

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 28, 2026

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 001-38842

**The WALT DISNEY Company**

**Delaware**

State or Other Jurisdiction of  
Incorporation or Organization

**83-0940635**

I.R.S. Employer Identification

**500 South Buena Vista Street  
Burbank, California 91521**

Address of Principal Executive Offices and Zip Code

**(818) 560-1000**

Registrant's Telephone Number, Including Area Code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	DIS	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

There were 1,736,511,424 shares of common stock outstanding as of April 29, 2026.

**THE WALT DISNEY COMPANY**  
**Form 10-Q**  
**For the Fiscal Quarter Ended March 28, 2026**

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## Cautionary Note on Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or our future financial or operating performance and may include statements concerning, among other things, financial results; business plans (including statements regarding new products and services, future expenditures, costs and investments); future liabilities and other obligations; impairments and amortization; estimates of the financial impact of certain items, accounting treatment, events or circumstances; competition and seasonality on our businesses and results of operations; and capital allocation, including share repurchases and dividends. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “would,” “expects,” “plans,” “could,” “intends,” “target,” “projects,” “forecasts,” “believes,” “estimates,” “anticipates,” “potential,” “continue,” “assumption” or “judgment” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. These statements reflect our current views with respect to future events and are based on assumptions as of the date of this report. These statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements.

Such differences may result from actions taken by the Company, including restructuring or strategic initiatives (including capital investments, asset acquisitions or dispositions, new or expanded business lines or cessation of certain operations), our execution of our business plans (including the content we create and intellectual properties (IP) we invest in, our pricing decisions, our cost structure and our management and other personnel decisions), our ability to quickly execute on cost rationalization while preserving revenue, the discovery of additional information or other business decisions, as well as from developments beyond the Company’s control, including:

- the occurrence of subsequent events;
- deterioration in domestic and global economic conditions or failure of conditions to improve as anticipated;
- deterioration in or pressures from competitive conditions, including competition to create or acquire content, competition for talent and competition for advertising revenue;
- consumer preferences for and acceptance of our content offerings and the distribution channel (including pricing and bundling of our streaming services and impact on churn and subscriber additions) and our travel destinations;
- the market for advertising sales on our streaming services and linear networks;
- health concerns and their impact on our businesses and productions;
- international, including tariffs and other trade policies, political or military developments;
- regulatory and legal developments;
- technological developments;
- labor markets and activities, including work stoppages;
- adverse weather conditions or natural disasters; and
- availability of content.

Such developments may further affect entertainment, travel and leisure businesses generally and may, among other things, affect (or further affect, as applicable):

- our operations, business plans or profitability;
- demand for our products and services;
- the performance of the Company’s content;
- our ability to create or obtain desirable content at or under the value we assign the content;
- the advertising market for programming;
- taxation; and
- performance of some or all Company businesses either directly or through their impact on those who distribute our products.

Additional factors include those described in our 2025 Annual Report on Form 10-K, including under the captions “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business,” in our subsequent quarterly reports on Form 10-Q, including under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in our subsequent filings with the Securities and Exchange Commission.

A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances. You should not place undue reliance on the forward-looking statements. Unless required by federal securities laws, we assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made.

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**PART I. FINANCIAL INFORMATION**

**Item 1: Financial Statements**

**THE WALT DISNEY COMPANY  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(unaudited; in millions, except per share data)**

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
<b>Revenues:</b>				
Services	\$ 22,684	\$ 21,258	\$ 45,890	\$ 43,306
Products	2,484	2,363	5,259	5,005
Total revenues	<u>25,168</u>	<u>23,621</u>	<u>51,149</u>	<u>48,311</u>
<b>Costs and expenses:</b>				
Cost of services (exclusive of depreciation and amortization)	(14,417)	(13,378)	(29,420)	(27,167)
Cost of products (exclusive of depreciation and amortization)	(1,484)	(1,432)	(3,150)	(3,049)
Selling, general, administrative and other	(4,073)	(3,981)	(8,194)	(7,911)
Depreciation and amortization	(1,405)	(1,324)	(2,721)	(2,600)
Total costs and expenses	<u>(21,379)</u>	<u>(20,115)</u>	<u>(43,485)</u>	<u>(40,727)</u>
Restructuring and impairment charges	(239)	(109)	(239)	(252)
Interest expense, net	(240)	(346)	(515)	(713)
Equity in the income of investees	57	36	150	128
Income before income taxes	<u>3,367</u>	<u>3,087</u>	<u>7,060</u>	<u>6,747</u>
Income taxes	(902)	314	(2,111)	(702)
Net income	<u>2,465</u>	<u>3,401</u>	<u>4,949</u>	<u>6,045</u>
Net income attributable to noncontrolling interests	(218)	(126)	(300)	(216)
Net income attributable to The Walt Disney Company (Disney)	<u>\$ 2,247</u>	<u>\$ 3,275</u>	<u>\$ 4,649</u>	<u>\$ 5,829</u>
<b>Earnings per share attributable to Disney:</b>				
Diluted	<u>\$ 1.27</u>	<u>\$ 1.81</u>	<u>\$ 2.61</u>	<u>\$ 3.21</u>
Basic	<u>\$ 1.27</u>	<u>\$ 1.81</u>	<u>\$ 2.62</u>	<u>\$ 3.22</u>
<b>Weighted average number of common and common equivalent shares outstanding:</b>				
Diluted	<u>1,772</u>	<u>1,814</u>	<u>1,782</u>	<u>1,816</u>
Basic	<u>1,766</u>	<u>1,808</u>	<u>1,776</u>	<u>1,810</u>

*See Notes to Condensed Consolidated Financial Statements*

**THE WALT DISNEY COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(unaudited; in millions)**

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Net income	\$ 2,465	\$ 3,401	\$ 4,949	\$ 6,045
Other comprehensive income (loss), net of tax:				
Market value adjustments for hedges	177	(253)	208	109
Pension and postretirement medical plan adjustments	5	18	2	43
Foreign currency translation and other	(224)	54	(211)	606
Other comprehensive income (loss)	(42)	(181)	(1)	758
Comprehensive income	2,423	3,220	4,948	6,803
Net income attributable to noncontrolling interests	(218)	(126)	(300)	(216)
Other comprehensive income (loss) attributable to noncontrolling interests	(9)	(8)	(36)	64
Comprehensive income attributable to Disney	<u>\$ 2,196</u>	<u>\$ 3,086</u>	<u>\$ 4,612</u>	<u>\$ 6,651</u>

*See Notes to Condensed Consolidated Financial Statements*

**THE WALT DISNEY COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited; in millions, except per share data)

	March 28, 2026	September 27, 2025
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 5,682	\$ 5,695
Receivables, net	14,390	13,217
Inventories	2,080	2,134
Content advances	1,167	2,063
Other current assets	1,280	1,158
Total current assets	24,599	24,267
Produced and licensed content costs	30,360	31,327
Investments	8,397	8,097
Parks, resorts and other property		
Attractions, buildings and equipment	86,202	82,041
Accumulated depreciation	(48,098)	(48,889)
	38,104	33,152
Projects in progress	4,966	6,911
Land	1,185	1,192
	44,255	41,255
Intangible assets, net	10,062	9,272
Goodwill	74,682	73,294
Other assets	12,862	10,002
Total assets	\$ 205,217	\$ 197,514
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 19,961	\$ 21,203
Current portion of borrowings	8,887	6,711
Deferred revenue and other	7,375	6,248
Total current liabilities	36,223	34,162
Borrowings	38,471	35,315
Deferred income taxes	5,050	3,524
Other long-term liabilities	10,161	9,901
Commitments and contingencies (Note 12)		
Equity		
Preferred stock	—	—
Common stock and additional paid-in capital, \$0.01 par value, Authorized – 4.6 billion shares, Issued – 1.9 billion shares	62,256	59,814
Retained earnings	62,393	60,410
Accumulated other comprehensive loss	(2,951)	(2,914)
Treasury stock, at cost, 130 million shares at March 28, 2026 and 79 million shares at September 27, 2025	(12,990)	(7,441)
Total Disney Shareholders' equity	108,708	109,869
Noncontrolling interests	6,604	4,743
Total equity	115,312	114,612
Total liabilities and equity	\$ 205,217	\$ 197,514

*See Notes to Condensed Consolidated Financial Statements*

**THE WALT DISNEY COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited; in millions)**

	Six Months Ended	
	March 28, 2026	March 29, 2025
<i>OPERATING ACTIVITIES</i>		
Net income	\$ 4,949	\$ 6,045
Depreciation and amortization	2,721	2,600
Deferred income taxes	918	93
Equity in the income of investees	(150)	(128)
Cash distributions received from equity investees	152	79
Net change in produced and licensed content costs and advances	1,999	1,889
Equity-based compensation	737	647
Other, net	55	205
Changes in operating assets and liabilities:		
Receivables	(1,165)	(367)
Inventories	3	(1)
Other assets	(350)	10
Accounts payable and other liabilities	(508)	(1,025)
Income taxes	(1,712)	(89)
Cash provided by operations	<u>7,649</u>	<u>9,958</u>
<i>INVESTING ACTIVITIES</i>		
Investments in parks, resorts and other property	(4,986)	(4,328)
Acquisitions and purchase of investments, net	(540)	(83)
Other, net	57	(62)
Cash used in investing activities	<u>(5,469)</u>	<u>(4,473)</u>
<i>FINANCING ACTIVITIES</i>		
Commercial paper borrowings (payments), net	3,480	(791)
Borrowings	5,046	1,057
Reduction of borrowings	(3,537)	(2,913)
Dividends	(1,337)	(905)
Repurchases of common stock	(5,500)	(1,785)
Other, net	(314)	(216)
Cash used in financing activities	<u>(2,162)</u>	<u>(5,553)</u>
Impact of exchange rates on cash, cash equivalents and restricted cash	<u>(28)</u>	<u>(76)</u>
Change in cash, cash equivalents and restricted cash	(10)	(144)
Cash, cash equivalents and restricted cash, beginning of period	5,799	6,102
Cash, cash equivalents and restricted cash, end of period	<u>\$ 5,789</u>	<u>\$ 5,958</u>

*See Notes to Condensed Consolidated Financial Statements*

**THE WALT DISNEY COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
**(unaudited; in millions)**

	Quarter Ended							
	Equity Attributable to Disney							
	Shares <sup>(1)</sup>	Common Stock and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Disney Equity	Non-controlling Interests <sup>(2)</sup>	Total Equity
Balance at December 27, 2025	1,776	\$ 60,704	\$ 60,164	\$ (2,900)	\$ (9,492)	\$ 108,476	\$ 5,532	\$ 114,008
Comprehensive income (loss)	—	—	2,247	(51)	—	2,196	227	2,423
Equity compensation activity	2	321	—	—	—	321	5	326
Dividends	—	14	(14)	—	—	—	—	—
Common stock repurchases	(33)	—	—	—	(3,466)	(3,466)	—	(3,466)
Fubo and NFL Transactions	—	1,229	—	—	—	1,229	1,231	2,460
Distributions and other	—	(12)	(4)	—	(32)	(48)	(391)	(439)
<b>Balance at March 28, 2026</b>	<b>1,745</b>	<b>\$ 62,256</b>	<b>\$ 62,393</b>	<b>\$ (2,951)</b>	<b>\$ (12,990)</b>	<b>\$ 108,708</b>	<b>\$ 6,604</b>	<b>\$ 115,312</b>
Balance at December 28, 2024	1,810	\$ 58,868	\$ 50,468	\$ (2,688)	\$ (4,715)	\$ 101,933	\$ 4,806	\$ 106,739
Comprehensive income (loss)	—	—	3,275	(189)	—	3,086	135	3,221
Equity compensation activity	1	320	—	—	—	320	—	320
Dividends	—	7	(7)	—	—	—	—	—
Common stock repurchases	(9)	—	—	—	(991)	(991)	—	(991)
Distributions and other	(1)	4	(3)	—	(10)	(9)	(514)	(523)
Balance at March 29, 2025	1,801	\$ 59,199	\$ 53,733	\$ (2,877)	\$ (5,716)	\$ 104,339	\$ 4,427	\$ 108,766

<sup>(1)</sup> Shares are net of treasury shares.

<sup>(2)</sup> Excludes redeemable noncontrolling interests.

*See Notes to Condensed Consolidated Financial Statements*

**THE WALT DISNEY COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
**(unaudited; in millions)**

	Six Months Ended							
	Equity Attributable to Disney							
	Shares <sup>(1)</sup>	Common Stock and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Disney Equity	Non-controlling Interests <sup>(2)</sup>	Total Equity
Balance at September 27, 2025	1,791	\$ 59,814	\$ 60,410	\$ (2,914)	\$ (7,441)	\$ 109,869	\$ 4,743	\$ 114,612
Comprehensive income (loss)	—	—	4,649	(37)	—	4,612	336	4,948
Equity compensation activity	5	566	—	—	—	566	5	571
Dividends	—	14	(2,665)	—	—	(2,651)	—	(2,651)
Common stock repurchases	(51)	—	—	—	(5,500)	(5,500)	—	(5,500)
Fubo and NFL Transactions	—	1,875	—	—	—	1,875	1,933	3,808
Distributions and other	—	(13)	(1)	—	(49)	(63)	(413)	(476)
<b>Balance at March 28, 2026</b>	<b>1,745</b>	<b>\$ 62,256</b>	<b>\$ 62,393</b>	<b>\$ (2,951)</b>	<b>\$ (12,990)</b>	<b>\$ 108,708</b>	<b>\$ 6,604</b>	<b>\$ 115,312</b>
Balance at September 28, 2024	1,812	\$ 58,592	\$ 49,722	\$ (3,699)	\$ (3,919)	\$ 100,696	\$ 4,826	\$ 105,522
Comprehensive income	—	—	5,829	822	—	6,651	153	6,804
Equity compensation activity	6	596	—	—	—	596	—	596
Dividends	—	7	(1,814)	—	—	(1,807)	—	(1,807)
Common stock repurchases	(16)	—	—	—	(1,785)	(1,785)	—	(1,785)
Distributions and other	(1)	4	(4)	—	(12)	(12)	(552)	(564)
Balance at March 29, 2025	1,801	\$ 59,199	\$ 53,733	\$ (2,877)	\$ (5,716)	\$ 104,339	\$ 4,427	\$ 108,766

<sup>(1)</sup> Shares are net of treasury shares.

<sup>(2)</sup> Excludes redeemable noncontrolling interests.

*See Notes to Condensed Consolidated Financial Statements*

**THE WALT DISNEY COMPANY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited; tabular dollars in millions, except for per share data)

## **1. Basis of Presentation**

These Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and the instructions to Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. We believe that we have included all normal recurring adjustments necessary for a fair statement of the results for the interim period. Operating results for the six months ended March 28, 2026 are not necessarily indicative of the results that may be expected for the year ending October 3, 2026.

The terms “Company,” “Disney,” “we,” “us,” and “our” are used in this report to refer collectively to the parent company, The Walt Disney Company, as well as the subsidiaries through which its various businesses are actually conducted.

These financial statements should be read in conjunction with the Company’s 2025 Annual Report on Form 10-K.

Effective January 31, 2026, the financial results attributable to the media assets acquired from the NFL have been included in the Company’s Condensed Consolidated Financial Statements. See Note 4 for additional information.

Effective October 29, 2025, the financial results attributable to FuboTV Inc. (Fubo) have been included in the Company’s Condensed Consolidated Financial Statements. See Note 4 for additional information.

On November 14, 2024, the Company and Reliance Industries Limited (RIL) formed a joint venture (India joint venture) that combined the Company’s Star-branded and other general entertainment and sports television channels and Disney+ Hotstar streaming service in India (Star India) with certain media and entertainment businesses controlled by RIL (the Star India Transaction). The Company has a 37% interest in the India joint venture and recognizes its share of the joint venture’s results in “Equity in the income of investees.” Star India’s results through November 14, 2024 were consolidated in the Company’s financial results.

### *Variable Interest Entities*

The Company enters into relationships with or makes investments in other entities that may be variable interest entities (VIE). A VIE is consolidated in our financial statements if the Company has the power to direct activities that most significantly impact the economic performance of the VIE and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant (as defined by ASC 810-10-25-38) to the VIE. Hong Kong Disneyland Resort and Shanghai Disney Resort (together the Asia Theme Parks, see Note 6) are VIEs in which the Company has less than 50% equity ownership. Company subsidiaries (the Management Companies) have management agreements with the Asia Theme Parks, which provide the Management Companies, subject to certain protective rights of joint venture partners, with the ability to direct the day-to-day operating activities and the development of business strategies that we believe most significantly impact the economic performance of the Asia Theme Parks. In addition, the Management Companies receive management fees under these arrangements that we believe could be significant to the Asia Theme Parks. Therefore, the Company has consolidated the Asia Theme Parks in its financial statements.

### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes thereto. Actual results may differ from those estimates.

### *Reclassifications*

Certain reclassifications have been made in the fiscal 2025 financial statements and notes to conform to the fiscal 2026 presentation.

## **2. Segment Information**

The Company’s operations are reported in three segments: Entertainment, Sports and Experiences, for which separate financial information, including segment revenue and operating income, is evaluated regularly by the Chief Executive Officer, the Chief Operating Decision Maker, to allocate resources and assess performance. In March 2026, the Company announced that the games business, which is reported as part of the Experiences segment, will be brought under the leadership structure of

**THE WALT DISNEY COMPANY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited; tabular dollars in millions, except for per share data)

the Entertainment segment. We will report under the new structure commencing with our fiscal 2027 reporting, at which time we will have implemented changes to our financial reporting processes.

Segment operating results reflect earnings before corporate and unallocated shared expenses, restructuring and impairment charges, net other income/expense, net interest expense, income taxes and noncontrolling interests. Segment operating income generally includes equity in the income of investees, except for our India joint venture, and excludes amortization of intangible assets and impacts from fair value adjustments recognized in connection with the fiscal 2019 acquisition of TFCF Corporation (TFCF) and Hulu LLC (Hulu) and business acquisitions occurring after fiscal 2025 (Acquisition Amortization). Corporate and unallocated shared expenses principally consist of corporate functions, executive management and certain unallocated administrative support functions.

Segment operating results include allocations of certain costs, including information technology, pension, legal and other shared services costs, which are allocated based on metrics designed to correlate with consumption.

Segment revenues, segment operating income and significant segment expenses are as follows:

	<b>Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>March 28, 2026</b>	March 29, 2025	<b>March 28, 2026</b>	March 29, 2025
<b>Revenues:</b>				
Entertainment				
Third parties	\$ 11,541	\$ 10,565	\$ 22,995	\$ 21,326
Amounts eliminated in consolidation	174	117	329	228
	<u>11,715</u>	<u>10,682</u>	<u>23,324</u>	<u>21,554</u>
Sports				
Third parties	4,140	4,167	8,661	8,681
Amounts eliminated in consolidation	469	367	857	703
	<u>4,609</u>	<u>4,534</u>	<u>9,518</u>	<u>9,384</u>
Experiences	9,487	8,889	19,493	18,304
Eliminations	(643)	(484)	(1,186)	(931)
Total segment revenues	<u>\$ 25,168</u>	<u>\$ 23,621</u>	<u>\$ 51,149</u>	<u>\$ 48,311</u>
<b>Segment operating income:</b>				
Entertainment	\$ 1,336	\$ 1,258	\$ 2,436	\$ 2,961
Sports	652	687	843	934
Experiences	2,615	2,491	5,924	5,601
Total segment operating income <sup>(1)</sup>	<u>\$ 4,603</u>	<u>\$ 4,436</u>	<u>\$ 9,203</u>	<u>\$ 9,496</u>

<sup>(1)</sup> Equity in the income of investees is included in segment operating income as follows:

	<b>Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>March 28, 2026</b>	March 29, 2025	<b>March 28, 2026</b>	March 29, 2025
Entertainment	\$ 108	\$ 124	\$ 226	\$ 242
Sports	13	18	16	28
Equity in the income of investees included in segment operating income	121	142	242	270
Equity in the loss of India joint venture	(64)	(103)	(92)	(136)
Acquisition Amortization related to an equity investee	—	(3)	—	(6)
Equity in the income of investees	<u>\$ 57</u>	<u>\$ 36</u>	<u>\$ 150</u>	<u>\$ 128</u>

**THE WALT DISNEY COMPANY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited; tabular dollars in millions, except for per share data)

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
<i>Information about significant segment expenses</i>				
<b>Entertainment</b>				
Programming and production costs	\$ 6,406	\$ 5,691	\$ 12,720	\$ 11,166
Other segment operating expenses <sup>(1)</sup>	1,500	1,361	2,969	2,701
Selling, general, administrative and other	2,330	2,293	4,956	4,587
Depreciation and amortization	251	203	469	381
Total Entertainment costs and expenses	<u>10,487</u>	<u>9,548</u>	<u>21,114</u>	<u>18,835</u>
<b>Sports</b>				
Programming and production costs	3,357	3,267	7,489	7,310
Other segment operating expenses <sup>(2)</sup>	248	240	505	490
Selling, general, administrative and other	337	347	645	657
Depreciation and amortization	28	11	52	21
Total Sports costs and expenses	<u>3,970</u>	<u>3,865</u>	<u>8,691</u>	<u>8,478</u>
<b>Experiences</b>				
Operating labor	2,355	2,213	4,640	4,377
Infrastructure costs	856	856	1,702	1,657
Costs of goods sold and distribution costs	773	723	1,716	1,652
Other segment operating expenses <sup>(3)</sup>	985	877	1,887	1,661
Selling, general, administrative and other	1,115	1,024	2,077	1,972
Depreciation and amortization	788	705	1,547	1,384
Total Experiences costs and expenses	<u>6,872</u>	<u>6,398</u>	<u>13,569</u>	<u>12,703</u>
Eliminations <sup>(4)</sup>	<u>(643)</u>	<u>(484)</u>	<u>(1,186)</u>	<u>(931)</u>
Corporate and unallocated shared expenses	380	395	684	855
Acquisition Amortization <sup>(5)</sup>	313	393	613	787
Total costs and expenses	<u>\$ 21,379</u>	<u>\$ 20,115</u>	<u>\$ 43,485</u>	<u>\$ 40,727</u>

<sup>(1)</sup> Other operating expenses of Entertainment include technology support costs, distribution costs and costs of goods sold.

<sup>(2)</sup> Other operating expenses of Sports include technology support costs and distribution costs.

<sup>(3)</sup> Other operating expenses of Experiences include costs for supplies, processing fees and entertainment offerings.

<sup>(4)</sup> Reflects fees paid by (a) the entertainment virtual multi-channel video programming distributor (vMVPD) services to the sports and entertainment linear networks for the right to air the networks on the Hulu Live TV and Fubo services and (b) the Entertainment segment to the Sports segment to program certain sports content on ABC Network and Disney+. The offset is included in Entertainment programming and production costs.

<sup>(5)</sup> Excludes Acquisition Amortization of intangible assets related to an equity investee.

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A reconciliation of segment operating income to income before income taxes is as follows:

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Segment operating income	\$ 4,603	\$ 4,436	\$ 9,203	\$ 9,496
Corporate and unallocated shared expenses	(380)	(395)	(684)	(855)
Equity in the loss of India joint venture	(64)	(103)	(92)	(136)
Restructuring and impairment charges <sup>(1)</sup>	(239)	(109)	(239)	(252)
Interest expense, net	(240)	(346)	(515)	(713)
Acquisition Amortization <sup>(2)</sup>	(313)	(396)	(613)	(793)
Income before income taxes	<u>\$ 3,367</u>	<u>\$ 3,087</u>	<u>\$ 7,060</u>	<u>\$ 6,747</u>

<sup>(1)</sup> See Note 15 for a discussion of amounts in restructuring and impairment charges.

