contribute to a sustainable society
- Continue to be a corporation in which employees can truly take pride by expanding the OLC Group's corporate value

Economic Value

- Operating cash flow
  ¥300 billion level (FY2029 target)
- Net sales
  ¥1 trillion or higher (FY2035 target)
- ROE
  Aim for an even higher level than that achieved under the 2024 Medium-term Plan
- Payout ratio
  30% level (FY2035 target)

Social Value

- Guests
  Maximize satisfaction through happiness creation
- Children
  Finding ways to assist children with various challenges
  Fostering happiness
- Employees
  Provide added value creation opportunities and employment
- Earth
  Contribute to the creation of sustainable societies

Using Capitals to Create Happiness

We will make maximum use of our six management capitals to develop our business, thereby creating economic and social value while also strengthening our management capitals further over the long term to realize sustainable happiness creation.

Management Capitals / Inputs (FY2024 results) / Outputs (FY2024 results)

Financial Capital

Inputs
- Shareholders' equity: ¥961.0 billion
- Shareholders' Equity Ratio: 67.9%
- Debt-to-Equity Ratio: 0.27 times
- Cash on hand: Around ¥250.0 billion

Outputs
- Operating cash flow: ¥189.5 billion
- Net sales: ¥679.3 billion
- ROE: 12.9%
- Ratings: JCR: AA, R&I: AA–

Manufactured Capital

Competitive Advantage

Attractive space created by facilities and content

Inputs
- Number of Theme Park attractions and entertainment facilities: 82
- Total number of Disney hotel guestrooms: Approx. 3,500
- Own land: Approx. 2 million m^2
- Capital expenditures: ¥90.2 billion

Outputs

Theme Park Segment
- Annual theme park attendance: 27.56 million
- Overseas guest attendance: 4.21 million
- Net sales per guest: ¥17,833
- Cumulative number of operating days of Tokyo Disneyland: 14,536

Hotel Business Segment
- Disney hotels occupancy rates: 95.7%
- Disney hotels average charge per room: ¥64,886

Human Capital

Competitive Advantage

Highly hospitable employees who see the satisfaction of customers as their own pleasure

Inputs
- Number of employees: 36,129
- Non-consolidated number of employees at OLC: 27,067
  (Of which, 3,248 Corporate employees, 2,820 Theme Park operations employees, 19,789 part-time cast members)
- Training time / expense per employee: 12 hours/¥44,165
- Number of engineers performing inspection and maintenance of the entire facility: Approx. 1,000

Outputs
- Total score of employee engagement survey: 69
- Ratio of female managers (non-consolidated): 16.8%
- Ratio of male employees taking childcare leave (non-consolidated): 97.9%
- Turnover rate (non-consolidated, personal circumstances): 2.46%

Intellectual Capital

Outputs
- Number of recipients of Company awards: Approx. 500

Social and Relationship Capital

Competitive Advantage

License from Disney Enterprises, Inc., which has unrivaled brand power, creativity, and development capabilities

Inputs
- License from Disney Enterprises, Inc.: Up to 2076
- Instances of feedback from guests: Approx. 16,000
- Number of theme park official sponsors: 28
- Number of primary suppliers: Approx. 2,600 per year
- Consultations with institutional investors: Approx. 1,000 in total

Outputs
- Number of contact years with Theme Park official sponsors: Up to 42 years from park opening
- Number of participants in quality management and ILS program presentation: 154 companies
- Expenditure related to social contribution activities: ¥157 million

Natural Capital

Inputs
- Total energy consumption: 4,522,755 GJ
- Total water intake: 5,825 thousand m^3

Outputs
- Scope 1+Scope 2: 153,403 t-CO_2
- Scope 3: 2,533,343 t-CO_2
- Water discharged: 4,326 thousand m^3 (Internally recycled: 944 thousand m^3)
- Incineration/landfill disposal volume: 8,743 t
- Recycling rate: 67%

Outcomes

(Targets: ◆ FY2027, ■ FY2029, ⬟ FY2030, ★ FY2035)

Economic Value

Enhance corporate value through evolution of business structure for sustainable growth and pursuit of optimal capital structure

- ■ Operating cash flow: ¥300 billion level
- ★ Net sales: ¥1 trillion or higher
- ROE: Aim for an even higher level than that achieved under the 2024 Medium-term Plan
- ★ Payout ratio: 30% level

Social Value

Guests: Maximize satisfaction by creating happiness through business

Children: Create happiness through business, finding ways to assist children with various challenges and fostering a feeling of happiness.