<sup>(2)</sup> Acquisition Amortization is as follows:

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Amortization of intangible assets	\$ 249	\$ 327	\$ 485	\$ 654
Step-up of film and television costs	64	66	128	133
Intangibles related to an equity investee	—	3	—	6
	<u>\$ 313</u>	<u>\$ 396</u>	<u>\$ 613</u>	<u>\$ 793</u>

### 3. Revenues

The following table presents revenues by segment and source:

	Quarter Ended March 28, 2026				
	Entertainment	Sports	Experiences	Eliminations	Total
Subscription and affiliate fees	\$ 7,801	\$ 3,251	\$ —	\$ (470)	\$ 10,582
Advertising	1,670	1,132	—	—	2,802
Theme park admissions	—	—	3,092	—	3,092
Resorts and vacations	—	—	2,564	—	2,564
Retail and wholesale sales of merchandise, food and beverage	—	—	2,442	—	2,442
Merchandise licensing	146	—	719	—	865
Content sales	1,725	—	—	—	1,725
Other	373	226	670	(173)	1,096
	<u>\$ 11,715</u>	<u>\$ 4,609</u>	<u>\$ 9,487</u>	<u>\$ (643)</u>	<u>\$ 25,168</u>

  

	Quarter Ended March 29, 2025				
	Entertainment	Sports	Experiences	Eliminations	Total
Subscription and affiliate fees	\$ 6,858	\$ 3,080	\$ —	\$ (332)	\$ 9,606
Advertising	1,598	1,157	—	—	2,755
Theme park admissions	—	—	2,919	—	2,919
Resorts and vacations	—	—	2,359	—	2,359
Retail and wholesale sales of merchandise, food and beverage	—	—	2,333	—	2,333
Merchandise licensing	148	—	704	—	852
Content sales	1,594	50	—	—	1,644
Other	484	247	574	(152)	1,153
	<u>\$ 10,682</u>	<u>\$ 4,534</u>	<u>\$ 8,889</u>	<u>\$ (484)</u>	<u>\$ 23,621</u>

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	Six Months Ended March 28, 2026				
	Entertainment	Sports	Experiences	Eliminations	Total
Subscription and affiliate fees	\$ 15,051	\$ 6,234	\$ —	\$ (886)	\$ 20,399
Advertising	3,445	2,609	—	—	6,054
Theme park admissions	—	—	6,393	—	6,393
Resorts and vacations	—	—	4,974	—	4,974
Retail and wholesale sales of merchandise, food and beverage	—	—	5,183	—	5,183
Merchandise licensing	339	—	1,663	—	2,002
Content sales	3,661	60	—	—	3,721
Other	828	615	1,280	(300)	2,423
	<u>\$ 23,324</u>	<u>\$ 9,518</u>	<u>\$ 19,493</u>	<u>\$ (1,186)</u>	<u>\$ 51,149</u>

	Six Months Ended March 29, 2025				
	Entertainment	Sports	Experiences	Eliminations	Total
Subscription and affiliate fees	\$ 13,578	\$ 6,137	\$ —	\$ (653)	\$ 19,062
Advertising	3,496	2,499	—	—	5,995
Theme park admissions	—	—	6,006	—	6,006
Resorts and vacations	—	—	4,580	—	4,580
Retail and wholesale sales of merchandise, food and beverage	—	—	4,905	—	4,905
Merchandise licensing	313	—	1,631	—	1,944
Content sales	3,179	128	—	—	3,307
Other	988	620	1,182	(278)	2,512
	<u>\$ 21,554</u>	<u>\$ 9,384</u>	<u>\$ 18,304</u>	<u>\$ (931)</u>	<u>\$ 48,311</u>

The following table presents revenues by segment and primary geographical markets:

	Quarter Ended March 28, 2026				
	Entertainment	Sports	Experiences	Eliminations	Total
Americas	\$ 9,230	\$ 4,509	\$ 7,303	\$ (643)	\$ 20,399
Europe	1,848	78	928	—	2,854
Asia Pacific	637	22	1,256	—	1,915
Total revenues	<u>\$ 11,715</u>	<u>\$ 4,609</u>	<u>\$ 9,487</u>	<u>\$ (643)</u>	<u>\$ 25,168</u>

	Quarter Ended March 29, 2025				
	Entertainment	Sports	Experiences	Eliminations	Total
Americas	\$ 8,556	\$ 4,443	\$ 6,970	\$ (484)	\$ 19,485
Europe	1,573	72	805	—	2,450
Asia Pacific	553	19	1,114	—	1,686
Total revenues	<u>\$ 10,682</u>	<u>\$ 4,534</u>	<u>\$ 8,889</u>	<u>\$ (484)</u>	<u>\$ 23,621</u>

	Six Months Ended March 28, 2026				
	Entertainment	Sports	Experiences	Eliminations	Total
Americas	\$ 18,252	\$ 9,322	\$ 14,873	\$ (1,186)	\$ 41,261
Europe	3,624	153	2,156	—	5,933
Asia Pacific	1,448	43	2,464	—	3,955
Total revenues	<u>\$ 23,324</u>	<u>\$ 9,518</u>	<u>\$ 19,493</u>	<u>\$ (1,186)</u>	<u>\$ 51,149</u>

	Six Months Ended March 29, 2025				
	Entertainment	Sports	Experiences	Eliminations	Total
Americas	\$ 17,048	\$ 9,159	\$ 14,091	\$ (931)	\$ 39,367
Europe	3,224	149	1,932	—	5,305
Asia Pacific	1,282	76	2,281	—	3,639
Total revenues	<u>\$ 21,554</u>	<u>\$ 9,384</u>	<u>\$ 18,304</u>	<u>\$ (931)</u>	<u>\$ 48,311</u>

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Revenues recognized in the current and prior-year periods from performance obligations satisfied (or partially satisfied) in previous reporting periods primarily relate to revenues earned on content made available to distributors and licensees in previous reporting periods. For the quarter ended March 28, 2026, \$0.9 billion was recognized related to performance obligations satisfied as of December 27, 2025. For the six months ended March 28, 2026, \$0.6 billion was recognized related to performance obligations satisfied as of September 27, 2025. For the quarter ended March 29, 2025, \$0.6 billion was recognized related to performance obligations satisfied as of December 28, 2024. For the six months ended March 29, 2025, \$0.6 billion was recognized related to performance obligations satisfied as of September 28, 2024.

As of March 28, 2026, revenue for unsatisfied performance obligations expected to be recognized in the future is \$17 billion, primarily for IP to be made available in the future under existing agreements with merchandise and co-branding licensees and sponsors, wholesalers of streaming services, television station affiliates and sports sublicensees. Of this amount, we expect to recognize approximately \$4 billion in the remainder of fiscal 2026, \$5 billion in fiscal 2027, \$4 billion in fiscal 2028 and \$4 billion thereafter. These amounts include only fixed consideration or minimum guarantees and do not include amounts related to (i) contracts with an original expected term of one year or less or (ii) licenses of IP that are solely based on the sales of the licensee.

Accounts receivable and deferred revenues from contracts with customers are as follows:

	<b>March 28, 2026</b>	September 27, 2025
<b>Accounts receivable</b>		
Current	\$ 12,146	\$ 10,544
Non-current	1,082	985
Allowance for credit losses	(138)	(126)
<b>Deferred revenues</b>		
Current	6,867	5,689
Non-current	723	785

For the quarter and six months ended March 28, 2026, the Company recognized revenue of \$0.9 billion and \$4.7 billion, respectively, that was included in the September 27, 2025 deferred revenue balance. For the quarter and six months ended March 29, 2025, the Company recognized revenue of \$1.0 billion and \$4.5 billion, respectively, that was included in the September 28, 2024 deferred revenue balance. Amounts deferred generally relate to theme park admissions and vacation packages, subscriptions to streaming services and advances related to merchandise and TV/VOD licenses.

#### **4. Acquisitions and Dispositions**

##### NFL media assets

In January 2026, ESPN acquired NFL Network and certain other media assets owned and controlled by NFL Enterprises LLC, including the NFL RedZone channel's pay TV distribution and NFL Fantasy (collectively the Specified Assets), from NFL Enterprises LLC in exchange for a 10% noncontrolling interest in ESPN (the NFL Transaction). This transaction will allow the Company to expand audience reach, increase accessibility and flexibility for consumers, drive innovation, and offer more high-quality content at competitive prices. Following the NFL Transaction, the Company has an effective 72% interest in ESPN and Hearst Corporation has an 18% interest. After July 2034, based on the performance of the Specified Assets, the Company may have the right to reacquire the NFL's interest in ESPN in exchange for a ten-year note at 70% of the then fair market value of the NFL's interest in ESPN (the Exchange Right). Alternatively, on a similar time frame, the NFL may have the right to acquire up to a 4% additional equity interest in ESPN at a purchase price equal to 70% of the then fair market value of the additional interest in ESPN.

The estimated fair value of the NFL Transaction is approximately \$3 billion. A significant portion of the transaction value will be deferred in other assets until 2033 and amortized as an expense thereafter, or, in the case that the Company exercises its Exchange Right, would be charged to equity. The remaining transaction value was primarily allocated to identifiable intangible assets.

Effective January 31, 2026, the Company has included the financial results attributable to the Specified Assets in the Condensed Consolidated Financial Statements. These were not significant to the Company's revenue and net income for the quarter and six months ended March 28, 2026. Because the NFL Transaction was the exchange of equity interests, the \$3 billion fair value is a non-cash transaction and is not reflected in the Condensed Consolidated Statement of Cash Flow.

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FuboTV Inc.

On October 29, 2025, the Company and Fubo, a publicly traded vMVPD, combined certain Hulu Live TV assets, including its carriage agreements, subscription agreements and related data, advertising and sponsorship agreements and intellectual property exclusively related to the “Live TV” brand, with Fubo (the Fubo Transaction). The Company has a 70% economic interest in the combined operations, a 70% voting interest in Fubo on a fully diluted basis and the right to appoint a majority of Fubo’s Board of Directors. The remaining 30% equity interest in Fubo is retained by Fubo public shareholders.

Based on the closing price of Fubo common stock of \$3.69 on October 29, 2025, the estimated fair value of Fubo was \$1.3 billion, which was primarily allocated to goodwill of \$1.4 billion and identifiable intangible assets of \$0.4 billion, partially offset by debt of \$0.4 billion. Goodwill reflects the synergies expected from enhancing and expanding the Company’s vMVPD offerings with more high-quality offerings, choice and increased flexibility.

Effective October 29, 2025, the Company has included the financial results attributable to Fubo in the Condensed Consolidated Financial Statements. Revenue included in the quarter and six months ended March 28, 2026 was approximately \$0.4 billion and \$0.7 billion, respectively. The impact on the Company’s net income was not significant for the quarter and six months ended March 28, 2026.

Pursuant to an agreement entered into as part of the Fubo Transaction, the Company is the exclusive distributor of the Hulu Live TV service for five years (renewable for an additional five-year term by mutual agreement) and pays a wholesale fee to Fubo based on Fubo’s cost to program Hulu Live TV. Under the same agreement, the Company manages the marketing for Hulu Live TV and sells advertising for the Hulu Live TV and Fubo services for a fee.

*Goodwill*

The changes in the carrying amount of goodwill are as follows:

	Entertainment	Sports	Experiences	Total
Balance at September 27, 2025	\$ 51,258	\$ 16,486	\$ 5,550	\$ 73,294
Fubo and NFL Transactions	1,357	51	—	1,408
Currency translation adjustments and other, net	(20)	—	—	(20)
Balance at March 28, 2026	<u>\$ 52,595</u>	<u>\$ 16,537</u>	<u>\$ 5,550</u>	<u>\$ 74,682</u>

**5. Cash, Cash Equivalents, Restricted Cash and Borrowings**

*Cash, Cash Equivalents and Restricted Cash*

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the Condensed Consolidated Balance Sheets to the total of the amounts reported in the Condensed Consolidated Statements of Cash Flows.

	March 28, 2026	September 27, 2025
Cash and cash equivalents	\$ 5,682	\$ 5,695
Restricted cash included in other assets	107	104
Total cash, cash equivalents and restricted cash in the statement of cash flows	<u>\$ 5,789</u>	<u>\$ 5,799</u>

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*Borrowings*

During the six months ended March 28, 2026, the Company's borrowing activity was as follows:

	September 27, 2025	Borrowings	Payments	Other Activity	March 28, 2026
Commercial paper with original maturities less than three months <sup>(1)</sup>	\$ 1,963	\$ —	\$ (183)	\$ (3)	\$ 1,777
Commercial paper with original maturities greater than three months	99	6,479	(2,816)	41	3,803
U.S. dollar denominated borrowings <sup>(2)</sup>	38,658	5,046	(3,537)	274	40,441
Asia Theme Parks borrowings	1,075	—	—	19	1,094
Foreign currency denominated borrowings and other	231	—	—	12	243
	<u>\$ 42,026</u>	<u>\$ 11,525</u>	<u>\$ (6,536)</u>	<u>\$ 343</u>	<u>\$ 47,358</u>

<sup>(1)</sup> Borrowings and reductions of borrowings are reported net.

<sup>(2)</sup> The other activity includes borrowings assumed in the acquisition of Fubo.

At March 28, 2026, the Company's bank facilities, which are with a syndicate of lenders and support our commercial paper borrowings, were as follows:

	Committed Capacity	Capacity Used	Unused Capacity
Facility expiring February 2027	\$ 5,250	\$ —	\$ 5,250
Facility expiring March 2029	3,000	—	3,000
Facility expiring February 2031	4,000	—	4,000
Total	<u>\$ 12,250</u>	<u>\$ —</u>	<u>\$ 12,250</u>

The Company had a \$5.25 billion bank facility that was scheduled to expire in February 2026 and a \$4.0 billion facility that was scheduled to expire in March 2027. The facility expiring in February 2026 was refinanced with a new \$5.25 billion bank facility maturing in February 2027 and the facility expiring in March 2027 was refinanced with a new \$4.0 billion facility maturing in February 2031.

The Company's bank facilities allow for borrowings at rates based on the Secured Overnight Financing Rate (SOFR) and at other variable rates for non-U.S. dollar denominated borrowings, plus a fixed spread that varies with the Company's debt ratings assigned by Moody's Ratings and S&P Global Ratings ranging from 0.63% to 1.10%. The bank facilities contain only one financial covenant relating to interest coverage of three times earnings before interest, taxes, depreciation and amortization, including both intangible amortization and amortization of our film and television production and programming costs. On March 28, 2026, the Company met this covenant by a significant margin. The bank facilities specifically exclude certain entities, including the Asia Theme Parks and Fubo, from any representations, covenants or events of default. The Company also has the ability to issue up to \$500 million of letters of credit under the facility expiring in February 2031, which if utilized, reduces available borrowings under this facility. As of March 28, 2026, the Company has \$0.4 billion of outstanding letters of credit, of which none were issued under this facility.

*U.S. Dollar Denominated Borrowings*

In February 2026, the Company borrowed \$3.5 billion of fixed rate U.S. dollar denominated notes with maturities ranging from 3 to 10 years and stated interest rates that range from 3.75% to 4.63%. In addition, the Company borrowed \$0.5 billion of floating rate U.S. dollar denominated notes that mature in 3 years and are indexed to SOFR plus a spread.

*Cruise Ship Credit Facilities*

In October 2025, in connection with the delivery of the *Disney Destiny*, the Company borrowed \$1.1 billion with a fixed interest rate of 3.74%. Payments are due semi-annually over a 12-year term.

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*Interest expense, net*

Interest expense (net of amounts capitalized), interest and investment income, and net periodic pension and postretirement benefit costs (other than service costs) (see Note 8) are reported net in the Condensed Consolidated Statements of Income and consist of the following:

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Interest expense	\$ (473)	\$ (471)	\$ (916)	\$ (958)
Interest and investment income	118	60	170	114
Net periodic pension and postretirement benefit costs (other than service costs)	115	65	231	131
Interest expense, net	\$ (240)	\$ (346)	\$ (515)	\$ (713)

Interest and investment income includes gains and losses on certain publicly traded and non-public investments, investment impairments and interest earned on cash and cash equivalents and certain receivables.

## 6. International Theme Parks

The Company has a 48% ownership interest in the operations of Hong Kong Disneyland Resort and a 43% ownership interest in the operations of Shanghai Disney Resort. The Asia Theme Parks together with Disneyland Paris are collectively referred to as the International Theme Parks.

The following table summarizes the carrying amounts of the Asia Theme Parks' assets and liabilities included in the Company's Condensed Consolidated Balance Sheets:

	March 28, 2026	September 27, 2025
Cash and cash equivalents	\$ 516	\$ 428
Other current assets	203	184
Total current assets	719	612
Parks, resorts and other property	6,288	6,060
Other assets	283	287
Total assets	\$ 7,290	\$ 6,959
Current liabilities	\$ 696	\$ 734
Long-term borrowings	1,094	1,075
Other long-term liabilities	503	489
Total liabilities	\$ 2,293	\$ 2,298

The following table summarizes the International Theme Parks' revenues and costs and expenses included in the Company's Condensed Consolidated Statements of Income for the six months ended March 28, 2026:

Revenues	\$ 3,133
Costs and expenses	(2,626)

Asia Theme Parks' royalty and management fees of \$176 million for the six months ended March 28, 2026 are eliminated in consolidation, but are considered in calculating earnings attributable to noncontrolling interests.

International Theme Parks' cash flows included in the Company's Condensed Consolidated Statements of Cash Flows for the six months ended March 28, 2026 were \$772 million provided by operating activities, \$685 million used in investing activities and \$19 million provided by financing activities.

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**7. Produced and Acquired/Licensed Content Costs and Advances**

Total capitalized produced and licensed content by predominant monetization strategy is as follows:

	As of March 28, 2026			As of September 27, 2025		
	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
<b>Produced content</b>						
Released, less amortization	\$ 5,000	\$ 14,313	\$ 19,313	\$ 4,624	\$ 14,288	\$ 18,912
Completed, not released	562	916	1,478	313	1,061	1,374
In-process	2,193	3,687	5,880	4,082	3,633	7,715
In development or pre-production	418	84	502	386	182	568
	<u>\$ 8,173</u>	<u>\$ 19,000</u>	<u>27,173</u>	<u>\$ 9,405</u>	<u>\$ 19,164</u>	<u>28,569</u>
Licensed content - Television programming rights and advances			4,354			4,821
Total produced and licensed content			<u>\$ 31,527</u>			<u>\$ 33,390</u>
Current portion			\$ 1,167			\$ 2,063
Non-current portion			\$ 30,360			\$ 31,327

Amortization of produced and licensed content is as follows:

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
<b>Produced content</b>				
Predominantly monetized individually	\$ 1,037	\$ 839	\$ 2,391	\$ 1,535
Predominantly monetized as a group	1,770	1,733	3,384	3,546
	<u>2,807</u>	<u>2,572</u>	<u>5,775</u>	<u>5,081</u>
Licensed programming rights and advances	3,589	3,504	7,835	7,601
Total produced and licensed content costs <sup>(1)</sup>	<u>\$ 6,396</u>	<u>\$ 6,076</u>	<u>\$ 13,610</u>	<u>\$ 12,682</u>

<sup>(1)</sup> Primarily included in "Costs of services" in the Condensed Consolidated Statements of Income

**8. Pension and Other Benefit Programs**

The components of net periodic benefit cost (income) are as follows:

	Pension Plans				Postretirement Medical Plans			
	Quarter Ended		Six Months Ended		Quarter Ended		Six Months Ended	
	Mar. 28, 2026	Mar. 29, 2025	Mar. 28, 2026	Mar. 29, 2025	Mar. 28, 2026	Mar. 29, 2025	Mar. 28, 2026	Mar. 29, 2025
Service costs	\$ 62	\$ 66	\$ 123	\$ 131	\$ —	\$ —	\$ —	\$ —
Other costs (benefits):								
Interest costs	200	197	399	392	11	11	22	22
Expected return on plan assets	(306)	(291)	(612)	(581)	(16)	(15)	(32)	(30)
Amortization of previously deferred service costs (credits)	2	2	3	2	(23)	(23)	(45)	(45)
Recognized net actuarial loss (gain)	24	61	48	123	(7)	(7)	(14)	(14)
Total other costs (benefits)	<u>(80)</u>	<u>(31)</u>	<u>(162)</u>	<u>(64)</u>	<u>(35)</u>	<u>(34)</u>	<u>(69)</u>	<u>(67)</u>
Net periodic benefit cost (income)	<u>\$ (18)</u>	<u>\$ 35</u>	<u>\$ (39)</u>	<u>\$ 67</u>	<u>\$ (35)</u>	<u>\$ (34)</u>	<u>\$ (69)</u>	<u>\$ (67)</u>

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## 9. Earnings Per Share

Diluted earnings per share amounts are based upon the weighted average number of common and common equivalent shares outstanding during the period and are calculated using the treasury stock method for equity-based compensation awards (Awards). A reconciliation of the weighted average number of common and common equivalent shares outstanding and the number of Awards excluded from the diluted earnings per share calculation, as they were anti-dilutive, are as follows:

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Shares (in millions):				
Weighted average number of common and common equivalent shares outstanding (basic)	1,766	1,808	1,776	1,810
Weighted average dilutive impact of Awards	6	6	6	6
Weighted average number of common and common equivalent shares outstanding (diluted)	1,772	1,814	1,782	1,816
Awards excluded from diluted earnings per share	14	13	13	15

## 10. Equity

The Company declared the following dividends in fiscal 2026 and 2025:

Per Share	Amount	Payment Date
\$0.75	\$1.3 billion <sup>(1)</sup>	July 22, 2026
\$0.75	\$1.3 billion	January 15, 2026
\$0.50	\$0.9 billion	July 23, 2025
\$0.50	\$0.9 billion	January 16, 2025

<sup>(1)</sup> Amount is estimated. The actual amount will be determined based on shareholders of record at the record date.

### Share Repurchase Program

Effective February 7, 2024, the Board of Directors authorized the Company to repurchase a total of 400 million shares of its common stock. During the quarter and six months ended March 28, 2026, the Company repurchased 33 million and 51 million shares of its common stock for \$3.5 billion and \$5.5 billion, respectively. During the quarter and six months ended March 29, 2025, the Company repurchased 9 million and 17 million shares of its common stock for \$1.0 billion and \$1.8 billion, respectively. As of March 28, 2026, the Company had remaining authorization in place to repurchase approximately 288 million additional shares. The repurchase program does not have an expiration date.

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The following tables summarize the changes in each component of accumulated other comprehensive income (loss) (AOCI) including our proportional share of equity method investee amounts:

<b>AOCI, before tax</b>	Market Value Adjustments for Hedges	Unrecognized Pension and Postretirement Medical Expense	Foreign Currency Translation and Other	AOCI
<b>Second quarter of fiscal 2026</b>				
Balance at December 27, 2025	\$ (507)	\$ (1,905)	\$ (1,098)	\$ (3,510)
Quarter Ended March 28, 2026:				
Unrealized gains (losses) arising during the period	145	8	(294)	(141)
Reclassifications of realized net (gains) losses to net income	86	(4)	—	82
<b>Balance at March 28, 2026</b>	<b>\$ (276)</b>	<b>\$ (1,901)</b>	<b>\$ (1,392)</b>	<b>\$ (3,569)</b>
<b>Second quarter of fiscal 2025</b>				
Balance at December 28, 2024	\$ 152	\$ (2,210)	\$ (1,197)	\$ (3,255)
Quarter Ended March 29, 2025:				
Unrealized gains (losses) arising during the period	(213)	(7)	50	(170)
Reclassifications of realized net (gains) losses to net income	(117)	33	—	(84)
<b>Balance at March 29, 2025</b>	<b>\$ (178)</b>	<b>\$ (2,184)</b>	<b>\$ (1,147)</b>	<b>\$ (3,509)</b>
<b>Six months ended fiscal 2026</b>				
Balance at September 27, 2025	\$ (549)	\$ (1,901)	\$ (1,085)	\$ (3,535)
Six Months Ended March 28, 2026:				
Unrealized gains (losses) arising during the period	124	8	(307)	(175)
Reclassifications of realized net (gains) losses to net income	149	(8)	—	141
<b>Balance at March 28, 2026</b>	<b>\$ (276)</b>	<b>\$ (1,901)</b>	<b>\$ (1,392)</b>	<b>\$ (3,569)</b>
<b>Six months ended fiscal 2025</b>				
Balance at September 28, 2024	\$ (319)	\$ (2,243)	\$ (1,855)	\$ (4,417)
Six Months Ended March 29, 2025:				
Unrealized gains (losses) arising during the period	346	(7)	(196)	143
Reclassifications of realized net (gains) losses to net income	(205)	66	—	(139)
Star India Transaction	—	—	904	904
<b>Balance at March 29, 2025</b>	<b>\$ (178)</b>	<b>\$ (2,184)</b>	<b>\$ (1,147)</b>	<b>\$ (3,509)</b>

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<b>Tax on AOCI</b>	Market Value Adjustments for Hedges	Unrecognized Pension and Postretirement Medical Expense	Foreign Currency Translation and Other	AOCI
<b>Second quarter of fiscal 2026</b>				
Balance at December 27, 2025	\$ 109	\$ 447	\$ 54	\$ 610
Quarter Ended March 28, 2026:				
Unrealized gains (losses) arising during the period	(34)	—	61	27
Reclassifications of realized net (gains) losses to net income	(20)	1	—	(19)
<b>Balance at March 28, 2026</b>	<b>\$ 55</b>	<b>\$ 448</b>	<b>\$ 115</b>	<b>\$ 618</b>
<b>Second quarter of fiscal 2025</b>				
Balance at December 28, 2024	\$ (38)	\$ 523	\$ 82	\$ 567
Quarter Ended March 29, 2025:				
Unrealized gains (losses) arising during the period	50	—	(4)	46
Reclassifications of realized net (gains) losses to net income	27	(8)	—	19
<b>Balance at March 29, 2025</b>	<b>\$ 39</b>	<b>\$ 515</b>	<b>\$ 78</b>	<b>\$ 632</b>
<b>Six months ended fiscal 2026</b>				
Balance at September 27, 2025	\$ 120	\$ 446	\$ 55	\$ 621
Six Months Ended March 28, 2026:				
Unrealized gains (losses) arising during the period	(31)	—	60	29
Reclassifications of realized net (gains) losses to net income	(34)	2	—	(32)
<b>Balance at March 28, 2026</b>	<b>\$ 55</b>	<b>\$ 448</b>	<b>\$ 115</b>	<b>\$ 618</b>
<b>Six months ended fiscal 2025</b>				
Balance at September 28, 2024	\$ 71	\$ 531	\$ 116	\$ 718
Six Months Ended March 29, 2025:				
Unrealized gains (losses) arising during the period	(80)	—	20	(60)
Reclassifications of realized net (gains) losses to net income	48	(16)	—	32
Star India Transaction	—	—	(58)	(58)
<b>Balance at March 29, 2025</b>	<b>\$ 39</b>	<b>\$ 515</b>	<b>\$ 78</b>	<b>\$ 632</b>

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<b>AOCI, after tax</b>	Market Value Adjustments for Hedges	Unrecognized Pension and Postretirement Medical Expense	Foreign Currency Translation and Other	AOCI
<b>Second quarter of fiscal 2026</b>				
Balance at December 27, 2025	\$ (398)	\$ (1,458)	\$ (1,044)	\$ (2,900)
Quarter Ended March 28, 2026:				
Unrealized gains (losses) arising during the period	111	8	(233)	(114)
Reclassifications of realized net (gains) losses to net income	66	(3)	—	63
<b>Balance at March 28, 2026</b>	<b>\$ (221)</b>	<b>\$ (1,453)</b>	<b>\$ (1,277)</b>	<b>\$ (2,951)</b>
<b>Second quarter of fiscal 2025</b>				
Balance at December 28, 2024	\$ 114	\$ (1,687)	\$ (1,115)	\$ (2,688)
Quarter Ended March 29, 2025:				
Unrealized gains (losses) arising during the period	(163)	(7)	46	(124)
Reclassifications of realized net (gains) losses to net income	(90)	25	—	(65)
<b>Balance at March 29, 2025</b>	<b>\$ (139)</b>	<b>\$ (1,669)</b>	<b>\$ (1,069)</b>	<b>\$ (2,877)</b>
<b>Six months ended fiscal 2026</b>				
Balance at September 27, 2025	\$ (429)	\$ (1,455)	\$ (1,030)	\$ (2,914)
Six Months Ended March 28, 2026:				
Unrealized gains (losses) arising during the period	93	8	(247)	(146)
Reclassifications of realized net (gains) losses to net income	115	(6)	—	109
<b>Balance at March 28, 2026</b>	<b>\$ (221)</b>	<b>\$ (1,453)</b>	<b>\$ (1,277)</b>	<b>\$ (2,951)</b>
<b>Six months ended fiscal 2025</b>				
Balance at September 28, 2024	\$ (248)	\$ (1,712)	\$ (1,739)	\$ (3,699)
Six Months Ended March 29, 2025:				
Unrealized gains (losses) arising during the period	266	(7)	(176)	83
Reclassifications of realized net (gains) losses to net income	(157)	50	—	(107)
Star India Transaction	—	—	846	846
<b>Balance at March 29, 2025</b>	<b>\$ (139)</b>	<b>\$ (1,669)</b>	<b>\$ (1,069)</b>	<b>\$ (2,877)</b>

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Details about AOCI components reclassified to net income are as follows:

Gain (loss) in net income:	Affected line item in the Condensed Consolidated Statements of Income:	Quarter Ended		Six Months Ended	
		March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Market value adjustments, primarily cash flow hedges	Primarily revenue	\$ (86)	\$ 117	\$ (149)	\$ 205
Estimated tax	Income taxes	20	(27)	34	(48)
		(66)	90	(115)	157
Pension and postretirement medical expense	Interest expense, net	4	(33)	8	(66)
Estimated tax	Income taxes	(1)	8	(2)	16
		3	(25)	6	(50)
Total reclassifications for the period		\$ (63)	\$ 65	\$ (109)	\$ 107

## 11. Equity-Based Compensation

Equity-based compensation expense related to stock options and restricted stock units (RSUs) is as follows:

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Stock options	\$ 22	\$ 17	\$ 41	\$ 33
RSUs	383	313	696	614
Total equity-based compensation expense <sup>(1)</sup>	\$ 405	\$ 330	\$ 737	\$ 647
Equity-based compensation expense capitalized during the period	\$ 48	\$ 46	\$ 97	\$ 90

<sup>(1)</sup> Equity-based compensation expense is net of capitalized equity-based compensation and estimated forfeitures and excludes amortization of previously capitalized equity-based compensation costs.

Unrecognized compensation cost related to unvested stock options and RSUs was \$0.1 billion and \$2.7 billion, respectively, as of March 28, 2026.

During the six months ended March 28, 2026, the Company made equity compensation grants for Disney stock consisting of 2.7 million stock options and 15.5 million RSUs with weighted average grant date fair values of \$37 and \$113, respectively. During the six months ended March 29, 2025, the weighted average grant date fair values for stock options and RSUs were \$38 and \$109, respectively.

## 12. Commitments and Contingencies

### Legal Matters

#### Securities Actions

On May 12, 2023, a private securities class action lawsuit was filed in the U.S. District Court for the Central District of California against the Company, its former Chief Executive Officer, Robert Chapek, its former Chief Financial Officer, Christine M. McCarthy, and the former Chairman of the Disney Media and Entertainment Distribution segment, Kareem Daniel on behalf of certain purchasers of securities of the Company (the Securities Class Action). On November 6, 2023, a consolidated complaint was filed in the same action, adding Robert Iger, the Company's Chief Executive Officer, as a defendant. Claims in the Securities Class Action include (i) violations of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder against all defendants, (ii) violations of Section 20A of the Exchange Act against Iger and McCarthy, and (iii) violations of Section 20(a) of the Exchange Act against all defendants. Plaintiffs in the Securities Class Action allege purported misstatements and omissions concerning, and a scheme to conceal, accurate costs and subscriber growth of the Disney+ platform. Plaintiffs seek unspecified damages, plus interest and costs and fees. The Company intends to defend against the lawsuit vigorously. The Company filed a motion to dismiss the complaint for failure to state a claim on December 21, 2023,

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which was granted in part (dismissing the Section 20A claim against Iger) and otherwise denied on February 19, 2025. On March 28, 2025, the Company filed a motion for judgment on the pleadings, which was denied on May 21, 2025. The Company filed a petition for a writ of mandamus to the Ninth Circuit Court of Appeals, which was denied on July 18, 2025. The district court has set trial for August 17, 2027, and discovery is currently in progress. At this time we cannot reasonably estimate the amount of any possible loss.

On December 8, 2025, a private securities lawsuit was filed in the U.S. District Court for the Central District of California against the Company and certain former officers by Union Asset Management Holding AG and GIC Private Limited (the Union Asset Action). The Union Asset Action asserts the same claims and is based on substantially the same factual allegations and time period as the Securities Class Action, and seeks unspecified monetary damages. On January 2, 2026, the parties filed a joint stipulation to stay the Union Asset Action until the Securities Class Action concludes. The court granted the stay on March 3, 2026. The Company intends to defend against this lawsuit vigorously. The lawsuit is in the early stages, and at this time we cannot reasonably estimate the amount of any possible loss.

Derivative Actions

Eight shareholder derivative complaints have been filed against the Company and certain current and former officers and directors. Each of these actions asserts various claims including breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste, insider selling, and violations of federal securities laws based on substantially similar factual allegations as those asserted in the pending Securities Class Action.

- On August 4, 2023, and December 15, 2023, two shareholder derivative complaints were filed in the U.S. District Court for the Central District of California by Hugues Gervat and Audrey McAdams, respectively. On April 29, 2024, these actions were consolidated (the Consolidated Derivative Action). The Consolidated Derivative Action is currently stayed until August 21, 2026.
- On August 23, 2023, Stourbridge Investments LLC filed a shareholder derivative complaint in the U.S. District Court for the District of Delaware. On October 24, 2023, the action was voluntarily dismissed and, on November 16, 2023, refiled in the Delaware Court of Chancery. The Stourbridge action is currently stayed until the court in the Securities Class Action rules upon any motion for summary judgment.
- On June 27, 2025, Thomas Payne filed a shareholder derivative complaint in the Delaware Court of Chancery. The Payne action is currently stayed until the court in the Securities Class Action rules upon any motion for summary judgment.
- On November 5, 2025, Martin Siegel filed a shareholder derivative complaint in the Delaware Court of Chancery. The Siegel action is currently stayed until the court in the Securities Class Action rules upon any motion for summary judgment.
- On November 14, 2025, Balraj Paul, the Montini Family Trust, and Dorothy Keto filed a shareholder derivative complaint in the U.S. District Court for the Central District of California. On January 14, 2026, the Paul action was consolidated into the Consolidated Derivative Action, which is stayed until August 21, 2026.
- On February 24, 2026, Sean Martinez filed a shareholder derivative complaint in the Court of Chancery of the State of Delaware. On April 16, 2026, the Martinez action was stayed until the court in the Securities Class Action rules upon the motion for summary judgment.
- On March 10, 2026, Karen Gioli filed a shareholder derivative complaint in the U.S. District Court for the Central District of California.

The actions seek declarative and injunctive relief, an award of unspecified damages to The Walt Disney Company and other costs and fees. The Company intends to defend against these lawsuits vigorously. The lawsuits are in the early stages, and at this time we cannot reasonably estimate the amount of any possible loss.

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Antitrust and Other Actions

On November 18, 2022, a private antitrust putative class action lawsuit was filed in the U.S. District Court for the Northern District of California against the Company on behalf of a putative class of certain subscribers to YouTube TV (the Biddle Action). The plaintiffs in the Biddle Action asserted a claim under Section 1 of the Sherman Act based on allegations that Disney uses certain pricing and packaging provisions in its carriage agreements with vMVPDs to increase prices for and reduce output of certain services offered by vMVPDs. On November 30, 2022, a second private antitrust putative class action lawsuit was filed in the U.S. District Court for the Northern District of California against the Company on behalf of a putative class of certain subscribers to DirecTV Stream (the Fendelander Action), making similar allegations. The Company filed motions to dismiss for failure to state a claim in both the Biddle Action and Fendelander Action on January 31, 2023. On September 30, 2023, the court issued an order granting in part and denying in part the Company's motions to dismiss both cases and, on October 13, 2023, the court issued an order consolidating both cases. On October 16, 2023, plaintiffs filed a consolidated amended class action complaint (the Consolidated Complaint). The Consolidated Complaint asserts claims under Section 1 of the Sherman Act and certain Arizona, California, Florida, Illinois, Iowa, Massachusetts, Michigan, Nevada, New York, North Carolina, and Tennessee antitrust and consumer protection laws based on substantially similar allegations as the Biddle Action and the Fendelander Action. The Consolidated Complaint seeks injunctive relief, unspecified money damages and costs and fees. The Company filed a motion to dismiss the Consolidated Complaint for failure to state a claim on December 1, 2023.

On January 14, 2025, a private antitrust putative class action lawsuit was filed in the U.S. District Court for the Southern District of New York against the Company on behalf of a putative class of certain subscribers to fuboTV (the Unger Action), making similar allegations to those in the now-consolidated Biddle and Fendelander Actions (Biddle/Fendelander Action). The plaintiffs in the Unger Action also alleged that Disney impermissibly bundles ESPN with other Disney networks and unjustly enriched itself. The Unger Action has since been transferred to the Northern District of California with the court finding it related to the Biddle/Fendelander Action. The Unger plaintiffs filed an amended complaint on April 28, 2025, adding a named plaintiff and alleging essentially the same antitrust theories under the Sherman Act and the antitrust and consumer protection laws of thirty-seven states, the District of Columbia and Puerto Rico. The Unger plaintiffs seek damages and injunctive relief, including an injunction requiring the Company to segregate or divest any interest in Fubo and Hulu, or in the alternative, business assets relating to Fubo and Hulu + Live TV.

On May 30, 2025, the plaintiffs in the Biddle/Fendelander Action filed a proposed Second Consolidated Amended Complaint, adding a class of fuboTV subscribers, a Clayton Act § 7 claim challenging the Company's acquisition of fuboTV on behalf of fuboTV subscribers, and a claim under Sherman Act § 2. On June 5, 2025, the Company and plaintiffs in the Biddle/Fendelander Action reached a settlement in principle to settle all claims on behalf of all YouTube TV, DirecTV Stream and fuboTV subscribers for an amount that is not material for the Company. The settlement was contingent on Plaintiffs' Counsel in the Biddle/Fendelander Action (Biddle/Fendelander Counsel) obtaining or having authority to settle claims on behalf of all three subscriber classes, Court approval, and other contingencies. On June 10, 2025, the Court issued an order consolidating the Unger Action with the Biddle/Fendelander Action.

On July 21, 2025, the Court issued an order appointing Biddle/Fendelander Counsel to serve as interim lead counsel for the putative classes of YouTube TV and DirecTV Stream subscribers, and Unger Counsel to serve as interim lead counsel for the putative class of fuboTV subscribers, thereby resulting in Biddle/Fendelander Counsel not having authority to settle on behalf of the three putative classes of subscribers as required by the settlement in principle.

At a joint mediation held on October 3, 2025, the Company and plaintiffs in the Biddle/Fendelander Action reached a settlement in principle to settle all claims on behalf of all YouTube TV and DirecTV Stream subscribers for an amount that is not material for the Company. The settlement is contingent on Biddle/Fendelander Counsel obtaining Court approval and other contingencies. The Court issued an order granting preliminary approval of the settlement on March 31, 2026. The motion for final approval of the settlement is due on October 27, 2026, and the final approval hearing is scheduled for January 14, 2027.

The Company and Unger Counsel did not reach a settlement at the October 3, 2025 mediation. The Company filed a motion to compel arbitration of individual claims and dismiss class claims in the Unger Action on December 19, 2025. The Court heard argument on the Company's motion to compel arbitration of individual claims and dismiss class claims on March 19, 2026, and the motion is still pending. The Company intends to continue to defend against the lawsuit vigorously. At this time, we expect any loss in the Unger Action would be in an amount that is not material for the Company.

On January 2, 2026, in litigation filed by the Company on August 28, 2025 asserting breach of contract claims against DISH Network L.L.C. (DISH) in the U.S. District Court for the Southern District of New York, DISH filed antitrust counterclaims against the Company. DISH filed amended counterclaims against the Company on March 13, 2026. DISH asserts a tying claim under Sherman Act § 1 and New York's Donnelly Act challenging certain provisions in the Company's carriage agreement with DISH; claims under Sherman Act § 1 challenging an ESPN / Fox One bundle, the creation of Fubo Sports, and

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the Company's acquisition of a controlling share of Fubo; a claim under Clayton Act § 7 challenging the Company's acquisition of a controlling share of Fubo; and a claim under Sherman Act § 2 alleging the Company engaged in a pattern of conduct in an attempt to monopolize an alleged market for skinny sports bundles. DISH also asserts breach-of-contract counterclaims, contending that Company-affiliated entities violated their obligations under certain most-favored-nation provisions in the operative carriage agreement. The Company moved to dismiss the amended counterclaims on March 27, 2026. The briefing remains ongoing, with DISH's opposition due April 10, 2026. The Company intends to prosecute its claims and defend against these counterclaims vigorously. The lawsuit is in its early stages, and at this time we cannot reasonably estimate the amount of any potential loss.

The Company, together with, in some instances, certain of its directors and officers, is a defendant in various other legal actions incident to the conduct of its businesses, including streaming services which are subject to patent infringement claims and litigation for which adverse results may include payment of substantial licensing fees and monetary awards, as well as orders preventing us from offering or requiring us to change certain features, functionalities or services, which could harm our businesses and in aggregate negatively impact our results of operations. Management does not believe that the Company has incurred a probable material loss by reason of any of those actions.

*Other*

The Company entered into license agreements for the sports rights necessary to operate NFL Network and NFL RedZone through 2033.

### 13. Fair Value Measurements

The Company's assets and liabilities measured at fair value are summarized in the following tables by fair value measurement level:

	<b>Fair Value Measurement at March 28, 2026</b>			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments	\$ 24	\$ 46	\$ —	\$ 70
<b>Derivatives</b>				
Foreign exchange	—	753	—	753
Other	—	24	—	24
<b>Liabilities</b>				
<b>Derivatives</b>				
Interest rate	—	(736)	—	(736)
Foreign exchange	—	(630)	—	(630)
Other	—	(15)	—	(15)
Other	—	(650)	—	(650)
Total recorded at fair value	<u>\$ 24</u>	<u>\$ (1,208)</u>	<u>\$ —</u>	<u>\$ (1,184)</u>
Fair value of borrowings	<u>\$ —</u>	<u>\$ 40,246</u>	<u>\$ 3,335</u>	<u>\$ 43,581</u>

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	Fair Value Measurement at September 27, 2025			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments	\$ —	\$ 89	\$ —	\$ 89
<b>Derivatives</b>				
Foreign exchange	—	816	—	816
Other	—	5	—	5
<b>Liabilities</b>				
<b>Derivatives</b>				
Interest rate	—	(762)	—	(762)
Foreign exchange	—	(926)	—	(926)
Other	—	(1)	—	(1)
Other	—	(668)	—	(668)
Total recorded at fair value	<u>\$ —</u>	<u>\$ (1,447)</u>	<u>\$ —</u>	<u>\$ (1,447)</u>
Fair value of borrowings	<u>\$ —</u>	<u>\$ 36,976</u>	<u>\$ 2,111</u>	<u>\$ 39,087</u>

The fair values of Level 2 investments are primarily determined based on an internal valuation model that uses observable inputs such as stock trading price, volatility and risk free rate.

The fair values of Level 2 derivatives are primarily determined by internal discounted cash flow models that use observable inputs such as interest rates, yield curves and foreign currency exchange rates. The Company's derivative financial instruments are discussed in Note 14.

Level 2 other liabilities are primarily arrangements that are valued based on the fair value of underlying investments, which are generally measured using Level 1 and Level 2 fair value techniques.

Level 2 borrowings, which include commercial paper, U.S. dollar denominated notes and certain foreign currency denominated borrowings, are valued based on quoted prices for similar instruments in active markets or identical instruments in markets that are not active.

Level 3 borrowings include the Asia Theme Parks and cruise ship borrowings, which are valued based on the current estimated borrowing costs, prevailing market interest rates and applicable credit risk.

The Company's financial instruments also include cash, cash equivalents, receivables and accounts payable. The carrying values of these financial instruments approximate the fair values.

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**14. Derivative Instruments**

The Company's derivative positions measured at fair value (see Note 13) are summarized in the following tables:

	<b>As of March 28, 2026</b>			
	Current Assets	Investments/ Other Assets	Other Current Liabilities	Other Long-Term Liabilities
<b>Derivatives designated as hedges</b>				
Foreign exchange	\$ 251	\$ 335	\$ (284)	\$ (124)
Interest rate	—	—	(736)	—
Other	22	2	(2)	—
<b>Derivatives not designated as hedges</b>				
Foreign exchange	102	65	(66)	(156)
Other	—	70	(13)	—
Gross fair value of derivatives	375	472	(1,101)	(280)
Counterparty netting	(325)	(353)	410	268
Cash collateral (received) paid	—	—	479	—
Net derivative positions	<u>\$ 50</u>	<u>\$ 119</u>	<u>\$ (212)</u>	<u>\$ (12)</u>
<b>As of September 27, 2025</b>				
	Current Assets	Investments/ Other Assets	Other Current Liabilities	Other Long-Term Liabilities
<b>Derivatives designated as hedges</b>				
Foreign exchange	\$ 233	\$ 376	\$ (407)	\$ (208)
Interest rate	—	—	(762)	—
Other	3	2	—	—
<b>Derivatives not designated as hedges</b>				
Foreign exchange	39	168	(49)	(262)
Other	—	89	(1)	—
Gross fair value of derivatives	275	635	(1,219)	(470)
Counterparty netting	(260)	(517)	378	399
Cash collateral (received) paid	—	—	550	10
Net derivative positions	<u>\$ 15</u>	<u>\$ 118</u>	<u>\$ (291)</u>	<u>\$ (61)</u>

**Interest Rate Risk Management**

The Company designates pay-floating interest rate swaps as fair value hedges of fixed-rate borrowings effectively converting fixed-rate borrowings to variable-rate borrowings. The total notional amount of the Company's pay-floating interest rate swaps was \$12.1 billion and \$10.6 billion at March 28, 2026 and September 27, 2025, respectively.

The following table summarizes fair value hedge adjustments to hedged borrowings:

	Carrying Amount of Hedged Borrowings		Fair Value Adjustments Included in Hedged Borrowings	
	March 28, 2026	September 27, 2025	March 28, 2026	September 27, 2025
<b>Borrowings:</b>				
Current	\$ 1,906	\$ 2,954	\$ (28)	\$ (44)
Long-term	9,885	7,347	(687)	(680)
	<u>\$ 11,791</u>	<u>\$ 10,301</u>	<u>\$ (715)</u>	<u>\$ (724)</u>

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The following amounts are included in “Interest expense, net” in the Condensed Consolidated Statements of Income:

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Gain (loss) on:				
Pay-floating swaps	\$ (66)	\$ 187	\$ 2	\$ (8)
Borrowings hedged with pay-floating swaps	66	(187)	(2)	8
Expense associated with interest accruals on pay-floating swaps	(63)	(98)	(148)	(209)

*Foreign Exchange Risk Management*

The Company designates foreign exchange forward and option contracts as cash flow hedges of firmly committed and forecasted foreign currency transactions. As of March 28, 2026 and September 27, 2025, the notional amount of the Company’s net foreign exchange cash flow hedges was \$11.0 billion and \$9.3 billion, respectively. Mark-to-market gains and losses on these contracts are deferred in AOCI and are recognized in earnings when the hedged transactions occur, offsetting changes in the value of the foreign currency transactions. Net deferred losses recorded in AOCI for contracts that will mature in the next twelve months total \$56 million. The following table summarizes the effect of foreign exchange cash flow hedges on AOCI:

	Quarter Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Gain (loss) recognized in Other Comprehensive Income	\$ 118	\$ (210)	\$ 93	\$ 352
Gain (loss) reclassified from AOCI into the Statements of Operations <sup>(1)</sup>	(85)	121	(147)	210

<sup>(1)</sup> Primarily recorded in revenue.

The Company may designate cross currency swaps as fair value hedges of foreign currency denominated borrowings. The impact from the change in foreign currency on both the cross currency swap and borrowing is recorded to “Interest expense, net.” The impact from interest rate changes is recorded in AOCI and is amortized over the life of the cross currency swap. As of both March 28, 2026 and September 27, 2025, the total notional amount of the Company’s designated cross currency swaps was Canadian \$1.3 billion (\$0.9 billion). The related gains or losses recognized in earnings for the quarters and six-month periods ended March 28, 2026 and March 29, 2025 were not significant.

Foreign exchange risk management contracts with respect to foreign currency denominated assets and liabilities are not designated as hedges and do not qualify for hedge accounting. The net notional amount of these foreign exchange contracts at March 28, 2026 and September 27, 2025 was \$2.7 billion and \$3.0 billion, respectively. The related gains or losses recognized in costs and expenses on foreign exchange contracts that mitigated our exposure with respect to foreign currency denominated assets and liabilities for the quarters and six-month periods ended March 28, 2026 and March 29, 2025 were not significant.

*Risk Management – Other Derivatives Not Designated as Hedges*

The Company enters into certain other risk management contracts that are not designated as hedges and do not qualify for hedge accounting. These contracts, which include certain total return swap contracts, are intended to offset economic exposures of the Company and are carried at market value with any changes in value recorded in earnings. The net notional amount of these contracts at both March 28, 2026 and September 27, 2025 was \$0.6 billion. The related gains or losses recognized in earnings for the quarters and six-month periods ended March 28, 2026 and March 29, 2025 were not significant.