Employees: Provide added value creation opportunities and employment
- ⬟ Total score of employee engagement survey: 71
- ◆ Ratio of female managers (non-consolidated): 25%
- ◆ Ratio of male employees taking childcare leave (non-consolidated): 95%

Earth: Contribute to the creation of a sustainable society through initiatives for a recycling-oriented resort
- ⬟ Scope 1+Scope 2: 42% reduction (vs. FY2024)
- ⬟ Scope 3: 25% reduction (vs. FY2024)
- ⬟ Incineration/landfill disposal volume: 13% reduction (vs. FY2016)
- ⬟ Recycling rate: 80%

Approach to Risks and Opportunities

Based on the 2035 Long-Term Management Strategy and ESG Materiality, we will conduct an analysis of the business environment, incorporating economic, environmental, and social aspects, and formulate countermeasures to risks that could have a material impact, while promoting initiatives to utilize them as business opportunities.

Risks	Opportunities	Corresponding Strategy and Materiality	Response
• Domestic market shrinking due to declining birthrate and aging population • Cost inflation (personnel expenses, construction costs) • Diversification of leisure activities	• Possession of land and customer acquisition platform • Increase in overseas guests • Establish new revenue models	2035 Long-term Management Strategy	Growth through reinforcement and utilization of Tokyo Disney Resort's customer acquisition platform and activities that contribute to increasing corporate value through ESG materiality and CVC P.28
• Decrease in work force • Decrease in the value provided to customers and outflow of human resources due to decline in employee engagement	• Further increase in the value provided to customers by increasing employee engagement; strengthening of capacity to respond to changes and business opportunities	Employee happiness	To continue to be a corporation in which employees can truly take pride, we will work on measures to increase their sense of achievement at work and offer a comfortable workplace environment P.51
• Decline in business sustainability due to deterioration of social issues surrounding children	• Increase in social trust by finding ways to assist children with various challenges; enhancement of business sustainability by fostering customer acquisition platform	Happiness of children	Initiatives for nurturing the dreams and minds of children, who are our future P.55
• Depletion and rising cost of natural resources; decrease in social trust due to massive resource consumption and insufficient waste reduction measures	• Enhancement of brand value by establishing recycling-oriented business model	Recycling-oriented society	We will decrease resource input, strengthen waste sorting to increase the recycling rate, and reduce waste with the aim of lowering our environmental impact on society P.56
• Emergence of risk due to insufficient response to human rights protection and diversity of customers and employees	• Increase in guest experience value by adapting to changes in society and customer needs; enhancement of business value through diverse human resources and values	Diversity, equity and inclusion	We will implement initiatives to respect human rights and employee/customer diversity P.59
• Manifestation of risks related to human rights and the environment across the supply chain	• Expansion of competitive advantages by giving due consideration to the environment and society across the entire supply chain	Supply chain management	We will take steps to strengthen engagement with suppliers and procure sustainable raw materials P.61
• Growing impact of climate change and natural disasters on business; decline in social trust due to failure to achieve targets for climate change measures	• Strengthening of social trust and business resilience through measures to address climate change and natural disasters	Climate change and natural disasters	Toward the goal of achieving net zero greenhouse gas emissions in 2050, we will approach climate change through mitigation and adaptation and preserve biodiversity, including water resource management P.57
• Decrease in growth opportunities and social trust due to lack of appropriate decision-making function • Decline in business sustainability due to violation of official regulations (HR, legal, etc.), terrorism, infectious disease, information security, and accidents	• Strengthening of management foundation by developing and securing a pool of next-generation management talent	Robust management foundation	We will ensure compliance with laws and regulations and continue to respond appropriately to the demands of society, while establishing a system where next-generation talent can be fostered and corporate value can be enhanced on an ongoing basis P.62