*Contingent Features and Cash Collateral*

The Company has master netting arrangements by counterparty with respect to certain derivative financial instrument contracts. The Company may be required to post collateral in the event that a net liability position with a counterparty exceeds limits defined by contract and that vary with the Company’s credit rating. In addition, these contracts may require a counterparty to post collateral to the Company in the event that a net receivable position with a counterparty exceeds limits defined by contract and that vary with the counterparty’s credit rating. If the Company’s or the counterparty’s credit ratings were to fall below investment grade, such counterparties or the Company would also have the right to terminate our derivative contracts, which could lead to a net payment to or from the Company for the aggregate net value by counterparty of our

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(unaudited; tabular dollars in millions, except for per share data)

derivative contracts. The aggregate fair value of derivative instruments with credit-risk-related contingent features in a net liability position by counterparty was \$0.7 billion and \$0.9 billion at March 28, 2026 and September 27, 2025, respectively.

### **15. Restructuring and Impairment Charges**

The following amounts are recorded in “Restructuring and impairment charges” in the Condensed Consolidated Statements of Income:

The quarter and six-month period ended March 28, 2026 included a \$0.1 billion impairment of an equity investment and a \$0.1 billion charge for severance.

The quarter ended March 29, 2025 included charges of \$0.1 billion related to content impairments. The six-month period ended March 29, 2025 included charges of \$0.2 billion related to content impairments and the Star India Transaction.

### **16. New Accounting Pronouncements**

#### *Improvements to Income Tax Disclosures*

In December 2023, the FASB issued guidance to enhance income tax disclosures. The new guidance requires an expanded effective tax rate reconciliation and the disclosure of cash taxes paid segregated between U.S. federal, U.S. state and foreign, with further disaggregation by jurisdiction if certain thresholds are met, and eliminates certain disclosures related to uncertain tax benefits. The new guidance is applicable to annual periods beginning with the Company’s 2026 fiscal year.

#### *Disaggregation of Income Statement Expense*

In November 2024, the FASB issued guidance that requires the disclosure of additional information related to certain costs and expenses, including amounts of inventory purchases, employee compensation, and depreciation and amortization included in each income statement line item. The guidance also requires disclosure of the total amount of selling expenses and the Company’s definition of selling expenses. The guidance is effective for the Company for annual periods beginning in fiscal year 2028 and for interim periods beginning in fiscal year 2029. The Company is currently assessing the impacts of the new guidance on its financial statement disclosures.

#### *Accounting for Government Grants*

In December 2025, the FASB issued guidance that establishes the recognition, measurement and presentation requirements for government grants. The guidance is effective at the beginning of the Company’s 2030 fiscal year (with early adoption permitted). The Company is currently assessing the impact this guidance will have on its financial statements and financial statement disclosures.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

#### ORGANIZATION OF INFORMATION

Management's Discussion and Analysis provides a narrative of the Company's financial performance and condition that should be read in conjunction with the accompanying financial statements. It includes the following sections:

- Consolidated Results
- Current Quarter Results Compared to Prior-Year Quarter
- Current Six-Month Period Results Compared to Prior-Year Six-Month Period
- Seasonality
- Business Segment Results
- Corporate and Unallocated Shared Expenses
- Financial Condition
- Market Risk
- Commitments and Contingencies
- Other Matters
- Supplemental Guarantor Financial Information

#### CONSOLIDATED RESULTS

(in millions, except per share data)	Quarter Ended		% Change Better (Worse)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025		March 28, 2026	March 29, 2025	
<b>Revenues:</b>						
Services	\$ 22,684	\$ 21,258	7 %	\$ 45,890	\$ 43,306	6 %
Products	2,484	2,363	5 %	5,259	5,005	5 %
Total revenues	<b>25,168</b>	23,621	7 %	<b>51,149</b>	48,311	6 %
<b>Costs and expenses:</b>						
Cost of services (exclusive of depreciation and amortization)	(14,417)	(13,378)	(8) %	(29,420)	(27,167)	(8) %
Cost of products (exclusive of depreciation and amortization)	(1,484)	(1,432)	(4) %	(3,150)	(3,049)	(3) %
Selling, general, administrative and other	(4,073)	(3,981)	(2) %	(8,194)	(7,911)	(4) %
Depreciation and amortization	(1,405)	(1,324)	(6) %	(2,721)	(2,600)	(5) %
Total costs and expenses	<b>(21,379)</b>	(20,115)	(6) %	<b>(43,485)</b>	(40,727)	(7) %
Restructuring and impairment charges	(239)	(109)	>(100) %	(239)	(252)	5 %
Interest expense, net	(240)	(346)	31 %	(515)	(713)	28 %
Equity in the income of investees	57	36	58 %	150	128	17 %
Income before income taxes	<b>3,367</b>	3,087	9 %	<b>7,060</b>	6,747	5 %
Income taxes	(902)	314	nm	(2,111)	(702)	>(100) %
Net income	<b>2,465</b>	3,401	(28) %	<b>4,949</b>	6,045	(18) %
Net income attributable to noncontrolling interests	(218)	(126)	(73) %	(300)	(216)	(39) %
Net income attributable to Disney	<b>\$ 2,247</b>	\$ 3,275	(31) %	<b>\$ 4,649</b>	\$ 5,829	(20) %
Diluted earnings per share attributable to Disney	<b>\$ 1.27</b>	\$ 1.81	(30) %	<b>\$ 2.61</b>	\$ 3.21	(19) %

#### CURRENT QUARTER RESULTS COMPARED TO PRIOR-YEAR QUARTER

Revenues for the quarter increased 7%, or \$1.5 billion, to \$25.2 billion; net income attributable to Disney decreased to \$2.2 billion compared to \$3.3 billion in the prior-year quarter; and diluted earnings per share (EPS) attributable to Disney decreased to \$1.27 compared to \$1.81 in the prior-year quarter. The net income and EPS decreases were due to the recognition of a tax benefit in the prior-year quarter related to the resolution of a tax matter.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

**Revenues**

Service revenues for the quarter increased 7%, or \$1.4 billion, to \$22.7 billion, which included an approximate 2 percentage point increase from the Fubo Transaction and, to a lesser extent, NFL Transaction. Aside from this impact, service revenues increased due to higher subscription and affiliate fees, growth at our parks and experiences businesses and, to a lesser extent, an increase in content sales.

Product revenues for the quarter increased 5%, or \$0.1 billion, to \$2.5 billion due to growth at our parks and experiences businesses.

**Costs and expenses**

Cost of services for the quarter increased 8%, or \$1.0 billion, to \$14.4 billion, which included an approximate 3 percentage point increase from the Fubo Transaction and, to a lesser extent, NFL Transaction. Aside from this impact, cost of services increased due to higher programming and production costs and, to a lesser extent, the impact of inflation and increased volumes at our parks and experiences businesses.

Selling, general, administrative and other costs increased 2%, or \$0.1 billion, to \$4.1 billion due to higher marketing costs.

Depreciation and amortization increased 6%, or \$0.1 billion, to \$1.4 billion driven by higher depreciation at Experiences and Entertainment, partially offset by lower amortization of intangible assets.

**Restructuring and impairment charges**

Charges in the current quarter were \$147 million for an impairment of our investment in A+E Global Media (A+E) and \$92 million for severance. Charges in the prior-year quarter were \$109 million for content impairments.

After the current quarter impairment in A+E, our investment has a carrying value of approximately \$2 billion. If the estimated fair value of our investment declines, for example by a decrease in forecasted cash flows or a transaction at an amount that is less than the carrying amount, we would be required to record an impairment charge in earnings, which could be material.

**Interest expense, net**

Interest expense, net is as follows:

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Interest expense	\$ (473)	\$ (471)	— %
Interest income, investment income and other	233	125	86 %
Interest expense, net	<u>\$ (240)</u>	<u>\$ (346)</u>	31 %

The increase in interest income, investment income and other was due to a net gain on investments in the current quarter compared to a net loss on investments in the prior-year quarter, and a favorable comparison related to pension and postretirement benefit costs, other than service cost.

**Equity in the Income of Investees**

Income from equity investees increased \$21 million, to \$57 million from \$36 million, due to a lower loss from the India joint venture.

**Income Taxes**

	Quarter Ended	
	March 28, 2026	March 29, 2025
Income before income taxes	\$ 3,367	\$ 3,087
Income tax expense (benefit)	902	(314)
Effective income tax rate	26.8 %	(10.2) %

The effective income tax rate was positive 26.8% in the current quarter compared to a negative effective income tax rate of 10.2% in the prior-year quarter. Significant items impacting the change in the effective income tax rate included the following:

- The current quarter included a non-cash tax charge of approximately 3 percentage points in connection with the NFL Transaction

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

- The prior-year quarter included a favorable impact of approximately 33 percentage points from the resolution of a tax matter

**Noncontrolling Interests**

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Net income attributable to noncontrolling interests	\$ (218)	\$ (126)	(73) %

The increase in net income attributable to noncontrolling interests was primarily due to the NFL Transaction and, to a lesser extent, higher results at Shanghai Disney Resort.

Net income attributable to noncontrolling interests is determined on income after royalties and management fees, financing costs and income taxes, as applicable.

**Certain Items Impacting Results in the Quarter**

Results for the quarter ended March 28, 2026 were impacted by the following:

- Acquisition Amortization of \$313 million
- Restructuring and impairment charges of \$239 million
- A non-cash tax charge of \$115 million resulting from the NFL Transaction

Results for the quarter ended March 29, 2025 were impacted by the following:

- Resolution of a prior-year tax matter of \$1,016 million
- Acquisition Amortization of \$396 million
- Restructuring and impairment charges of \$109 million

A summary of the impact of these items on EPS is as follows:

(in millions, except per share data)	Pre-Tax Income (Loss)	Tax Benefit (Expense) <sup>(1)</sup>	After-Tax Income (Loss)	EPS Favorable (Adverse) <sup>(2)</sup>
<b>Quarter Ended March 28, 2026:</b>				
Acquisition Amortization	\$ (313)	\$ 70	\$ (243)	\$ (0.12)
Restructuring and impairment charges	(239)	22	(217)	(0.12)
Non-cash tax charge resulting from the NFL Transaction	—	(115)	(115)	(0.05)
<b>Total</b>	<b>\$ (552)</b>	<b>\$ (23)</b>	<b>\$ (575)</b>	<b>\$ (0.30)</b>
<b>Quarter Ended March 29, 2025:</b>				
Resolution of a prior-year tax matter	\$ —	\$ 1,016	\$ 1,016	\$ 0.56
Acquisition Amortization	(396)	92	(304)	(0.16)
Restructuring and impairment charges	(109)	25	(84)	(0.05)
<b>Total</b>	<b>\$ (505)</b>	<b>\$ 1,133</b>	<b>\$ 628</b>	<b>\$ 0.35</b>

<sup>(1)</sup> Tax benefit (expense) amounts are determined using the tax rate applicable to the individual item.

<sup>(2)</sup> EPS is net of noncontrolling interest share, where applicable. Total may not equal the sum of the column due to rounding.

**CURRENT SIX-MONTH PERIOD RESULTS COMPARED TO PRIOR-YEAR SIX-MONTH PERIOD**

Revenues for the current period increased \$2.8 billion, to \$51.1 billion; net income attributable to Disney decreased \$1.2 billion, to \$4.6 billion; and EPS decreased to \$2.61 from \$3.21 in the prior-year period. The net income and EPS decreases were due to the recognition of a tax benefit in the prior-year period related to the resolution of a tax matter and, to a lesser extent, lower operating income at Entertainment. These decreases were partially offset by higher operating income at Experiences.

**Revenues**

Service revenues for the current period increased 6%, or \$2.6 billion to \$45.9 billion, which included an approximate 1 percentage point net favorable impact from the Fubo, NFL and Star India Transactions. Aside from this impact, service

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

revenues increased due to growth at our parks and experiences businesses, higher subscription and affiliate fees and, to a lesser extent, an increase in content sales.

Product revenues for the current period increased 5%, or \$0.3 billion, to \$5.3 billion, due to growth at our parks and experiences businesses.

**Costs and expenses**

Cost of services for the current period increased 8%, or \$2.3 billion, to \$29.4 billion, which included an approximate 2 percentage point net favorable impact from the Fubo, NFL and Star India Transactions. Aside from this impact, cost of services increased due to higher programming and production costs and, to a lesser extent, the impact of inflation and increased volumes at our parks and experiences businesses.

Selling, general, administrative and other costs increased 4%, or \$0.3 billion, to \$8.2 billion due to higher marketing costs, partially offset by the comparison to a legal settlement in the prior-year period.

Depreciation and amortization increased 5%, or \$0.1 billion, to \$2.7 billion, driven by higher depreciation at Experiences and Entertainment, partially offset by lower amortization of intangible assets.

**Restructuring and impairment charges**

Charges in the current period were \$147 million for an impairment of our investment in A+E and \$92 million for severance. Charges in the prior-year period were \$143 million for impairment of goodwill in connection with the Star India Transaction and \$109 million for content impairments.

**Interest expense, net**

Interest expense, net is as follows:

(in millions)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Interest expense	\$ (916)	\$ (958)	4 %
Interest income, investment income and other	401	245	64 %
Interest expense, net	<u>\$ (515)</u>	<u>\$ (713)</u>	28 %

The decrease in interest expense was primarily due to lower average rates.

The increase in interest income, investment income and other was due to a favorable comparison of pension and postretirement benefit costs, other than service cost, and a net gain on investments in the current period compared to a net loss on investments in the prior-year period.

**Equity in the Income of Investees**

Income from equity investees increased \$22 million, to \$150 million from \$128 million, due to a lower loss from the India joint venture, partially offset by a decrease in income from A+E.

**Income Taxes**

	Six Months Ended	
	March 28, 2026	March 29, 2025
Income before income taxes	\$ 7,060	\$ 6,747
Income tax expense	2,111	702
Effective income tax rate	29.9 %	10.4 %

The effective income tax rate was 29.9% in the current period compared to 10.4% in the prior-year period. Significant items impacting the change in the effective income tax rate included the following:

- The current period included non-cash tax charges of approximately 6 percentage points in connection with the Fubo and NFL Transactions and an unfavorable impact of approximately 2 percentage points from adjustments related to prior years
- The prior-year period included a favorable impact of approximately 16 percentage points from adjustments related to prior years and a non-cash tax charge of approximately 4 percentage points in connection with the Star India Transaction

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

**Noncontrolling Interests**

(in millions)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Net income attributable to noncontrolling interests	\$ (300)	\$ (216)	(39) %

The increase in net income attributable to noncontrolling interests was primarily due to the NFL Transaction and higher results at Shanghai Disney Resort.

**Certain Items Impacting Results in the Six Month Period**

Results for the six months ended March 28, 2026 were impacted by the following:

- Acquisition Amortization of \$613 million
- Non-cash tax charges resulting from the Fubo and NFL Transactions of \$307 million and \$115 million, respectively
- Restructuring and impairment charges of \$239 million

Results for the six months ended March 29, 2025 were impacted by the following:

- Acquisition Amortization of \$793 million
- Restructuring and impairment charges of \$252 million and a non-cash tax charge of \$244 million
- Resolution of a prior-year tax matter of \$1,016 million

A summary of the impact of these items on EPS is as follows:

(in millions, except per share data)	Pre-Tax Income (Loss)	Tax Benefit (Expense) <sup>(1)</sup>	After-Tax Income (Loss)	EPS Favorable (Adverse) <sup>(2)</sup>
<b>Six Months Ended March 28, 2026:</b>				
Acquisition Amortization	\$ (613)	\$ 140	\$ (473)	\$ (0.24)
Non-cash tax charges resulting from the Fubo and NFL Transactions	—	(422)	(422)	(0.22)
Restructuring and impairment charges	(239)	22	(217)	(0.12)
<b>Total</b>	<b>\$ (852)</b>	<b>\$ (260)</b>	<b>\$ (1,112)</b>	<b>\$ (0.59)</b>
<b>Six Months Ended March 29, 2025:</b>				
Acquisition Amortization	\$ (793)	\$ 184	\$ (609)	\$ (0.32)
Restructuring and impairment charges	(252)	(188)	(440)	(0.25)
Resolution of a prior-year tax matter	—	1,016	1,016	0.56
<b>Total</b>	<b>\$ (1,045)</b>	<b>\$ 1,012</b>	<b>\$ (33)</b>	<b>\$ (0.01)</b>

<sup>(1)</sup> Tax benefit (expense) amounts are determined using the tax rate applicable to the individual item.

<sup>(2)</sup> EPS is net of noncontrolling interest share, where applicable. Total may not equal the sum of the column due to rounding.

**SEASONALITY**

The Company's businesses are subject to the effects of seasonality. Consequently, the operating results for the six months ended March 28, 2026 for each business segment, and for the Company as a whole, are not necessarily indicative of results to be expected for the full year.

Entertainment revenues are subject to seasonal and other cyclical advertising patterns, changes in viewership and subscriber levels, timing and performance of theatrical releases, and the timing of and demand for film and television programs. In general, domestic advertising revenues are typically somewhat higher during the fall and somewhat lower during the summer months and domestic advertising revenue is typically higher during election cycles. Subscription and affiliate fees vary with the subscriber trends of multi-channel video programming distributors (i.e. cable, satellite telecommunications and digital over-the-top service providers) and our streaming services. Theatrical release dates are determined by several factors, including competition and the timing of vacation and holiday periods.

Sports revenues are subject to seasonal advertising patterns, changes in viewership and subscriber levels, and the availability of and demand for sports programming. Advertising revenues generated from sports programming and the recognition of sports rights cost amortization are also impacted by the timing of sports seasons and events, which timing may vary throughout the year or may take place periodically (e.g. biannually, quadrennially).

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

Experiences revenues fluctuate with changes in theme park attendance and resort occupancy resulting from the seasonal nature of vacation travel and leisure activities, the opening of new guest offerings and pricing and promotional offers. Peak attendance and resort occupancy generally occur during the summer months when school vacations occur and during early winter and spring holiday periods. In addition, theme park and resort revenues may be higher during significant celebrations such as theme park or character anniversaries and lower in the periods preceding or following such celebrations. Consumer products revenue fluctuates with consumer purchasing behavior, which generally results in higher revenues during the Company's first and fourth fiscal quarters. In addition, licensing revenues fluctuate with the timing and performance of theatrical and game releases and direct-to-consumer content.

**BUSINESS SEGMENT RESULTS**

The Company evaluates the performance of its operating businesses based on segment revenue and segment operating income.

The following table presents revenues from our operating segments:

(in millions)	Quarter Ended		% Change Better (Worse)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025		March 28, 2026	March 29, 2025	
Entertainment	\$ 11,715	\$ 10,682	10 %	\$ 23,324	\$ 21,554	8 %
Sports	4,609	4,534	2 %	9,518	9,384	1 %
Experiences	9,487	8,889	7 %	19,493	18,304	6 %
Eliminations <sup>(1)</sup>	(643)	(484)	(33) %	(1,186)	(931)	(27) %
Revenues	\$ 25,168	\$ 23,621	7 %	\$ 51,149	\$ 48,311	6 %

<sup>(1)</sup> Reflects fees paid by (a) the entertainment vMVPD services to the sports and entertainment linear networks for the right to air the networks on the Hulu Live TV and Fubo services and (b) the Entertainment segment to the Sports segment to program certain sports content on ABC Network and Disney+.

The following table presents income from our operating segments and other components of income before income taxes:

(in millions)	Quarter Ended		% Change Better (Worse)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025		March 28, 2026	March 29, 2025	
Entertainment operating income	\$ 1,336	\$ 1,258	6 %	\$ 2,436	\$ 2,961	(18) %
Sports operating income	652	687	(5) %	843	934	(10) %
Experiences operating income	2,615	2,491	5 %	5,924	5,601	6 %
Corporate and unallocated shared expenses	(380)	(395)	4 %	(684)	(855)	20 %
Equity in the loss of India joint venture	(64)	(103)	38 %	(92)	(136)	32 %
Restructuring and impairment charges	(239)	(109)	>(100) %	(239)	(252)	5 %
Interest expense, net	(240)	(346)	31 %	(515)	(713)	28 %
Acquisition Amortization	(313)	(396)	21 %	(613)	(793)	23 %
Income before income taxes	\$ 3,367	\$ 3,087	9 %	\$ 7,060	\$ 6,747	5 %

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

Depreciation expense is as follows:

(in millions)	Quarter Ended		% Change Better (Worse)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025		March 28, 2026	March 29, 2025	
Entertainment	\$ 238	\$ 190	(25) %	\$ 443	\$ 355	(25) %
Sports	28	11	>(100) %	52	21	>(100) %
Experiences						
Domestic	544	490	(11) %	1,068	951	(12) %
International	217	188	(15) %	425	379	(12) %
Total Experiences	761	678	(12) %	1,493	1,330	(12) %
Corporate	89	78	(14) %	168	160	(5) %
Total depreciation expense	\$ 1,116	\$ 957	(17) %	\$ 2,156	\$ 1,866	(16) %

Amortization of intangible assets is as follows:

(in millions)	Quarter Ended		% Change Better (Worse)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025		March 28, 2026	March 29, 2025	
Entertainment	\$ 13	\$ 13	— %	\$ 26	\$ 26	— %
Experiences	27	27	— %	54	54	— %
Acquisition amortization - intangible assets	249	327	24 %	485	654	26 %
Total amortization of intangible assets	\$ 289	\$ 367	21 %	\$ 565	\$ 734	23 %

**BUSINESS SEGMENT RESULTS - Current Quarter Results Compared to Prior-Year Quarter**

**Entertainment**

Operating results for Entertainment are as follows:

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Revenues			
Subscription and affiliate fees	\$ 7,801	\$ 6,858	14 %
Advertising	1,670	1,598	5 %
Content sales	1,725	1,594	8 %
Other	519	632	(18) %
Total revenues	11,715	10,682	10 %
Operating expenses	(7,906)	(7,052)	(12) %
Selling, general, administrative and other	(2,330)	(2,293)	(2) %
Depreciation and amortization	(251)	(203)	(24) %
Equity in the income of investees	108	124	(13) %
Operating Income	\$ 1,336	\$ 1,258	6 %

*Revenues - Subscription and affiliate fees*

Growth in subscription and affiliate fees was due to increases of 5% from the Fubo Transaction, 5% from higher effective rates, 2% from a favorable foreign exchange impact and 2% from more subscribers.

*Revenues - Advertising*

The increase in advertising revenue was primarily attributable to an increase of 8% from higher impressions, partially offset by a decrease of 6% from lower rates.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

*Revenues - Content sales*

Higher content sales revenue was due to increases of 8% from theatrical distribution and 4% from a favorable foreign exchange impact, partially offset by a decrease of 2% from TV/VOD and home entertainment distribution. The increase in theatrical distribution was attributable to the ongoing performance of *Avatar: Fire and Ash* and *Zootopia 2* and the release of *Hoppers* in the current quarter compared to the ongoing performance of *Mufasa: The Lion King* and *Moana 2* and the release of *Captain America: Brave New World* in the prior-year quarter.

*Revenues - Other*

The decrease in other revenue was attributable to the impact of our foreign exchange hedging program.

*Operating expenses*

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Programming and production costs	\$ (6,406)	\$ (5,691)	(13) %
Other operating expenses	(1,500)	(1,361)	(10) %
	<u>\$ (7,906)</u>	<u>\$ (7,052)</u>	(12) %

The increase in programming and production costs was due to increases of 5% from the Fubo Transaction, 5% from streaming services and 3% from theatrical distribution.

The increase in other operating expenses was primarily attributable to higher technology and distribution costs.

*Depreciation and amortization*

Depreciation and amortization increased \$48 million, to \$251 million from \$203 million, due to a new facility and investments in technology assets.

*Equity in the Income of Investees*

Income from equity investees decreased \$16 million, to \$108 million from \$124 million, due to lower income from A+E attributable to decreases in advertising and affiliate revenues, partially offset by an increase in program sales income.

*Operating Income from Entertainment*

Segment operating income increased \$78 million, to \$1,336 million from \$1,258 million, due to an increase in subscription and affiliate fees, partially offset by higher programming and production costs.

***Items Excluded from Segment Operating Income Related to Entertainment***

The following table presents supplemental information for items related to the Entertainment segment that are excluded from segment operating income:

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Acquisition Amortization <sup>(1)</sup>	\$ (289)	\$ (320)	10 %
Restructuring and impairment charges <sup>(2)</sup>	(216)	(109)	(98) %

<sup>(1)</sup> In the current quarter, amortization of intangible assets was \$225 million and amortization of step-up on film and television costs was \$64 million. In the prior-year quarter, amortization of intangible assets was \$251 million and amortization of step-up on film and television costs was \$66 million.

<sup>(2)</sup> Charges in the current quarter were \$147 million for an impairment of an equity investment and \$69 million for severance. Charges in the prior-year quarter were due to content impairments.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

**Sports**

Operating results for Sports are as follows:

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
<b>Revenues</b>			
Subscription and affiliate fees	\$ 3,251	\$ 3,080	6 %
Advertising	1,132	1,157	(2) %
Other	226	297	(24) %
<b>Total revenues</b>	<b>4,609</b>	<b>4,534</b>	<b>2 %</b>
<b>Operating expenses</b>			
Selling, general, administrative and other	(337)	(347)	3 %
Depreciation and amortization	(28)	(11)	>(100) %
Equity in the income of investees	13	18	(28) %
<b>Operating Income</b>	<b>\$ 652</b>	<b>\$ 687</b>	<b>(5) %</b>

*Revenues - Subscription and affiliate fees*

Growth in subscription and affiliate fees reflected increases of 6% from higher effective rates and 3% from the NFL Transaction, partially offset by a decrease of 3% from fewer subscribers.

*Revenues - Advertising*

Lower advertising revenue was due to a decrease of 4% attributable to fewer impressions.

*Revenues - Other*

The decrease in other revenue was primarily due to the comparison to Ultimate Fighting Championship (UFC) pay-per-view revenue in the prior-year quarter.

*Operating expenses*

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Programming and production costs	\$ (3,357)	\$ (3,267)	(3) %
Other operating expenses	(248)	(240)	(3) %
	<b>\$ (3,605)</b>	<b>\$ (3,507)</b>	<b>(3) %</b>

Programming and production costs increased in the current quarter compared to the prior-year quarter due to contractual rate increases, costs for new sports rights and an impact from the timing of rights costs recognition as a result of contract renewals. These increases were partially offset by the absence of certain rights costs compared to the prior-year quarter, primarily for UFC content. The contract renewals resulted in an increase in college sports rights costs and a decrease in NBA rights costs in the current quarter compared to the prior-year quarter. College sports rights costs shifted from the prior-year fourth quarter and the first quarter to the current quarter and NBA rights costs shifted from the first half of the current year to the third quarter.

*Selling, general, administrative and other*

Selling, general, administrative and other costs decreased \$10 million, to \$337 million from \$347 million, due to the benefit from a comparison to the write-off of an investment in the prior-year quarter, partially offset by higher sales and marketing costs.

*Depreciation and amortization*

Depreciation and amortization increased \$17 million, to \$28 million from \$11 million, due to investments in technology assets.

*Operating Income from Sports*

Segment operating income decreased \$35 million, to \$652 million from \$687 million, as an increase in revenues was more than offset by higher programming and production costs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

**Items Excluded from Segment Operating Income Related to Sports**

The following table presents supplemental information for items related to the Sports segment that are excluded from segment operating income:

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Acquisition Amortization <sup>(1)</sup>	\$ (22)	\$ (74)	70 %
Restructuring and impairment charges	(5)	—	nm

<sup>(1)</sup> Represents amortization of intangible assets.

**Experiences**

Operating results for the Experiences segment are as follows:

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
<b>Revenues</b>			
Theme park admissions	\$ 3,092	\$ 2,919	6 %
Resorts and vacations	2,564	2,359	9 %
Parks & Experiences merchandise, food and beverage	2,199	2,101	5 %
Merchandise licensing and retail	962	937	3 %
Parks licensing and other	670	573	17 %
<b>Total revenues</b>	<b>9,487</b>	<b>8,889</b>	<b>7 %</b>
Operating expenses	(4,969)	(4,669)	(6) %
Selling, general, administrative and other	(1,115)	(1,024)	(9) %
Depreciation and amortization	(788)	(705)	(12) %
<b>Operating Income</b>	<b>\$ 2,615</b>	<b>\$ 2,491</b>	<b>5 %</b>

*Revenues - Theme park admissions*

Theme park admissions revenue growth was due to increases of 4% from higher average per capita ticket revenue and 1% from a favorable foreign exchange impact.

*Revenues - Resorts and vacations*

Higher resorts and vacations revenue was attributable to increases of 7% from additional passenger cruise days, reflecting the launches of the *Disney Destiny* in November 2025 and the *Disney Adventure* in March 2026, and 2% from an increase in average daily hotel room rates.

*Revenues - Parks & Experiences merchandise, food and beverage*

Parks & Experiences merchandise, food and beverage revenue growth was due to increases of 2% from higher average guest spending, 2% from a favorable foreign exchange impact and 1% from volume growth.

*Revenues - Merchandise licensing and retail*

Higher merchandise licensing and retail revenue was due to increases of 1% from merchandise licensing and 1% from retail.

*Revenues - Parks licensing and other*

The increase in parks licensing and other revenue was primarily due to an increase in co-branding revenue, the recognition of incentives received in the current quarter and higher sponsorship revenue.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

*Key Metrics*

In addition to revenue, costs and operating income, management uses the following key metrics to analyze trends and evaluate the overall performance of our theme parks and resorts, and we believe these metrics are useful to investors in analyzing the business:

	Domestic		International <sup>(1)</sup>	
	Quarter Ended		Quarter Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
<b>Parks</b>				
Increase (decrease)				
Attendance <sup>(2)</sup>	<b>(1) %</b>	2 %	<b>4 %</b>	(5) %
Per Capita Guest Spending <sup>(3)</sup>	<b>5 %</b>	5 %	<b>1 %</b>	(2) %
<b>Hotels</b>				
Occupancy <sup>(4)</sup>	<b>89 %</b>	92 %	<b>86 %</b>	87 %
Available Hotel Room Nights (in thousands) <sup>(5)</sup>	<b>2,552</b>	2,546	<b>786</b>	786
Change in Per Room Guest Spending <sup>(6)</sup>	<b>7 %</b>	5 %	— %	1 %

- <sup>(1)</sup> Per capita guest spending growth rate and per room guest spending growth rate exclude the impact of changes in foreign exchange rates.
- <sup>(2)</sup> Attendance is used to analyze volume trends at our theme parks and is based on the number of unique daily entries, i.e. a person visiting multiple theme parks in a single day is counted only once. Our attendance count includes complimentary entries but excludes entries by children under the age of three.
- <sup>(3)</sup> Per capita guest spending is used to analyze guest spending trends and is defined as total revenue from ticket sales and sales of food, beverage and merchandise in our theme parks, divided by total theme park attendance.
- <sup>(4)</sup> Occupancy is used to analyze the usage of available capacity at hotels and is defined as the number of room nights occupied by guests as a percentage of available hotel room nights.
- <sup>(5)</sup> Available hotel room nights is defined as the total number of room nights that are available at our hotels and at Disney Vacation Club (DVC) properties located at our theme parks and resorts that are not utilized by DVC members. Available hotel room nights include rooms temporarily taken out of service.
- <sup>(6)</sup> Per room guest spending is used to analyze guest spending at our hotels and is defined as total revenue from room rentals and sales of food, beverage and merchandise at our hotels, divided by total occupied hotel room nights.

*Operating expenses*

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Operating labor	\$ (2,355)	\$ (2,213)	(6) %
Infrastructure costs	(856)	(856)	— %
Cost of goods sold and distribution costs	(773)	(723)	(7) %
Other operating expense	(985)	(877)	(12) %
	\$ (4,969)	\$ (4,669)	(6) %

Higher operating labor was due to inflation, new guest offerings and an unfavorable foreign exchange impact. The increase in cost of goods sold and distribution costs was attributable to volume growth. Higher other operating expense was primarily due to new guest offerings and an unfavorable foreign exchange impact.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

*Selling, general, administrative and other*

Selling, general, administrative and other costs increased \$91 million, to \$1,115 million from \$1,024 million, primarily due to new guest offerings and inflation.

*Depreciation and amortization*

Depreciation and amortization increased \$83 million, to \$788 million from \$705 million, primarily due to higher depreciation at Disney Cruise Line and at our international parks and experiences attributable to an increase at Disneyland Paris.

*Operating Income from Experiences*

Segment operating income increased \$124 million, to \$2,615 million from \$2,491 million, primarily due to growth at domestic parks and experiences.

*Supplemental revenue and operating income*

The following table presents supplemental revenue and operating income detail for the Experiences segment:

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
<i>Supplemental revenue detail</i>			
Parks & Experiences			
Domestic	\$ 6,917	\$ 6,499	6 %
International	1,596	1,441	11 %
Consumer Products	974	949	3 %
	\$ 9,487	\$ 8,889	7 %
<i>Supplemental operating income detail</i>			
Parks & Experiences			
Domestic	\$ 1,909	\$ 1,823	5 %
International	227	225	1 %
Consumer Products	479	443	8 %
	\$ 2,615	\$ 2,491	5 %

*Items Excluded from Segment Operating Income Related to Experiences*

The following table presents supplemental information for items related to the Experiences segment that are excluded from segment operating income:

(in millions)	Quarter Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Restructuring and impairment charges	\$ (13)	\$ —	nm
Acquisition Amortization	(2)	(2)	— %

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

**BUSINESS SEGMENT RESULTS - Current Period Six-Month Results Compared to the Prior-Year Six-Month Period**

**Entertainment**

Operating results for Entertainment are as follows:

(in millions)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
<b>Revenues</b>			
Subscription and affiliate fees	\$ 15,051	\$ 13,578	11 %
Advertising	3,445	3,496	(1) %
Content sales	3,661	3,179	15 %
Other	1,167	1,301	(10) %
<b>Total revenues</b>	<b>23,324</b>	21,554	8 %
<b>Operating expenses</b>			
Operating expenses	(15,689)	(13,867)	(13) %
Selling, general, administrative and other	(4,956)	(4,587)	(8) %
Depreciation and amortization	(469)	(381)	(23) %
Equity in the income of investees	226	242	(7) %
<b>Operating Income</b>	<b>\$ 2,436</b>	\$ 2,961	(18) %

*Revenues - Subscription and affiliate fees*

Growth in subscription and affiliate fees was due to increases of 5% from higher effective rates, 5% from the Fubo Transaction, 1% from more subscribers and 1% from a favorable foreign exchange impact.

*Revenues - Advertising*

The decline in advertising revenue was due to decreases of 4% from lower rates and 3% from the Star India Transaction, partially offset by increases of 4% from higher impressions and 1% from the Fubo Transaction. Rates and impressions included an impact from less political advertising.

*Revenues - Content sales*

Higher content sales revenue was due to an increase of 16% from theatrical distribution attributable to the performance of *Zootopia 2*, *Avatar: Fire and Ash* and *Hoppers* in the current period compared to *Moana 2*, *Mufasa: The Lion King* and *Captain America: Brave New World* in the prior-year period.

*Revenues - Other*

The decrease in other revenue was attributable to the impact of our foreign exchange hedging program.

*Operating expenses*

(in millions)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Programming and production costs	\$ (12,720)	\$ (11,166)	(14) %
Other operating expenses	(2,969)	(2,701)	(10) %
	<b>\$ (15,689)</b>	\$ (13,867)	(13) %

The increase in programming and production costs was due to increases of 7% from theatrical distribution, 4% from the Fubo Transaction and 2% from our streaming services.

The increase in other operating expenses was primarily due to higher technology and distribution costs.

*Selling, general, administrative and other*

Selling, general, administrative and other costs increased \$369 million, to \$4,956 million from \$4,587 million, due to higher marketing costs at theatrical distribution and our streaming services.

*Depreciation and amortization*

Depreciation and amortization increased \$88 million, to \$469 million from \$381 million, due to a new facility and investments in technology assets.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

*Equity in the Income of Investees*

Income from equity investees decreased \$16 million, to \$226 million from \$242 million, due to lower income from A+E attributable to decreases in advertising and affiliate revenues, partially offset by an increase in program sales income.

*Operating Income from Entertainment*

Segment operating income decreased \$525 million, to \$2,436 million from \$2,961 million, driven by increases in programming and production costs and marketing costs, partially offset by an increase in subscription and affiliate fees and higher content sales revenue.

**Items Excluded from Segment Operating Income Related to Entertainment**

The following table presents supplemental information for items related to the Entertainment segment that are excluded from segment operating income:

(in millions)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Acquisition Amortization <sup>(1)</sup>	\$ (587)	\$ (641)	8 %
Restructuring and impairment charges <sup>(2)</sup>	(216)	(109)	(98) %

<sup>(1)</sup> In the current period, amortization of intangible assets was \$459 million and amortization of step-up on film and television costs was \$128 million. In the prior-year period, amortization of intangible assets was \$502 million and amortization of step-up on film and television costs was \$133 million.

<sup>(2)</sup> Charges in the current period were \$147 million for an impairment of an equity investment and \$69 million for severance. Charges in the prior-year period were due to content impairments.

**Sports**

Operating results for Sports are as follows:

(in millions)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Revenues			
Subscription and affiliate fees	\$ 6,234	\$ 6,137	2 %
Advertising	2,609	2,499	4 %
Other	675	748	(10) %
Total revenues	9,518	9,384	1 %
Operating expenses	(7,994)	(7,800)	(2) %
Selling, general, administrative and other	(645)	(657)	2 %
Depreciation and amortization	(52)	(21)	>(100) %
Equity in the income of investees	16	28	(43) %
Operating Income	<u>\$ 843</u>	<u>\$ 934</u>	(10) %

*Revenues - Subscription and affiliate fees*

Growth in subscription and affiliate fees reflected increases of 6% from higher effective rates and 1% from the NFL Transaction, partially offset by decreases of 4% from fewer subscribers and 1% from the temporary suspension of carriage with an affiliate in the current period.

*Revenues - Advertising*

Advertising revenue growth was due to an increase of 4% from higher rates.

*Revenues - Other*

The decrease in other revenue was due to a decrease in UFC pay-per-view revenue resulting from the expiration of UFC rights in December 2025.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

*Operating expenses*

(in millions)	<b>Six Months Ended</b>		% Change Better (Worse)
	<b>March 28, 2026</b>	March 29, 2025	
Programming and production costs	\$ (7,489)	\$ (7,310)	(2) %
Other operating expenses	(505)	(490)	(3) %
	<b>\$ (7,994)</b>	<b>\$ (7,800)</b>	<b>(2) %</b>

Programming and production costs increased in the current period compared to the prior-year period primarily due to contractual rate increases and costs for new sports rights. These increases were partially offset by the absence of certain rights costs, primarily for UFC content, and the timing of rights costs recognition as a result of contract renewals. The renewals resulted in a decrease in NBA rights costs and an increase in college sports rights costs in the current period compared to the prior-year period. NBA rights costs shifted from the current period to the third quarter and college sports rights costs shifted from the prior-year fourth quarter to the current period.

*Selling, general, administrative and other*

Selling, general, administrative and other costs decreased \$12 million, to \$645 million from \$657 million, due to the benefit from a comparison to the write-off of an investment in the prior-year period, offset by higher sales and marketing costs.

*Depreciation and amortization*

Depreciation and amortization increased \$31 million, to \$52 million from \$21 million, due to investments in technology assets.

*Operating Income from Sports*

Segment operating income decreased \$91 million, to \$843 million from \$934 million, as an increase in revenues was more than offset by higher programming and production costs.

***Items Excluded from Segment Operating Income Related to Sports***

The following table presents supplemental information for items related to the Sports segment that are excluded from segment operating income:

(in millions)	<b>Six Months Ended</b>		% Change Better (Worse)
	<b>March 28, 2026</b>	March 29, 2025	
Acquisition Amortization <sup>(1)</sup>	\$ (22)	\$ (148)	85 %
Restructuring and impairment charges	(5)	—	nm

<sup>(1)</sup> Represents amortization of intangible assets.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

**Experiences**

Operating results for the Experiences segment are as follows:

(in millions)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
<b>Revenues</b>			
Theme park admissions	\$ 6,393	\$ 6,006	6 %
Resorts and vacations	4,974	4,580	9 %
Parks & Experiences merchandise, food and beverage	4,547	4,282	6 %
Merchandise licensing and retail	2,299	2,255	2 %
Parks licensing and other	1,280	1,181	8 %
<b>Total revenues</b>	<b>19,493</b>	<b>18,304</b>	<b>6 %</b>
Operating expenses	(9,945)	(9,347)	(6) %
Selling, general, administrative and other	(2,077)	(1,972)	(5) %
Depreciation and amortization	(1,547)	(1,384)	(12) %
<b>Operating Income</b>	<b>\$ 5,924</b>	<b>\$ 5,601</b>	<b>6 %</b>

*Revenues - Theme park admissions*

Theme park admissions revenue growth was due to increases of 4% from higher average per capita ticket revenue, 1% from increased attendance at our international and domestic parks and 1% from a favorable foreign exchange impact. Attendance growth at our domestic parks benefited from the comparison to the adverse impact of Hurricane Milton in the prior-year period.

*Revenues - Resorts and vacations*

Higher resorts and vacations revenue was due to increases of 7% from additional passenger cruise days and 2% from an increase in average daily hotel room rates. The increase in passenger cruise days reflected the launches of the *Disney Treasure* in December 2024, the *Disney Destiny* in November 2025 and the *Disney Adventure* in March 2026.

*Revenues - Parks & Experiences merchandise, food and beverage*

Parks & Experiences merchandise, food and beverage revenue growth was attributable to increases of 3% from higher average guest spending, 2% from volume growth and 1% from a favorable foreign exchange impact.

*Revenues - Merchandise licensing and retail*

Higher merchandise licensing and retail revenue was due to an increase of 2% from merchandise licensing.

*Revenues - Parks licensing and other*

The increase in parks licensing and other revenue was primarily due to an increase in co-branding revenue and higher sponsorship revenue.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

*Key metrics*

	Domestic		International	
	Six Months Ended		Six Months Ended	
	March 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
<b>Parks</b>				
Increase (decrease)				
Attendance	— %	— %	5 %	(1) %
Per Capita Guest Spending	5 %	4 %	1 %	1 %
<b>Hotels</b>				
Occupancy	88 %	88 %	87 %	87 %
Available Hotel Room Nights (in thousands)	5,102	5,087	1,583	1,584
Change in Per Room Guest Spending	5 %	5 %	— %	9 %

*Operating expenses*

(in millions)	Six Months Ended		% Change Better (Worse)
	March 28, 2026	March 29, 2025	
Operating labor	\$ (4,640)	\$ (4,377)	(6) %
Infrastructure costs	(1,702)	(1,657)	(3) %
Cost of goods sold and distribution costs	(1,716)	(1,652)	(4) %
Other operating expense	(1,887)	(1,661)	(14) %
	\$ (9,945)	\$ (9,347)	(6) %

The increase in operating labor was due to inflation, an unfavorable foreign exchange impact and new guest offerings. Higher infrastructure costs were attributable to new guest offerings. The increase in cost of goods sold and distribution costs was due to higher volumes. Other operating expense increased primarily due to new guest offerings, higher volumes and an unfavorable foreign exchange impact.

*Selling, general, administrative and other*

Selling, general, administrative and other costs increased \$105 million, to \$2,077 million from \$1,972 million, primarily due to new guest offerings and inflation.

*Depreciation and amortization*

Depreciation and amortization increased \$163 million, to \$1,547 million from \$1,384 million, primarily due to higher depreciation at Disney Cruise Line and at our international parks and experiences attributable to an increase at Disneyland Paris.

*Operating Income from Experiences*

Segment operating income increased \$323 million, to \$5,924 million from \$5,601 million, primarily due to growth at domestic parks and experiences.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

*Supplemental revenue and operating income*

The following table presents supplemental revenue and operating income detail for the Experiences segment:

(in millions)	<b>Six Months Ended</b>		% Change Better (Worse)
	<b>March 28, 2026</b>	March 29, 2025	
<i>Supplemental revenue detail</i>			
Parks & Experiences			
Domestic	\$ 13,827	\$ 12,931	7 %
International	3,349	3,087	8 %
Consumer Products	2,317	2,286	1 %
	<u>\$ 19,493</u>	<u>\$ 18,304</u>	6 %
<i>Supplemental operating income detail</i>			
Parks & Experiences			
Domestic	\$ 4,058	\$ 3,805	7 %
International	655	645	2 %
Consumer Products	1,211	1,151	5 %
	<u>\$ 5,924</u>	<u>\$ 5,601</u>	6 %

*Items Excluded from Segment Operating Income Related to Experiences*

The following table presents supplemental information for items related to the Experiences segment that are excluded from segment operating income:

(in millions)	<b>Six Months Ended</b>		% Change Better (Worse)
	<b>March 28, 2026</b>	March 29, 2025	
Restructuring and impairment charges	\$ (13)	\$ —	nm
Acquisition Amortization	(4)	(4)	— %

**CORPORATE AND UNALLOCATED SHARED EXPENSES**

(in millions)	<b>Quarter Ended</b>		% Change Better (Worse)	<b>Six Months Ended</b>		% Change Better (Worse)
	<b>March 28, 2026</b>	March 29, 2025		<b>March 28, 2026</b>	March 29, 2025	
Corporate and unallocated shared expenses	\$ (380)	\$ (395)	4 %	\$ (684)	\$ (855)	20 %

Corporate and unallocated shared expenses for the six-month period decreased \$171 million, from \$855 million to \$684 million, driven by the comparison to a legal settlement in the prior-year period.

**FINANCIAL CONDITION**

The change in cash and cash equivalents is as follows:

(in millions)	<b>Six Months Ended</b>		% Change Better (Worse)
	<b>March 28, 2026</b>	March 29, 2025	
Cash provided by operations	\$ 7,649	\$ 9,958	(23) %
Cash used in investing activities	(5,469)	(4,473)	(22) %
Cash used in financing activities	(2,162)	(5,553)	61 %
Impact of exchange rates on cash, cash equivalents and restricted cash	(28)	(76)	63 %
Change in cash, cash equivalents and restricted cash	<u>\$ (10)</u>	<u>\$ (144)</u>	93 %

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

**Operating Activities**

Cash provided by operations decreased from \$10.0 billion in the prior-year period to \$7.6 billion for the current period due to higher income tax payments and, to a lesser extent, an increase in spending on content at Entertainment and Sports, partially offset by higher operating cash flows at Experiences. The current period included payment of U.S. federal and California state income tax liabilities for fiscal 2025 and a portion of fiscal 2024, which were deferred pursuant to relief related to 2025 wildfires in California. The increase in operating cash flows at Experiences was due to higher operating cash receipts attributable to higher revenue, partially offset by higher operating cash disbursements attributable to higher operating expenses.

*Produced and licensed programming costs*

The Entertainment and Sports segments incur costs to produce and license film, episodic, sports and other content. Production costs include spend on content internally produced at our studios such as live-action and animated films and episodic series. Production costs also include original content commissioned from third-party studios. Programming costs include content rights licensed from third parties for use on the Company's sports and general entertainment networks and streaming services. Programming assets are generally recorded when the programming becomes available to us with a corresponding increase in programming liabilities.

The Company's film and television production and programming activity for the six months ended March 28, 2026 and March 29, 2025 are as follows:

(in millions)	<b>Six Months Ended</b>	
	<b>March 28, 2026</b>	March 29, 2025
<b>Beginning balances:</b>		
Produced and licensed programming assets	\$ 33,390	\$ 34,409
Programming liabilities	(3,353)	(3,692)
	<b>30,037</b>	30,717
<b>Spending:</b>		
Programming licenses and rights	6,806	6,368
Produced film and television content	4,805	4,425
	<b>11,611</b>	10,793
<b>Amortization:</b>		
Programming licenses and rights	(7,835)	(7,601)
Produced film and television content	(5,775)	(5,081)
	<b>(13,610)</b>	(12,682)
Change in produced and licensed content costs	(1,999)	(1,889)
Content Impairment (see Note 15 to the Condensed Consolidated Financial Statements)	—	(109)
Other non-cash activity	(18)	429
<b>Ending balances:</b>		
Produced and licensed programming assets	31,527	32,883
Programming liabilities	(3,507)	(3,735)
	<b>\$ 28,020</b>	\$ 29,148

The Company currently expects its fiscal 2026 spend on produced and licensed content, including sports rights, to be approximately \$24 billion compared to fiscal 2025 spend on produced and licensed content, including sports rights, of \$23 billion.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

**Investing Activities**

Investing activities consist principally of investments in parks, resorts and other property and acquisition and divestiture activity. The Company's investing activities for the six months ended March 28, 2026 and March 29, 2025 are as follows:

(in millions)	<b>Six Months Ended</b>	
	<b>March 28, 2026</b>	March 29, 2025
Investments in parks, resorts and other property:		
Entertainment	\$ (601)	\$ (522)
Sports	—	—
Experiences		
Domestic	(3,575)	(3,022)
International	(687)	(561)
Total Experiences	(4,262)	(3,583)
Corporate	(123)	(223)
Total investments in parks, resorts and other property	(4,986)	(4,328)
Other investing activities, net	(483)	(145)
Cash used in investing activities	<u>\$ (5,469)</u>	<u>\$ (4,473)</u>

Capital expenditures at the Entertainment segment primarily reflect investments in technology and in facilities and equipment for expanding and upgrading broadcast centers, production facilities and television station facilities.

Capital expenditures at the Experiences segment are principally for theme park and resort expansion, new attractions, cruise ships, capital improvements and technology. The increase in the current period compared to the prior-year period was due to higher spend on cruise ship fleet expansion and new theme park attractions.

Capital expenditures at Corporate primarily reflect investments in corporate facilities, technology and equipment. The decrease in the current period compared to the prior-year period was due to lower spend on facilities.

The Company currently expects its fiscal 2026 capital expenditures to be approximately \$9 billion compared to fiscal 2025 capital expenditures of \$8 billion. The projected increase in capital expenditures is primarily due to higher spending at Experiences, attributable to theme park and resort expansion and new attractions, partially offset by lower spending on cruise ship fleet expansion.

The increase in cash used in other investing activities is primarily due to the acquisition of equity interests in different investments, partially offset by cash assumed as part of the acquisition of Fubo.

**Financing Activities**

Financing activities for the six months ended March 28, 2026 and March 29, 2025 are as follows:

(in millions)	<b>Six Months Ended</b>	
	<b>March 28, 2026</b>	March 29, 2025
Change in borrowings	\$ 4,989	\$ (2,647)
Dividends	(1,337)	(905)
Repurchases of common stock	(5,500)	(1,785)
Other financing activities, net <sup>(1)</sup>	(314)	(216)
Cash used in financing activities	<u>\$ (2,162)</u>	<u>\$ (5,553)</u>

<sup>(1)</sup> Primarily consists of equity award activity.

See Note 5 to the Condensed Consolidated Financial Statements for a summary of the Company's borrowing activities during the six months ended March 28, 2026 and information regarding the Company's bank facilities. The Company may use cash balances, operating cash flows, commercial paper borrowings up to the amount of its unused \$12.25 billion bank facilities and incremental term debt issuances to retire or refinance other borrowings before or as they come due.

See Note 10 to the Condensed Consolidated Financial Statements for a summary of dividends and share repurchases. The Company is targeting \$8 billion in share repurchases in fiscal 2026.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

The Company's operating cash flow and access to the capital markets can be impacted by factors outside of its control. We believe that the Company's financial condition is strong and that its cash balances, other liquid assets, operating cash flows, access to debt and equity capital markets and borrowing capacity under current bank facilities, taken together, provide adequate resources to fund ongoing operating requirements, contractual obligations, upcoming debt maturities, as well as future capital expenditures related to the expansion of existing businesses and development of new projects. In addition, the Company could undertake other measures to ensure sufficient liquidity, such as raising additional financing, reducing or not declaring future dividends; reducing or stopping share repurchases; reducing capital spending; reducing film and episodic content investments; or implementing further cost-saving initiatives.

The Company's borrowing costs can also be impacted by short- and long-term debt ratings assigned by nationally recognized rating agencies, which are based, in significant part, on the Company's performance as measured by certain credit metrics such as leverage and interest coverage ratios. As of March 28, 2026, Moody's Ratings' long- and short-term debt ratings for the Company were A2 and P-1 (Stable), respectively, and S&P Global Ratings' long- and short-term debt ratings for the Company were A and A-1 (Stable), respectively. The Company's bank facilities contain only one financial covenant, relating to interest coverage of three times earnings before interest, taxes, depreciation and amortization, including both intangible amortization and amortization of our film and television production and programming costs. On March 28, 2026, the Company met this covenant by a significant margin. The Company's bank facilities also specifically exclude certain entities, including the Asia Theme Parks and Fubo, from any representations, covenants or events of default.

### **MARKET RISK**

The Company is exposed to the impact of interest rate changes, foreign currency fluctuations, commodity fluctuations and changes in the market values of its investments.

#### **Policies and Procedures**

In the normal course of business, we employ established policies and procedures to manage the Company's exposure to changes in interest rates, foreign currencies and commodities using a variety of financial instruments.

Our objectives in managing exposure to interest rate changes are to limit the impact of interest rate volatility on earnings and cash flows and to lower overall borrowing costs. To achieve these objectives, we primarily use interest rate swaps to manage net exposure to interest rate changes related to the Company's portfolio of borrowings. By policy, the Company targets fixed-rate debt as a percentage of its net debt between minimum and maximum percentages.

Our objective in managing exposure to foreign currency fluctuations is to reduce volatility of earnings and cash flows in order to allow management to focus on core business issues and challenges. Accordingly, the Company enters into various contracts that change in value as foreign exchange rates change to protect the U.S. dollar equivalent value of its existing foreign currency assets, liabilities, commitments and forecasted foreign currency revenues and expenses. The Company utilizes option strategies and forward contracts that provide for the purchase or sale of foreign currencies to hedge probable, but not firmly committed, transactions. The Company also uses forward and option contracts to hedge foreign currency assets and liabilities. The principal foreign currencies hedged are the euro, British pound, Japanese yen, Chinese yuan and Canadian dollar. Cross-currency swaps are used to effectively convert foreign currency denominated borrowings to U.S. dollar denominated borrowings. By policy, the Company maintains hedge coverage between minimum and maximum percentages of its forecasted foreign exchange exposures generally for periods not to exceed four years. The gains and losses on these contracts are intended to offset changes in the U.S. dollar equivalent value of the related exposures. The economic or political conditions in a country have reduced and in the future could reduce our ability to hedge exposure to currency fluctuations in the country or our ability to repatriate revenue from the country.

Our objectives in managing exposure to commodity fluctuations are to use commodity derivatives to reduce volatility of earnings and cash flows arising from commodity price changes. The amounts hedged using commodity swap contracts are based on forecasted levels of consumption of certain commodities, such as fuel, oil and gasoline.

Our objectives in managing exposures to market-based fluctuations in certain retirement liabilities are to use total return swap contracts to reduce the volatility of earnings arising from changes in these retirement liabilities. The amounts hedged using total return swap contracts are based on estimated liability balances.

It is the Company's policy to enter into foreign currency and interest rate derivative transactions and other financial instruments only to the extent considered necessary to meet its objectives as stated above. The Company does not enter into these transactions or any other hedging transactions for speculative purposes.

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

**COMMITMENTS AND CONTINGENCIES**

*Legal Matters*

As disclosed in Note 12 to the Condensed Consolidated Financial Statements, the Company has exposure for certain legal matters.

*Tax Matters*

As disclosed in Note 9 to the Consolidated Financial Statements in the 2025 Annual Report on Form 10-K, the Company has exposure for certain tax matters.

*Contractual Commitments*

See Note 14 to the Consolidated Financial Statements in the 2025 Annual Report on Form 10-K and Note 12 to the Condensed Consolidated Financial Statements.

**OTHER MATTERS**

**Accounting Policies and Estimates**

For a discussion of each of our critical accounting estimates, including information and analysis of estimates and assumptions involved in their application, see “Critical Accounting Policies and Estimates” included in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2025 Annual Report on Form 10-K.

**New Accounting Pronouncements**

See Note 16 to the Condensed Consolidated Financial Statements for information regarding new accounting pronouncements.

**SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION**

On March 20, 2019 as part of the acquisition of TFCF, The Walt Disney Company (“TWDC”) became the ultimate parent of TWDC Enterprises 18 Corp. (formerly known as The Walt Disney Company) (“Legacy Disney”). Legacy Disney and TWDC are collectively referred to as “Obligor Group”, and individually, as a “Guarantor”. Concurrent with the close of the TFCF acquisition, \$16.8 billion of TFCF’s assumed public debt (which then constituted 96% of such debt) was exchanged for senior notes of TWDC (the “exchange notes”) issued pursuant to an exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to an Indenture, dated as of March 20, 2019, between TWDC, Legacy Disney, as guarantor, and Citibank, N.A., as trustee (the “TWDC Indenture”) and guaranteed by Legacy Disney. On November 26, 2019, \$14.0 billion of the outstanding exchange notes were exchanged for new senior notes of TWDC registered under the Securities Act, issued pursuant to the TWDC Indenture and guaranteed by Legacy Disney. In addition, contemporaneously with the closing of the March 20, 2019 exchange offer, TWDC entered into a guarantee of the registered debt securities issued by Legacy Disney under the Indenture dated as of September 24, 2001 between Legacy Disney and Wells Fargo Bank, National Association, as trustee (the “2001 Trustee”) (as amended by the first supplemental indenture among Legacy Disney, as issuer, TWDC, as guarantor, and the 2001 Trustee, as trustee).

Other subsidiaries of the Company do not guarantee the registered debt securities of either TWDC or Legacy Disney (such subsidiaries are referred to as the “non-Guarantors”). The par value and carrying value of total outstanding and guaranteed registered debt securities of the Obligor Group at March 28, 2026 was as follows:

(in millions)	TWDC		Legacy Disney	
	Par Value	Carrying Value	Par Value	Carrying Value
Registered debt with unconditional guarantee	\$ 32,068	\$ 32,828	\$ 5,450	\$ 5,408

The guarantees by TWDC and Legacy Disney are full and unconditional and cover all payment obligations arising under the guaranteed registered debt securities. The guarantees may be released and discharged upon (i) as a general matter, the indebtedness for borrowed money of the consolidated subsidiaries of TWDC in aggregate constituting no more than 10% of all consolidated indebtedness for borrowed money of TWDC and its subsidiaries (subject to certain exclusions), (ii) upon the sale, transfer or disposition of all or substantially all of the equity interests or all or substantially all, or substantially as an entirety, the assets of Legacy Disney to a third party, and (iii) other customary events constituting a discharge of a guarantor’s obligations. In addition, in the case of Legacy Disney’s guarantee of registered debt securities issued by TWDC, Legacy Disney may be released and discharged from its guarantee at any time Legacy Disney is not a borrower, issuer or guarantor under certain material bank facilities or any debt securities.

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)**

Operations are conducted almost entirely through the Company’s subsidiaries. Accordingly, the Obligor Group’s cash flow and ability to service its debt, including the public debt, are dependent upon the earnings of the Company’s subsidiaries and the distribution of those earnings to the Obligor Group, whether by dividends, loans or otherwise. Holders of the guaranteed registered debt securities have a direct claim only against the Obligor Group.

Set forth below is summarized financial information for the Obligor Group on a combined basis after elimination of (i) intercompany transactions and balances between TWDC and Legacy Disney and (ii) equity in the earnings from and investments in any subsidiary that is a non-Guarantor. This summarized financial information has been prepared and presented pursuant to the Securities and Exchange Commission Regulation S-X Rule 13-01, “Financial Disclosures about Guarantors and Issuers of Guaranteed Securities” and is not intended to present the financial position or results of operations of the Obligor Group in accordance with GAAP.

Results of operations (in millions)	<b>Six Months Ended March 28, 2026</b>	
Revenues	\$	—
Costs and expenses		—
Net income (loss)		(1,218)
Net income (loss) attributable to TWDC shareholders		(1,218)
Balance Sheet (in millions)	<b>March 28, 2026</b>	September 27, 2025
Current assets	\$ 1,889	\$ 2,295
Noncurrent assets	3,594	3,613
Current liabilities	11,395	9,592
Noncurrent liabilities (excluding intercompany to non-Guarantors)	38,381	36,314
Intercompany payables to non-Guarantors	171,134	167,091

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

See Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, Note 14 to the Condensed Consolidated Financial Statements and in Note 17 to Consolidated Financial Statements in Part II, Item 8 of the 2025 Annual Report on Form 10-K.

### **Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures** – We have established disclosure controls and procedures to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and made known to the officers who certify the Company's financial reports and to other members of senior management and the Board of Directors as appropriate to allow timely decisions regarding required disclosure.

Based on their evaluation as of March 28, 2026, the principal executive officer and principal financial officer of the Company have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective.

**Changes in Internal Controls** – There have been no changes in our internal control over financial reporting during the second quarter of fiscal 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. Legal Proceedings

As disclosed in Note 12 to the Condensed Consolidated Financial Statements, the Company is engaged in certain legal matters, and the disclosure set forth in Note 12 to the Condensed Consolidated Financial Statements relating to certain legal matters is incorporated herein by reference.

### ITEM 1A. Risk Factors

For an enterprise as large and complex as the Company, a wide range of factors could materially affect future developments and performance. In addition to the factors affecting specific business operations identified in connection with the description of these operations and the financial results of these operations elsewhere in our filings with the SEC, the most significant factors affecting our business include the factors discussed in our 2025 Annual Report on Form 10-K under Item 1A, “Risk Factors” as updated below. These disclosures reflect the Company’s beliefs and opinions as to factors that could materially and adversely affect the Company and its securities in the future. References to past events are provided by way of example only and are not intended to be a complete listing or a representation as to all events that have occurred in the past or their likelihood of occurring in the future.

#### RISKS RELATED TO OUR BUSINESSES AND INDUSTRY

##### **We face risks related to the renewal of long-term programming or distribution contracts on sufficiently favorable terms.**

We enter into long-term contracts for both the acquisition and the distribution of media programming and products, including contracts for the acquisition of programming rights for sporting events and other programs, and contracts for the distribution of our programming to content distributors. As these contracts expire, we renew or renegotiate the contracts, which from time to time has led to service blackouts when distribution contracts expired before renewal terms were agreed. We may lose programming rights or distribution rights if we are unable to renew these contracts on acceptable terms. Renewal negotiations with certain MVPDs for distribution contracts scheduled to expire in fiscal 2026 could lead to temporary or longer-term service blackouts, negatively impacting our results of operations. For example, in the first quarter of fiscal 2026, the Company’s channels were temporarily removed from YouTube TV following the expiration of the parties’ distribution contract without agreement on renewal terms. Further, our portfolio of acquired programming rights, such as sporting events, and the distributors of our programming and the portfolio of programming rights our distributors acquire have changed and will continue to change over time. Even if these contracts are renewed, the cost of obtaining certain programming rights has increased and may continue to increase (or increase at faster rates than our historical experience) and programming distributors demand terms (including with respect to the pricing for, and the nature and amount of, programming distributed) that reduce our revenue from distribution of programs or increase revenue at slower rates than our historical experience. For example, the terms of certain renewals of carriage agreements have included fewer of our linear networks or the opportunity to offer multiple genre-specific bundle options of fewer than all our linear networks while providing for certain of our direct-to-consumer (DTC) streaming services to be made available to the distributor’s subscribers. Moreover, our ability to renew these contracts on favorable terms is affected by a number of factors, such as consolidation in the market for program distribution and the entrance of new participants in the market for distribution of content on digital platforms. With respect to the acquisition of programming rights, particularly sports programming rights, the impact of these long-term contracts on our results over the term of the contracts depends on a number of factors, including the strength of advertising markets, subscription levels and programming rights costs increases, effectiveness of marketing efforts and the size of viewer audiences. There can be no assurance that revenues from programming based on these rights will exceed the cost of the rights plus the other costs of producing and distributing the programming.

##### **The seasonality of certain of our businesses and timing of certain of our product offerings could exacerbate negative impacts on our operations.**

Each of our businesses is normally subject to seasonal variations and variations in connection with the timing of our product offerings. See our 2025 Annual Report on Form 10-K under Item 1 – ENTERTAINMENT – Competition and Seasonality; – SPORTS – Competition and Seasonality; and – EXPERIENCES – Competition and Seasonality and Part 1, Item 2 – SEASONALITY in this Form 10-Q for a discussion of seasonal and other timing variations, as well as certain other fluctuations, on our results of operations. Further, negative impacts on our business occurring during a time of typical high seasonal demand, such as our park closures due to hurricane damage during the summer travel season or other high seasons or sports league work stoppages during that sports season, could have a disproportionate effect on the results of that business for the year.

## **RISKS RELATED TO INTELLECTUAL PROPERTY, LITIGATION, CYBERSECURITY AND REGULATORY REQUIREMENTS**

### **We face risks related to the intellectual property rights that we hold as well as rights asserted by third parties.**

The value to us of our IP is dependent on the scope and duration of our rights as defined by applicable laws in the U.S. and abroad and the manner in which those laws are construed. Where those laws are drafted or interpreted in ways that limit the extent or duration of our rights, or if existing laws are changed, our ability to generate revenue from our IP may decrease, or the cost of obtaining and maintaining rights may increase.

In the United States and countries that look to the United States copyright term when shorter than their own, the copyright term for early works and the specific early versions of characters depicted in those works expires at the end of the 95th calendar year after the date the copyright was originally secured in the United States. The terms of some copyrights for IP related to some of our products and services have expired, and other copyrights will expire in the future. For example, the copyright term for the short film *Steamboat Willie* (1928) and early versions of characters depicted in this film have expired. As copyrights expire, we expect that revenues generated from such IP will be negatively impacted to some extent.

The unauthorized use of our IP typically increases our costs, including in connection with our efforts to protect rights in our IP, and may reduce our revenues. The convergence of computing, communications and entertainment devices, increased broadband internet speed and penetration, increased availability and speed of mobile data transmission and increasingly sophisticated attempts to obtain unauthorized access to data systems have made the unauthorized digital copying and distribution of our films, television productions and other creative works easier and faster and protection and the enforcement of IP rights more challenging. The unauthorized distribution and access to entertainment content generally continues to be a significant challenge for IP rights holders. Further, the availability of certain AI tools has facilitated the creation of infringing works based on the unauthorized use of our IP. Inadequate laws or weak enforcement mechanisms to protect entertainment industry IP in one country can adversely affect the results of the Company's operations worldwide, despite the Company's efforts to protect its IP rights. Distribution innovations have increased opportunities to access content in unauthorized ways. Additionally, negative economic conditions or a shift in government priorities or policies could lead to less enforcement. These developments require us to devote substantial resources to protecting our IP against unlicensed use and present the risk of increased losses of revenue as a result of unlicensed distribution of our content and other commercial misuses of our IP. The legal landscape for some new technologies, including some AI tools, remains uncertain, and development of the law or other regulatory frameworks in this area could impact our ability to protect against unauthorized uses.

With respect to IP developed by the Company and rights acquired by the Company from others, the Company is subject to the risk of challenges to our copyright, trademark and patent rights by third parties. In addition, the availability of copyright protection and other legal protections for IP generated by certain new technologies, such as generative AI, is uncertain. Successful challenges to our rights in IP typically result in increased costs for obtaining rights or the loss of the opportunity to earn revenue from or utilize the IP that is the subject of challenged rights.

The Company is also subject to the risk of claims and litigation asserting that the Company is infringing certain third-party IP rights. Technological changes in industries in which the Company operates and extensive patent coverage in those areas increase the risk of such claims being brought and prevailing. For example, the Company's streaming services and technology are subject to patent infringement claims and litigation both in the United States and outside the United States. In defending such matters, we have developed, and may in the future develop, alternatives to features, functionalities and services in the relevant jurisdictions or more broadly, which increase our costs through investment of engineering and other resources and may result in some customers discontinuing use of our services. Adverse results in these matters and other matters asserting infringement of other types of third-party IP rights may include substantial payments by us, including royalties, licensing fees or monetary awards, and orders preventing us from offering or requiring us to change certain features, functionalities or services, which could harm our businesses and in aggregate negatively impact our results of operations.

### **We face risks from claims, litigation, governmental investigations and other proceedings to our businesses, reputation, results of operation and financial condition.**

We are subject to various actual and threatened claims, litigation, investigations and other proceedings, including private individual actions, class actions and actions and investigations by governmental and other regulatory authorities, relating to a range of issues, including securities; competition and antitrust; intellectual property, including patent and copyright; employment and labor; taxes; privacy and data protection; data security; personal injury and property damage; consumer protection; broadcasting; contractual and commercial disputes; the production, distribution and licensing of our content; and other matters. For example, a private securities class action lawsuit was filed in federal court against the Company and certain current and former senior management on behalf of certain purchasers of securities of the Company seeking unspecified damages, plus interest and costs and fees, and an adverse final judgment or the terms of a settlement of such matter could result in the payment of substantial monetary damages. See Note 12 to the Condensed Consolidated Financial Statements for more details regarding this lawsuit and our 2025 Annual Report on Form 10-K under Item 1A, "Risk Factors", as updated by these

risk factors, regarding patent infringement litigation and other claims. In addition, from time to time, we pursue litigation against third parties seeking to vindicate our rights.

Actual and threatened proceedings and investigations increase our costs, divert management resources and disrupt business operations and may negatively impact our reputation and brands. The outcomes of such matters are inherently unpredictable, and determining legal reserves or potential losses from such matters involves judgment. If the losses to resolve such matters exceed the amounts recorded in any given reporting period, our results of operations for that interim or annual reporting period could be materially adversely affected. Further, from time to time, adverse resolutions or settlements of such matters result in substantial monetary damages or substantial future payment obligations and injunctive relief or other orders or actions that limit or prevent our implementation of our business plans, including our ability to complete strategic transactions and offer certain products and services, impact the enforcement or validity of our property and other (including intellectual property) rights, franchises and licenses or cause us to alter our business practices, which individually or taken together, negatively impact our business prospects, our results of operations, our financial condition and price of our common stock. While we maintain insurance for certain types of claims, our insurance may not be adequate to cover all losses and does not cover all types of claims that may arise.

**Regulations applicable to our businesses impact the profitability of our businesses.**

Each of our businesses, including our broadcast networks and television stations, is subject to a variety of U.S. and international regulations, which impact the operations and profitability of our businesses. Some of these regulations include:

- U.S. Federal Communications Commission (FCC) regulation of our television and radio networks, our national programming networks and our owned television stations. See our 2025 Annual Report on Form 10-K under Item 1 — Federal Communications Commission Regulation.
- Federal, state and foreign privacy and data protection laws and regulations, including with respect to child safety. See our 2025 Annual Report on Form 10-K under Item 1 — Privacy and Data Protection Regulation.
- Regulation of the safety and supply chain of consumer products and theme park operations, including regulation regarding the sourcing, importation and the sale of goods.
- Land planning, use and development regulations applicable to our theme parks operations.
- Environmental protection and sustainability regulations.
- U.S. and international anti-corruption laws, sanction programs, trade restrictions, tariffs, anti-money laundering laws or currency controls.
- Restrictions on the manner in which content is currently licensed and distributed, ownership restrictions or film or television content requirements, investment obligations or quotas. See our 2025 Annual Report on Form 10-K under Item 1 — International Content Regulation.
- Domestic and international labor laws, tax laws and antitrust laws.

Laws and regulations in any of these and other areas and changes in judicial and agency interpretation or regulatory priorities, actions or initiatives (or, if applicable, private litigation to enforce such laws and regulations), as well as an increasingly unpredictable regulatory landscape, require us to incur additional costs and may limit our ability to implement our business strategies as planned or offer products and services in ways that are profitable, or at all. In addition, ongoing and future developments in international political, trade and security policy may lead to new regulations that increase the cost of providing our products and services, negatively impact demand for our products and services and limit international trade and investment, disrupting our operations in and outside the U.S., including our international theme parks and resorts operations in France, mainland China and Hong Kong.

For example, in 2022 the U.S. and other countries implemented a series of sanctions against Russia in response to events in Russia and Ukraine; U.S. agencies have enhanced trade restrictions, including new prohibitions on the importation of goods from certain regions and other jurisdictions are considering similar measures; and U.S. state governments have become more active in passing legislation targeted at specific sectors and companies and applying existing laws in novel ways to new technologies, including streaming and online commerce. Tariffs announced with respect to and by certain U.S. trading partners, could, depending on how these or future tariffs or other regulations with respect to trade are implemented, have a significant impact on our results of operations, including by impacting the macroeconomic environment, increasing costs or adversely affecting demand for our products and services. In April 2026, the FCC ordered the Company to file early license renewal applications for all of our owned television stations by May 28, 2026.

Further, the legal and regulatory landscape for certain new technologies, such as AI, is uncertain and evolving and our compliance obligations could increase our costs or limit how we may use these technologies in one or more of our businesses.

**ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds**

(c) The following table provides information about Company purchases of equity securities that are registered by the Company pursuant to Section 12 of the Exchange Act during the quarter ended March 28, 2026:

Period	Total Number of Shares Purchased	Average Price Paid per Share <sup>(1)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(2)</sup>
December 28, 2025 - January 31, 2026	7,273,800	\$ 112.57	7,273,800	314 million
February 1, 2026 - February 28, 2026	11,942,200	105.36	11,942,200	302 million
March 1, 2026 - March 28, 2026	14,122,243	100.36	14,122,243	288 million
Total	<u>33,338,243</u>	104.82	<u>33,338,243</u>	288 million

<sup>(1)</sup> Amounts exclude the one percent excise tax on stock repurchases imposed by the Inflation Reduction Act of 2022.

<sup>(2)</sup> Under a share repurchase program implemented effective February 7, 2024, the Company is authorized to repurchase a total of 400 million shares of its common stock. The repurchase program does not have an expiration date.

## **ITEM 5. Other Items**

### *Rule 10b5-1 Trading Arrangements*

On February 24, 2026, Brent A. Woodford, the Company's Executive Vice President, Controllershship, Financial Planning and Tax, terminated a previously disclosed trading plan, originally adopted on December 13, 2024, that was intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended (the "Woodford Terminated Plan"). The Woodford Terminated Plan provided for the potential sale of up to 61,245 shares of the Company's common stock issuable upon the exercise of vested stock options held by Mr. Woodford, excluding any shares used to effect a cashless exercise or withheld to satisfy tax withholding obligations in connection with the exercise or net settlement of the option awards. The Woodford Terminated Plan was scheduled to terminate on December 21, 2026.

On February 24, 2026, Mr. Woodford adopted a trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. Mr. Woodford's trading plan provides for the potential exercise of vested stock options granted to Mr. Woodford on December 21, 2016, December 19, 2017 and December 19, 2018, which will expire on December 21, 2026, December 19, 2027 and December 19, 2028, respectively, and the associated sale of up to 68,239 shares of the Company's common stock, excluding any shares used to effect a cashless exercise or withheld to satisfy tax withholding obligations in connection with the exercise or net settlement of the option awards. Mr. Woodford's trading plan is scheduled to terminate on May 26, 2027, subject to early termination.

**ITEM 6. Exhibits**

**INDEX OF EXHIBITS**

Number and Description of Exhibit (Numbers Coincide with Item 601 of Regulation S-K)	Document Incorporated by Reference from a Previous Filing or Filed Herewith, as Indicated below
3.1 <a href="#">Restated Certificate of Incorporation of The Walt Disney Company, effective as of March 19, 2019</a>	Exhibit 3.1 to the Current Report on Form 8-K of the Company filed March 20, 2019
3.2 <a href="#">Certificate of Amendment to the Restated Certificate of Incorporation of The Walt Disney Company, effective as of March 20, 2019</a>	Exhibit 3.2 to the Current Report on Form 8-K of the Company filed March 20, 2019
3.3 <a href="#">Amended and Restated Bylaws of The Walt Disney Company, effective as of November 30, 2023</a>	Exhibit 3.1 to the Current Report on Form 8-K of the Company filed November 30, 2023
3.4 <a href="#">Amended and Restated Certificate of Incorporation of TWDC Enterprises 18 Corp., effective as of March 20, 2019</a>	Exhibit 3.1 to the Current Report on Form 8-K of Legacy Disney filed March 20, 2019
3.5 <a href="#">Amended and Restated Bylaws of TWDC Enterprises 18 Corp., effective as of March 20, 2019</a>	Exhibit 3.2 to the Current Report on Form 8-K of Legacy Disney filed March 20, 2019
3.6 <a href="#">Certificate of Elimination of Series B Convertible Preferred Stock of The Walt Disney Company, as filed with the Secretary of State of the State of Delaware on November 28, 2018</a>	Exhibit 3.1 to the Current Report on Form 8-K of Legacy Disney filed November 30, 2018
4.1 <a href="#">Indenture (incorporated by reference from Exhibit 4.1 to The Walt Disney Company's Current Report on Form 8-K filed on March 20, 2019)</a>	Exhibit 4.1 to the Current Report on Form 8-K of the Company filed February 12, 2026
4.2 Other long-term borrowing instruments are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. The Company undertakes to furnish copies of such instruments to the Commission upon request	
10.1 <a href="#">Third Amendment, dated as of February 2, 2026, to that certain Employment Agreement, dated as of November 20, 2022, as amended, by and between The Walt Disney Company and Robert A. Iger †</a>	Exhibit 10.1 to the Current Report on Form 8-K of the Company filed February 3, 2026
10.2 <a href="#">Offer Letter, dated as of February 2, 2026, by and between The Walt Disney Company and Josh D'Amaro †</a>	Exhibit 10.2 to the Current Report on Form 8-K of the Company filed February 3, 2026
10.3 <a href="#">Employment Agreement, dated as of February 2, 2026, by and between The Walt Disney Company and Dana Walden †</a>	Exhibit 10.3 to the Current Report on Form 8-K of the Company filed February 3, 2026
10.4 <a href="#">Disney Executive Severance Pay Plan †</a>	Exhibit 10.4 to the Current Report on Form 8-K of the Company filed February 3, 2026
10.5 <a href="#">Form of Non-Qualified Stock Option Award Agreement †</a>	Filed herewith
10.6 <a href="#">Form of Restricted Stock Unit Award Agreement (Time-Based Vesting) †</a>	Filed herewith
10.7 <a href="#">Form of Performance-Based Restricted Stock Unit Award Agreement †</a>	Filed herewith
10.8 <a href="#">364-Day Credit Agreement dated as of February 27, 2026, among The Walt Disney Company, TWDC Enterprises 18 Corp., the Lenders party thereto, and Citibank, N.A. as designated agent</a>	Exhibit 10.1 to the Current Report on Form 8-K of the Company filed March 3, 2026
10.9 <a href="#">Five-Year Credit Agreement dated as of February 27, 2026, among The Walt Disney Company, TWDC Enterprises 18 Corp., the Lenders party thereto, and JPMorgan Chase Bank, N.A., as designated agent</a>	Exhibit 10.2 to the Current Report on Form 8-K of the Company filed March 3, 2026
10.10 <a href="#">First Amendment, dated as of February 27, 2026, to the Five-Year Credit Agreement, dated as of March 1, 2024, among The Walt Disney Company, TWDC Enterprises 18 Corp., the Lenders party thereto, and JPMorgan Chase Bank, N.A., as designated agent</a>	Exhibit 10.3 to the Current Report on Form 8-K of the Company filed March 3, 2026
22 <a href="#">List of Guarantor Subsidiaries</a>	Filed herewith
31(a) <a href="#">Rule 13a-14(a) Certification of Chief Executive Officer of the Company in accordance with Section 302 of the Sarbanes-Oxley Act of 2002</a>	Filed herewith
31(b) <a href="#">Rule 13a-14(a) Certification of Chief Financial Officer of the Company in accordance with Section 302 of the Sarbanes-Oxley Act of 2002</a>	Filed herewith
32(a) <a href="#">Section 1350 Certification of Chief Executive Officer of the Company in accordance with Section 906 of the Sarbanes-Oxley Act of 2002*</a>	Furnished
32(b) <a href="#">Section 1350 Certification of Chief Financial Officer of the Company in accordance with Section 906 of the Sarbanes-Oxley Act of 2002*</a>	Furnished

101 The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended March 28, 2026 formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Condensed Consolidated Statements of Income, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, (v) the Condensed Consolidated Statements of Equity and (vi) related notes Filed herewith

104 Cover Page Interactive Data File (embedded within the Inline XBRL document) Filed herewith

\* This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended or the Exchange Act.

† Management Contract or compensatory plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE WALT DISNEY COMPANY  
(Registrant)

By: /s/ HUGH F. JOHNSTON  
Hugh F. Johnston,  
Senior Executive Vice President and  
Chief Financial Officer

May 6, 2026  
Burbank, California

**THE WALT DISNEY COMPANY**  
**Non-Qualified Stock Option Award Agreement**

This AWARD AGREEMENT (the “**Agreement**”) is between you, [**Participant Name**], and The Walt Disney Company (“**Disney**”), in connection with the Non-Qualified Stock Option Award (the “**Option**”) granted to you on [**Grant Date**] (the “**Date of Grant**”), by the Compensation Committee of the Board of Directors of Disney pursuant to the terms of the Amended and Restated 2011 Stock Incentive Plan, as amended (the “**Plan**”), the applicable terms and conditions of which are incorporated herein by reference and made a part of this Agreement. All capitalized terms not defined herein shall have the meanings set forth in the Plan.

Section 1. Option Award. This Option gives you the opportunity to purchase [#####] shares of Common Stock of The Walt Disney Company at an exercise price of \$[**Option Price**] per share. The exercise price is the average of the highest and the lowest market prices for the Common Stock on the above Date of Grant as determined pursuant to the Plan.

Section 2. Vesting and Exercisability. This Option may not be exercised before [**First Vest Date**]. On or after that date, subject to your continued employment by Disney or an affiliated company (as described further below) and to the other provisions of the Plan, you may exercise the Option with respect to the number of shares set forth opposite the first date below. As the subsequent dates set forth below occur, you may exercise as to the number of shares set forth opposite those dates:

[**Vest Date 1**]; [**Exercise Qty 1**] Shares  
[**Vest Date 2**]; [**Exercise Qty 2**] Shares  
[**Vest Date 3**]; [**Exercise Qty 3**] Shares

Section 3. Expiration of the Option. Provided your employment continues, the term of this Option is ten years from the Date of Grant and, therefore, expires on [**insert tenth anniversary of grant date**]. If your employment should cease prior to the date on which your grant expires, your right to vest and exercise under the Option will be subject to early termination as provided in Sections 6.5, 12 and 13.2 of the Plan except as otherwise expressly provided herein. Except under certain circumstances specified in such Sections, you will generally have the right of continued vesting and exercisability for three (3) months following the date of termination of your employment (such period as it may hereinafter be extended in certain circumstances as provided below being the “**Extended Vesting and Exercisability Period**”), and any shares that vest during the Extended Vesting and Exercisability Period will be exercisable during such period (or, under certain circumstances, for such longer period as may be provided by the Plan).

Section 4. Exercise.

(a) You may exercise this Option as to all or part of the number of shares covered by the Option which are then vested by paying the aggregate exercise price and applicable withholding taxes on the gross gain. You will be provided with additional information at the time of exercise about the methods available for exercising your Option and paying your withholding taxes, in accordance with the methods of exercising options permitted under Section 6.6 of the Plan. You are urged to seek advice from your tax accountant or attorney when making decisions regarding the exercise of this Option. This Option may not be transferred or assigned.

(b) Notwithstanding any other term or provision hereof, you agree by acceptance of this Option that, except for certain shares (the “**Tax-Available Shares**”) that may be sold to pay taxes up to the Maximum Tax Liability (as defined below) upon an exercise of a portion of, or all of, this Option, you will hold, for not

less than twelve (12) months from the date of exercise of this Option, shares representing no less than [**seventy-five percent (75%)/one hundred percent (100%)**] of the shares acquired by you (other than Tax-Available Shares) upon such exercise; provided, however, that the foregoing obligation to hold such shares (and any similar obligation in any non-qualified stock option award previously granted to you) shall not be applicable at any time when you are already holding shares of Common Stock of Disney (including any outstanding restricted stock units (with or without performance-based vesting conditions) awarded to you with a value equal to at least [**multiplier**] times your base salary as in effect at such time (the “**Disney Stock Ownership Requirement**”). For purposes hereof the term “**Maximum Tax Liability**” shall mean the amount calculated by multiplying total income recognized, as reported by Disney for Federal income tax purposes, upon an exercise of this Option, by a percentage determined as follows:

$FR + SR (100-FR) + MR$  where:

**FR** = the highest Federal income tax rate in effect at time of exercise of the Option;

**SR** = the highest state income tax rate, if any, in effect at the time of exercise of the Option in the state where your principle Disney office is located; and

**MR** = the Medicare tax rate in effect at time of exercise of the Option.

The number of whole shares acquired upon any exercise of the Options that may be sold to discharge the Maximum Tax Liability shall be determined by dividing the Maximum Tax Liability by the Fair Market Value (as defined in Section 2 of the Plan) of one share of Disney common stock on the date of exercise of the Option and disregarding any fractional amount resulting from such calculation.

(c) For the purposes hereof, your commitment to hold the percentage of shares referred to above for not less than twelve (12) months unless you are already in compliance with the Disney Stock Ownership Requirement shall constitute an undertaking by you not to sell, transfer, pledge, encumber, assign or otherwise dispose of, except for certain transfers to “family members” and certain others permitted with the prior approval of the Committee pursuant to Section 6.7 of the Plan, any of such shares during such period.

(d) If you are employed pursuant to an employment agreement with Disney, any provisions thereof relating to the effect of a termination of your employment upon your rights with respect to this Option, including, without limitation, any provision regarding acceleration of this Option, shall be fully applicable and shall supersede the provisions hereof relating to the same subject matter, but in no event shall the restriction on sale of shares acquired upon the exercise of this Option referred herein apply after any termination of your employment with Disney.

(e) Notwithstanding the foregoing, and unless otherwise determined by the Committee, at the close of business on the expiration date of this Option (or, if such date is not a trading day, the immediately preceding trading day), any vested and unexercised portion of this Option that is then in-the-money shall be automatically exercised (the “Automatic Exercise”) without any action required by you.

Any Automatic Exercise shall be effected through a “net exercise” method in accordance with the Plan, pursuant to which the number of shares issuable upon exercise shall be equal to the excess of (i) the number of shares otherwise issuable upon exercise over (ii) the number of shares having a Fair Market Value equal to the aggregate exercise price and any applicable withholding obligations. To the extent applicable, any remaining withholding obligations shall be satisfied through the sale of Tax-Available Shares as provided in Section 4(b). Shares acquired upon an Automatic Exercise (other than Tax-Available Shares) shall remain subject to the holding requirements set forth in Section 4(b).

Notwithstanding the foregoing, the Company may decline to effect an Automatic Exercise if it determines that such exercise would not be permitted under applicable law, would violate the terms of the Plan or would not be administratively practicable. The Company shall have no liability for any failure to effect an Automatic Exercise.

Section 5. Extended Vesting and Exercisability.

(a) In the event that your employment with Disney or an Affiliate thereof terminates for any reason other than death, Disability, or “cause” (as further provided in the Plan) at a time when (i) you have attained the age of sixty (60) and have completed at least ten (10) consecutive Service Years (as hereinafter defined) and (ii) at least one year has passed since the Date of Grant of this Option (a “**Sixty, Ten and One Termination**”), then notwithstanding any other term or provision hereof, the Extended Vesting and Exercisability Period shall continue until the earlier of five years from the date of termination of your employment or the expiration date of this Option as provided above. For purposes of this Agreement, “**Service Year**” shall mean any 12-month period during which you were continuously employed by Disney or an Affiliate thereof. In determining the total number of consecutive Service Years that you have been so employed, Disney shall apply such rules regarding the bridging of service as the Committee may adopt from time to time.

(b) In the event that your employment with Disney or an Affiliate thereof terminates for any reason other than death, Disability, “cause” (as provided in Section 12 of the Plan) or a Sixty, Ten and One Termination, at a time when (i) you have attained the age of fifty-five (55) and (ii) have completed at least three (3) consecutive Service Years, and notwithstanding any other term or provision hereof, you may continue to exercise any portion of your Options that shall have become vested (including during the three month period after your date of termination included in Extended Vesting and Exercisability Period) until the earlier of eighteen (18) months from the date of termination of your active employment or the expiration date of this Option (the “**Additional Exercisability Period**”).

(c) Notwithstanding any other term or provision hereof, if at the time of termination of employment (other than upon the scheduled expiration date of an employment agreement) you are employed pursuant to an employment agreement with Disney or an Affiliate which provides under certain circumstances for the continued vesting and/or exercisability of this Option in the event of the termination of such employment agreement prior to its scheduled expiration date (a “**Contractual Extension Provision**”), then, except as otherwise expressly provided in such employment agreement, (i) this Section 5 shall be interpreted and applied in all respects as if you had remained continuously employed by Disney or an Affiliate thereof from the Date of Grant of this Option through the scheduled expiration date of such employment agreement and (ii) the date of termination of your employment for all purposes under this Section 5 shall be deemed to be the scheduled expiration date of such employment agreement.

(d) Notwithstanding any other term or provision hereof, if at the time of your termination of employment (i) you are a “Covered Executive” under the Disney Executive Severance Pay Plan (the “**Disney Executive Severance Plan**”), (ii) Disney determines that your termination of employment is a “Qualifying Event”, as defined in the Disney Executive Severance Plan, (iii) your termination is not a Sixty, Ten and One Termination and (iv) you satisfy the conditions, including the release requirement, set forth in Section 4(e) of the Executive Severance Plan, then upon such termination of employment, the portion of the tranche of this Option that is scheduled to vest on the next regularly scheduled vesting date following the date of termination of your employment, if any, shall remain outstanding and vest on such vesting date, pro-rated based on the number of days you were employed during the applicable vesting period for such tranche (i.e., the period beginning on the most recent vesting date or, with respect to the first tranche, the Date of Grant, and ending

on such next scheduled vesting date). Any resulting fractional share shall be rounded down to the nearest whole share. Any portion of such tranche not eligible to vest pursuant to the foregoing, together with all subsequent tranches, shall be forfeited as of the date of termination of your employment.

You may continue to exercise any portion of your Options that have become vested (including following your termination of employment pursuant to this Section 5(d)) until the earlier of (x) the date that is (A) three (3) months, or (B) if you have attained age fifty-five (55) and completed at least (3) consecutive Service Years as of the date of your termination of employment, eighteen (18) months, in each case following the latest date on which any Option you hold pursuant to any Award Agreement under the Plan becomes vested (determined by reference to the latest vesting date among all such Options held by you at the time of your termination), and (y) the expiration date of this Option.

For avoidance of doubt, (i) the vesting and exercisability provisions set forth in this Section 5(d) are in lieu of the Extended Vesting and Exercisability Period and Additional Exercisability Period, and (ii) if you experience a Sixty, Ten and One termination, the provisions of Section 5(a) shall apply with respect to this Option.

(e) In the event of your death following your termination of employment, notwithstanding the other provisions of this Section 5, all remaining unvested Tranches of this Option shall vest immediately upon such event and thereafter all remaining unexercised Tranches (or portions thereof) of this Option shall be exercisable until the earlier of the expiration of eighteen (18) months from date of death or the expiration date of this Option.

Section 6. Clawback. Notwithstanding any other provision of this Agreement to the contrary, this Award and any compensation, shares or other amounts payable, provided or received in respect thereof, shall be subject to (i) the Walt Disney Company Clawback Policy, as in effect from time to time, (ii) the forfeiture provisions of the Plan and (iii) any other clawback, recoupment, forfeiture or similar policy adopted by Disney or required by applicable law, regulation or stock exchange listing standards. By accepting this Award, you acknowledge and agree that you are bound by, and subject to, the terms of such policies (as they may be in effect or amended from time to time) and that you will promptly take any action necessary to effectuate any required recovery, forfeiture or repayment.

Section 7. Non-Solicitation. In consideration of the grant of this Option and in accordance with Section 12.1 of the Plan, during your employment with Disney and, subject to the provisions of applicable law, during the one-year period following any termination of your employment, you shall not, directly or indirectly solicit for employment any employee of Disney or any of its Affiliates, whose duties and capabilities you know by reason of your employment with Disney (other than your personal assistant). In the event Disney determines that you have breached such foregoing covenant, the Options subject to this Agreement that are unvested as of the date of such breach shall immediately and automatically be forfeited for no consideration and your rights with respect thereto shall cease.

Section 8. Governing Law and Venue. This Agreement shall be construed and enforced in accordance with the internal substantive laws of the State of Delaware, U.S.A., without giving effect to the choice of law principles thereof. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Option and this Agreement, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the State of California, U.S.A. and agree that such litigation shall be conducted only in the courts of Los Angeles County, California, U.S.A., or the federal courts for the United States for the Central District of California, and no other courts, where this grant is made and/or to be performed.

Section 9. Electronic Delivery and Participation. Disney may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to

receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Disney or a third party designated by Disney.

Section 10. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Section 11. Imposition of Other Requirements. Disney reserves the right to impose other requirements on the Stock Option, to the extent Disney determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 12. Data Privacy.

(a) Purposes of Processing. Disney (including its Affiliates, third party administrators, and other recipients) processes Data (as defined below) for purposes that include administering and managing your participation in the Plan and facilitating compliance with applicable tax, exchange control, securities and labor law.

(b) Data Collection and Usage. Disney processes information about you that includes the following for purposes of this Agreement: your name, home address, telephone number, email address, date of birth, social security number (or similar national identifier), salary, nationality, job title, any shares or directorships held in Disney, details of all Awards granted under the Plan or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (“**Data**”).

(c) Stock Plan Administration Service Providers. Disney transfers Data to Merrill Lynch, Pierce, Fenner & Smith Incorporated and certain of its affiliates (“**Merrill**”), which is assisting Disney with the implementation, administration and management of the Plan. Disney may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner. You may be asked to agree on separate terms and data processing practices with Merrill or such other provider(s), with such agreement being a condition to the ability to participate in the Plan.

(d) International Data Transfers. You understand and acknowledge that any processing by Disney and/or Merrill under this Agreement may involve a transfer of Data from your home jurisdiction to the U.S.

(e) Data Subject Rights. You may have a number of rights under the data privacy laws in your jurisdiction. Depending on where you are based, such rights may include the right to (i) request access to or copies of Data Disney processes, (ii) rectify incorrect Data, (iii) delete Data, (iv) restrict the processing of Data, (v) restrict the portability of Data, (vi) lodge complaints with competent authorities in your jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. For information regarding these rights or to exercise these rights, you should refer to the US Employee Privacy Notice.

(f) Contractual Requirement. Where necessary, your provision of Data and its processing as described above is a contractual requirement for you to participate in the Plan. Your participation in the Plan and your acceptance of the Option is purely voluntary. You can refuse to provide Data, as a result of which you will not be able to participate in the Plan, but your employment and salary will not be affected in any way.

Section 13. Waiver. You acknowledge that a waiver by Disney of breach of any provision of this Stock Option Agreement shall not operate or be construed as a waiver of any other provision of this Stock Option Agreement, or of any subsequent breach by you or any other Participant.

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Note: Non-Qualified Stock Options are granted and vested in the United States. You are responsible for any applicable taxes whether you are in the United States or any other country. At the time of exercise, Disney will withhold any minimum statutory local or U.S. taxes, as applicable.

**THE WALT DISNEY COMPANY**  
**Schedule of Provisions for Certain**  
**Time-Vested Restricted Stock Unit Awards**  
**Pursuant to the Amended and Restated 2011 Stock Incentive Plan**

AWARD AGREEMENT, dated as of [**Date**] between The Walt Disney Company, a Delaware corporation (“**Disney**”), and [**Participant Name**] (the “**Participant**”). This Award is granted on [**Grant Date**] (the “**Date of Grant**”) by the Compensation Committee of the Disney Board of Directors (the “**Committee**”).

Section 1. Restricted Stock Unit Award. Disney hereby grants to the Participant, on the terms and conditions set forth herein, an Award of [#####] Restricted Stock Units. This schedule relates to an Award of “Restricted Stock Units” (the “**Award Agreement**”) pursuant to the Amended and Restated 2011 Stock Incentive Plan, as amended (the “**Plan**”) by The Walt Disney Company (“**Disney**”). All capitalized terms not defined herein shall have the meanings set forth in the Plan. The Award referred to herein constitutes a “Stock Unit Award” under the Plan. The Restricted Stock Units are notional units of measurement denominated in shares of Common Stock of Disney (“**Shares**”) (*i.e.*, one Restricted Stock Unit is equivalent in value to one Share, subject to the terms hereof). The Restricted Stock Units represent an unfunded, unsecured obligation of Disney. This Award is subdivided into three “tranches,” each of which constitute one third of the Award.

Section 2. Vesting Requirements. Subject to accelerated vesting in certain circumstances as provided in Section 3 below and to the terms of Section 6 below regarding extended vesting, your right to receive payment of this Award shall become vested only if you remain continuously employed by Disney or an Affiliate from the date hereof (i) in the case of the first tranche, until the first anniversary of the Date of Grant, (ii) in the case of the second tranche, until the second anniversary of the Date of Grant and (iii) in the case of the third tranche, until the third anniversary of the Date of Grant. Except as otherwise provided in Sections 3 or 6 below, if the service vesting requirements of this Section 2 are not satisfied for a tranche, the applicable number of Restricted Stock Units shall be immediately forfeited and your rights with respect thereto shall cease. For the avoidance of doubt, subject to the terms of Section 6 below, employment for only a period during a vesting period does not entitle you to pro-rated vesting of the respective tranche. All Restricted Stock Units for which the requirements of this Section 2 have been satisfied shall become vested and shall thereafter be payable in accordance with Section 5 hereof.

Section 3. Accelerated Vesting. Notwithstanding the terms and conditions of Section 2 or Section 6 hereof, upon your death or termination of employment for Disability (to the extent permitted under applicable local law), or upon the occurrence of a Triggering Event within the 12-month period following a Change in Control (in accordance with Section 11 of the Plan as in effect on the date hereof), this Award shall become fully vested and shall be payable in accordance with Section 5 hereof to the extent that it has not previously been forfeited.

Section 4. Dividend Equivalents. Any dividends paid in cash or Shares will be credited to you as additional Restricted Stock Units as if the Restricted Stock Units you previously held were outstanding Shares, as follows: such credit shall be made in whole Restricted Stock Units only (rounded downward to the nearest whole unit) and shall be based on the Fair Market Value of the Shares on the date of payment of such dividend. All such additional Restricted Stock Units shall be subject to the same vesting requirements applicable to the Restricted Stock Units in respect of which they were credited and shall be payable in accordance with Section 5 hereof.

Section 5. Payment of Award. Payment of vested Restricted Stock Units shall be made within 30 days of the applicable vesting date under Section 2 hereof as of which the vesting requirements under Section 2 hereof shall have been satisfied with respect to any tranche (or within 30 days of the acceleration of vesting under Section 3 hereof). The Restricted Stock Units shall be paid in cash or in Shares (or some combination thereof), as determined by the Committee in its discretion at the time of payment, and in either case shall be paid to you after satisfaction of any withholding obligation for all income tax, social insurance contributions, National Insurance contributions, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“**Tax-Related Items**”) in the amount determined by the Committee.

Section 6. Extended Vesting.

(a) In the event that your employment with Disney or an Affiliate thereof terminates for any reason other than death, Disability or “cause” (as provided in Section 12 of the Plan) at a time when (i) you have attained the age of 60 and have completed at least 10 consecutive Service Years (as hereinafter defined) and (ii) at least one year has passed since the Date of Grant (a “**Sixty, Ten and One Termination**”), then the remaining then unvested tranche(s) of this Award shall vest in accordance with the terms and provisions hereof in the same manner as if your employment had continued through the scheduled vesting date(s) of such tranche(s); provided, however, that in the event of your death prior to any such scheduled vesting date(s), all remaining then unvested tranche(s) of this Award shall vest and be payable immediately upon such event. For purposes of the foregoing, “**Service Year**” shall mean any 12-month period during which you were continuously employed by Disney or an Affiliate thereof. In determining the total number of consecutive Service Years that you have been so employed, Disney shall apply such rules regarding the bridging of service as the Committee may adopt from time to time.

(b) Notwithstanding any other term or provision hereof, if at the time of termination of employment (other than upon the scheduled expiration date of an employment agreement), you are employed pursuant to an employment agreement with Disney or an Affiliate which provides under certain circumstances for the continued vesting of any Restricted Stock Units subject to this Award in the event of the termination of such employment agreement prior to its scheduled expiration date (a “**Contractual Extension Provision**”), then, except as otherwise provided in such employment agreement, (i) this Section 6 shall be interpreted and applied in all respects as if you had remained continuously employed by Disney or an Affiliate thereof from the Date of Grant through the scheduled expiration date of such employment agreement and (ii) the date of termination of your employment for all purposes under this Section 6 shall be deemed to be the scheduled expiration date of such employment agreement.

(c) Notwithstanding any other term or provision hereof, if at the time of your termination of employment (i) you are a “Covered Executive” under the Disney Executive Severance Pay Plan (the “**Disney Executive Severance Plan**”), (ii) Disney determines that your termination of employment is a “Qualifying Event”, as defined in the Disney Executive Severance Plan, (iii) your termination is not a Sixty, Ten and One Termination and (iv) you satisfy the conditions, including the release requirement, set forth in Section 4(e) of the Executive Severance Plan, then upon such termination of employment, the portion of the tranche of this Award that is scheduled to vest on the next regularly scheduled vesting date following the date of termination of your employment, if any, shall remain outstanding and vest on such vesting date, pro-rated based on the number of days you were employed during the applicable vesting period for such tranche (i.e., the period beginning on the most recent vesting date or, with respect to the first tranche, the Date of Grant, and ending on such next scheduled vesting date). Any resulting fractional share shall be rounded down to the nearest

whole share. Any portion of such tranche not eligible to vest pursuant to the foregoing, together with all subsequent tranches, shall be forfeited as of the date of termination of your employment.

Notwithstanding the foregoing terms of this Section 6(c), if the conditions set forth in Section 6(a) are satisfied with respect to this Award at the time of your termination of employment (i.e., a Sixty, Ten and One Termination), then the provisions of Section 6(a) shall apply with respect to the unvested tranche(s) of this Award.

Section 7. Clawback. Notwithstanding any other provision of this Award Agreement to the contrary, this Award and any compensation, Shares or other amounts payable, provided or received in respect thereof, shall be subject to (i) the Walt Disney Company Clawback Policy, as in effect from time to time, (ii) the forfeiture provisions of the Plan and (iii) any other clawback, recoupment, forfeiture or similar policy adopted by Disney or required by applicable law, regulation or stock exchange listing standards. By accepting this Award, you acknowledge and agree that you are bound by, and subject to, the terms of such policies (as they may be in effect or amended from time to time) and that you will promptly take any action necessary to effectuate any required recovery, forfeiture or repayment. Section 8. Responsibility for Taxes. Restricted Stock Units are granted and vested in the United States. At the time of vesting, if you are a U.S. taxpayer, Disney will withhold all U.S. federal, state and local taxes as required by applicable law at the then-current rate for supplemental wage income. If you are resident outside the U.S., you shall be responsible for the payment of all Tax-Related Items, and Disney or, if different, the Affiliate by whom you are employed (the “**Employer**”) will either withhold the Tax-Related Items as required by applicable law, or, alternatively, you will be required to pay the Tax-Related Items directly or, where permitted by applicable law with respect to fringe benefits or employer social taxes, to reimburse Disney or the Employer, as applicable for the Tax-Related Items paid by Disney or the Employer.

Regardless of any action Disney or the Employer takes with respect to any Tax-Related Items, you acknowledge that the ultimate reportable amount and the liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld and reported by Disney or the Employer, if any, whether you are in the United States or any other country. You further acknowledge that Disney and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the issuance of Shares upon settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to tax in more than one jurisdiction, you acknowledge that Disney and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Additionally, you acknowledge that if you have relocated from one jurisdiction to another during the life of the award, it is your responsibility to consult with your tax advisor to ensure the appropriate amount is reported to each jurisdiction and taxed accordingly. You also acknowledge that it is your responsibility to ensure that all information related to your prior and current work and residency locations are correct in Disney and/or the Employer’s internal system of record.

Prior to any relevant taxable or tax withholding event, as applicable, you agree to pay or make adequate arrangements satisfactory to Disney and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize Disney and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from your wages or other cash compensation payable to you by Disney, the Employer or any other Affiliate; (ii) withholding from proceeds of the sale of Shares acquired upon vesting/

settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by Disney (on your behalf pursuant to this authorization without further consent); or (iii) withholding in Shares to be issued upon settlement of the Restricted Stock Units.

Disney may withhold or account for Tax-Related Items by considering statutory withholding rates or other withholding rates, including maximum rates applicable in your jurisdiction(s). In the event of over-withholding, you may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Shares), or if not refunded, you may seek a refund from the applicable tax authorities. In the event of under-withholding, you may be required to pay additional Tax-Related Items directly to the applicable tax authorities or to Disney and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, you shall pay to Disney or the Employer any amount of Tax-Related Items that Disney or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. Disney may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your Tax-Related Items obligations.

Section 9. Restrictions on Transfer. Neither this Award nor any Restricted Stock Units covered hereby may be sold, assigned, transferred, encumbered, hypothecated or pledged by you, other than to Disney as a result of forfeiture of the Restricted Stock Units as provided herein.

Section 10. Non-Solicitation. In consideration of the grant of the Restricted Stock Units and in accordance with Section 12.1 of the Plan, during your employment with Disney and, subject to the provisions of applicable law, during the one-year period following any termination of your employment, you shall not, directly or indirectly solicit for employment any employee of Disney or any of its Affiliates, whose duties and capabilities you know by reason of your employment with Disney (other than your personal assistant). In the event Disney determines that you have breached such foregoing covenant, the Restricted Stock Units subject to this Award Agreement that are unvested as of the date of such breach shall immediately and automatically be forfeited for no consideration and your rights with respect thereto shall cease.

Section 11. No Voting Rights. The Restricted Stock Units granted pursuant to this Award, whether or not vested, will not confer any voting rights upon you, unless and until the Award is paid in Shares.

Section 12. Award Subject to Plan. This Restricted Stock Unit Award is subject to the terms of the Plan, the terms and provisions of which are hereby incorporated by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail.

Section 13. Changes in Capitalization. The Restricted Stock Units under this Award shall be subject to the provisions of the Plan relating to adjustments for changes in corporate capitalization.

Section 14. Nature of Grant. In accepting the Restricted Stock Unit Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by Disney, it is discretionary in nature, and may be amended, suspended or terminated by Disney at any time, to the extent permitted by the Plan;

(b) the Plan is operated and the Restricted Stock Units are granted solely by Disney, and only Disney is a party to this Award Agreement; accordingly, any rights you may have under this Award Agreement, including related to the Restricted Stock Units, may be raised only against Disney but not any Affiliate (including, but not limited to, the Employer);

(c) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;

(d) all decisions with respect to future Restricted Stock Unit or other grants, if any, will be at the sole discretion of Disney;

(e) your participation in the Plan shall not confer upon you any right to employment or service with the Employer, Disney or any other Affiliate, and shall not interfere with the ability of the Employer to terminate your employment or service relationship (if any) at any time or to change the terms and conditions of such employment or service relationship (if any);

(f) you are voluntarily participating in the Plan;

(g) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not intended to replace any pension rights or compensation;

(h) the Restricted Stock Unit Award and your participation in the Plan will not be interpreted to form an employment or service agreement or relationship with Disney or any Affiliate;

(i) the future value of the Shares subject to the Restricted Stock Units is unknown, indeterminable and cannot be predicted with certainty;

(j) unless otherwise agreed with Disney, the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not granted as consideration for, or in connection with, any service you may provide as a director of any Affiliate;

(k) no claim or entitlement to compensation or damages shall arise from any forfeiture of the Restricted Stock Units resulting from termination of your employment or service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or providing services or the terms of your employment or service agreement, if any);

(l) for purposes of the Restricted Stock Units, your employment or service relationship will be considered terminated as of the date you are no longer actively providing services to Disney, the Employer or any other Affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or providing services or the terms of your employment or service agreement, if any) and except in the case of death or Disability in accordance with Section 3 hereof and unless otherwise expressly provided in this Award Agreement or determined by Disney, your right to vest in the Restricted Stock Units under the Plan, if any, will terminate effective as of such date and will not be extended by any notice period (*e.g.*, the period of your employment service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or providing services or the terms of your employment or service agreement, if any); the Committee shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your Restricted Stock Unit Award (including whether you may still be considered to be providing services while on a leave of absence);

(m) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(n) unless otherwise provided in the Plan or by Disney in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(o) if you are providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose; and

(ii) neither Disney, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to you pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement.

Section 15. No Advice Regarding Grant. Disney is not providing any tax, legal or financial advice, nor is Disney making any recommendations regarding your participation in the Plan, or your acquisition or sale of the Shares subject to the Restricted Stock Units. You understand and agree that you should consult with your own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

Section 16. Governing Law and Venue. This Award Agreement shall be construed and enforced in accordance with the internal substantive laws of the State of Delaware, U.S.A., without giving effect to the choice of law principles thereof. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by the Restricted Stock Units and this Award Agreement, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the State of California, U.S.A. and agree that such litigation shall be conducted only in the courts of Los Angeles County, California, U.S.A., or the federal courts for the United States for the Central District of California, and no other courts, where this grant is made and/or to be performed.

Section 17. Electronic Delivery and Participation. Disney may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Disney or a third party designated by Disney.

Section 18. Language. You acknowledge that you are sufficiently proficient in English to understand the terms and conditions of this Award Agreement and the Plan or have had the ability to consult with an advisor who is sufficiently proficient in the English language. Furthermore, if you have received this Award Agreement, or any other document related to the Restricted Stock Units and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.

Section 19. Severability. The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Section 20. Imposition of Other Requirements. Disney reserves the right to impose other requirements on the Restricted Stock Units and the Shares acquired upon vesting/settlement of the Restricted Stock Units, to the extent Disney determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 21. Data Privacy.

(a) Purposes of Processing. Disney (including its Affiliates, third party administrators, and other recipients) processes Data (as defined below) for purposes that include administering and managing your participation in the Plan and facilitating compliance with applicable tax, exchange control, securities and labor law.

(b) Data Collection and Usage. Disney and the Employer process information about you that includes the following for purposes of this Award Agreement: your name, home address, telephone number, email address, date of birth, social security number (or similar national identifier), salary, nationality, job title, any shares or directorships held in Disney, details of all Awards granted under the Plan or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (“**Data**”).

(c) Stock Plan Administration Service Providers. Disney transfers Data to Merrill Lynch, Pierce, Fenner & Smith Incorporated and certain of its affiliates (“**Merrill**”), which is assisting Disney with the implementation, administration and management of the Plan. Disney may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner. You may be asked to agree on separate terms and data processing practices with Merrill or such other provider(s), with such agreement being a condition to the ability to participate in the Plan.

(d) International Data Transfers. You understand and acknowledge that any processing by Disney and/or Merrill under this Award Agreement may involve a transfer of Data from your home jurisdiction to the U.S.

(e) Data Subject Rights. You may have a number of rights under the data privacy laws in your jurisdiction. Depending on where you are based, such rights may include the right to (i) request access to or copies of Data Disney processes, (ii) rectify incorrect Data, (iii) delete Data, (iv) restrict the processing of Data, (v) restrict the portability of Data, (vi) lodge complaints with competent authorities in your jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. For information regarding these rights or to exercise these rights, you should refer to the US Employee Privacy Notice.

(f) Contractual Requirement. Where necessary, your provision of Data and its processing as described above is a contractual requirement for you to participate in the Plan. Your participation in the Plan and your acceptance of the Restricted Stock Unit Award is purely voluntary. You can refuse to provide Data, as a result of which you will not be able to participate in the Plan, but your employment and salary will not be affected in any way.

Section 22. Waiver. You acknowledge that a waiver by Disney of breach of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by you or any other Participant.

Section 23. Insider Trading/Market Abuse Laws. You acknowledge that, depending on your or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell or attempt to sell Shares or rights to Shares (e.g., Restricted Stock Units), either directly or indirectly, or rights linked to the value of Shares under the Plan during such times as you are considered to have "inside information" regarding Disney (as defined by or determined under the laws in the applicable jurisdiction or the laws in your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise to buy or sell securities. Keep in mind third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under Disney's insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, including those imposed under Disney's insider trading policy, and you should consult with your own personal legal and financial advisors on this matter before taking any action related to the Plan.

Section 24. Foreign Asset/Account Reporting Requirements. You acknowledge that there may be certain foreign asset and/or account reporting requirements which may affect your ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside your country. You understand that you may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. You acknowledge that it is your responsibility to comply with all such requirements, and that you should consult your personal legal and tax advisors, as applicable, to ensure your compliance.

Section 25. Section 409A. The Restricted Stock Units are intended to comply with, or be exempt from, Section 409A of the Code and shall be interpreted and administered accordingly. For purposes of this Award, a termination of employment shall mean a "separation from service" within the meaning of Section 409A. To the extent that any payment under this Award is subject to Section 409A and you are a "specified employee" within the meaning of Section 409A at the time of separation from service, such payment shall be delayed for six months to the extent required to avoid the imposition of any additional tax under Section 409A. Each payment under this Award shall be treated as a separate payment for purposes of Section 409A.

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Note: Restricted Stock Units are granted and vested in the United States. You are responsible for any applicable taxes whether you are in the United States or any other country. At the time of vesting, Disney will withhold any minimum statutory local or U.S. taxes, as applicable.

**THE WALT DISNEY COMPANY**  
**Schedule of Provisions for**  
**Performance-Based Restricted Stock Unit Award**  
**Pursuant to the Amended and Restated 2011 Stock Incentive Plan**

AWARD AGREEMENT, dated as of [Date] between The Walt Disney Company, a Delaware corporation (“Disney”), and [Participant Name] (the “Participant”). This Award is granted on [Grant Date] (the “Date of Grant”) by the Compensation Committee of the Disney Board of Directors (the “Committee”) pursuant to the terms of the Amended and Restated 2011 Stock Incentive Plan, as amended (the “Plan”).

Section 1. **Restricted Stock Unit Award.** Disney hereby grants to the Participant, on the terms and conditions set forth herein, an Award for a target number of Stock Units of [####] (such target number of Stock Units, together with such number of additional whole or fractional Stock Unit(s), if any, as may from time to time be credited with respect thereto (as dividend equivalents) pursuant to Section 4 hereof, being referred to herein as the “Target Award Amount”). The number of Stock Units that may become vested hereunder is dependent upon the satisfaction of the conditions set forth herein and may range from no Stock Units to 200% of the Target Award Amount. The Stock Units are notional units of measurement denominated in Shares of Disney (i.e., one Stock Unit is equivalent in value to one Share, subject to the terms hereof). The Stock Units represent an unfunded, unsecured obligation of Disney. All capitalized terms not defined herein shall have the meaning set forth in the Plan.

Section 2. **Vesting Requirements.** The vesting of this Award (other than pursuant to accelerated vesting in certain circumstances as provided in Section 3 below or vesting pursuant to Section 6 below) shall be subject to the satisfaction of the condition(s) set forth in each subsection of Exhibit A hereto, as applicable, **and**, in each case, subsection A of this Section 2.

- A. **Service Vesting Requirement.** In addition to whichever of the performance vesting requirements of the subsection(s) of Exhibit A hereto is applicable to a stated portion of the Stock Units subject to this Award, the right of the Participant to receive payment of this Award shall become vested only if he or she remains continuously employed by Disney or an Affiliate from the date hereof until the Scheduled Vesting Date.

If the service vesting requirements of this Section 2.A are not satisfied, all of the Stock Units subject to this Award shall be immediately forfeited and the Participant’s rights with respect thereto shall cease.

All Stock Units for which all of the requirements of Exhibit A and this Section 2 have been satisfied shall become vested and shall thereafter be payable in accordance with Section 5 hereof. Subject to the terms, conditions and performance-based vesting requirements set forth herein, the Stock Units subject to this Award will vest on the third anniversary date of the Date of Grant (the “Scheduled Vesting Date”).

Section 3. **Accelerated Vesting.** Notwithstanding the terms and conditions of Section 2 or Section 6 hereof, upon the Participant’s death or termination of employment for Disability (within the meaning of Section 409A of the Internal Revenue Code), or upon the occurrence of a Triggering Event within the 12-month period following a Change in Control (in accordance with Section 11 of the Plan as in effect as of the date of the Triggering Event), in any case, prior to the Scheduled Vesting Date, the provisions of this Section 3 shall apply to determine the extent to which the Participant’s Restricted Stock Units that have not previously been forfeited shall become vested. If such death, termination of employment for Disability or Triggering Event occurs

- A. prior to the Determination Date, this Award shall become fully vested (provided that, for this purpose, the performance condition(s) applicable to the Award as set forth in the subsection(s) to

Exhibit A hereto shall in each case be deemed to have been satisfied at the target level of performance), or

- B. after the Determination Date but before the Scheduled Vesting Date, then the number of Restricted Stock Units which shall become vested shall be determined on the same basis as if the Participant had been continuously employed by Disney (or an Affiliate) until the Scheduled Vesting Date.

Any Restricted Stock Units that become vested pursuant to this Section 3 shall be payable in accordance with Section 5 hereof.

Section 4. **Dividend Equivalents.** Any dividends paid in cash on Shares of Disney will be credited to the Participant as additional Restricted Stock Units as if the Restricted Stock Units previously held by the Participant were outstanding Shares, as follows: such credit shall be made in whole Restricted Stock Units only (rounded downward to the nearest whole unit) and shall be based on the fair market value (as defined in the Plan) of the Shares on the date of payment of such dividend. All such additional Restricted Stock Units shall be subject to the same vesting requirements applicable to the Restricted Stock Units in respect of which they were credited and shall be payable in accordance with Section 5 hereof.

Section 5. **Payment of Award.** Payment of vested Restricted Stock Units shall be made within 30 days following the applicable date under Section 2 hereof as of which the vesting requirements under Exhibit A hereto and Section 2 hereof shall have been satisfied with respect to any tranche, as applicable (or within 30 days following acceleration of vesting under Section 3 hereof, if applicable). The Restricted Stock Units shall be paid in cash or in Shares (or some combination thereof), as determined by the Committee in its discretion at the time of payment, and in either case shall be paid to the Participant after deduction of applicable withholding taxes in the amount determined by the Committee. If the Participant is a U.S. taxpayer, Disney will withhold all U.S. federal and state taxes as required by law at the then-current rate for supplemental wage income as applicable. If the Participant is resident in a foreign country, the Participant shall be responsible for the payment of any applicable local country taxes, including, without limitation, income taxes, social security taxes, and fringe benefit taxes, and Disney will either withhold such taxes as required by local law, or, alternatively, Participant will be required to pay such taxes directly or, where permitted by local law with respect to fringe benefit taxes, to reimburse Disney or the affiliated entity by whom the Participant is employed for such taxes paid by Disney or such affiliated entity.

Section 6. **Extended Vesting.**

(a) In the event that Participant's employment with Disney or an Affiliate thereof terminates for any reason other than death, Disability or "cause" (as further provided in the Plan) at a time when (i) the Participant has attained the age of sixty and has completed at least ten consecutive Service Years (as hereinafter defined) and (ii) at least one year has passed since the Date of Grant of this Award (a "**Sixty, Ten and One Termination**"), then the remaining then unvested tranche(s) of this Award shall vest in accordance with the terms and provisions hereof in the same manner as if Participant's employment had continued through the scheduled vesting date(s) of such tranche(s). For purposes of the foregoing, "**Service Year**" shall mean any 12-month period during which the Participant was continuously employed by Disney or an affiliate thereof. In determining the total number of consecutive Service Years that the Participant has been so employed, Disney shall apply such rules regarding the bridging of service as the Committee may adopt from time to time.

(b) Notwithstanding any other term or provision hereof, if at the time of termination of employment (other than upon the scheduled expiration date of an employment agreement) Participant is employed pursuant to an employment agreement with Disney or an Affiliate which provides under certain circumstances for the continued vesting of any Stock Units subject to this Award in the event of the termination of such employment agreement prior to its scheduled expiration date (a "**Contractual Extension Provision**"), then, except as otherwise provided in such employment agreement, (i) this Section 6 shall be interpreted and applied in all respects as if Participant had remained continuously employed by Disney or an Affiliate thereof from the Date of Grant of this Award through the

scheduled expiration date of such employment agreement and (ii) the date of termination of Participant's employment for all purposes under this Section 6 shall be deemed to be the scheduled expiration date of such employment agreement.

(c) Notwithstanding any other term or provision hereof, if at the time of termination of employment (i) the Participant is a "Covered Executive" under the Disney Executive Severance Pay Plan (the "**Disney Executive Severance Plan**"), (ii) Disney determines that the Participant's termination of employment is a "Qualifying Event", as defined in the Disney Executive Severance Plan, (iii) the Participant's termination is not a Sixty, Ten and One Termination and (iv) the Participant satisfies the conditions, including the release requirement, set forth in Section 4(e) of the Executive Severance Plan, then upon such termination of employment, a pro-rated portion of this Award, determined by multiplying the target number of Restricted Stock Units subject to this Award by a fraction, the numerator of which is the number of days in the applicable performance period elapsed through the date of termination of employment and the denominator of which is the total number of days in the performance period, shall remain outstanding and eligible to vest based on actual performance measured over the full performance period under the terms of this Award Agreement. Any portion of the Restricted Stock Units not eligible for pro-ration shall be forfeited as of the date of termination of employment.

Notwithstanding the foregoing terms of this Section 6(c), if the conditions set forth in Section 6(a) are satisfied with respect to this Award at the time of termination of employment (i.e., a Sixty, Ten and One Termination), then the provisions of Section 6(a) shall apply with respect to the unvested tranche(s) of this Award.

Section 7. **Restrictions on Transfer.** Neither this Award nor any Restricted Stock Units covered hereby may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Participant, other than to Disney as a result of forfeiture of the Restricted Stock Units as provided herein.

Section 8. **Clawback.** Notwithstanding any other provision of this Award Agreement to the contrary, this Award and any compensation, Shares or other amounts payable, provided or received in respect thereof, shall be subject to (i) the Walt Disney Company Clawback Policy, as in effect from time to time, (ii) the forfeiture provisions of the Plan and (iii) any other clawback, recoupment, forfeiture or similar policy adopted by Disney or required by applicable law, regulation or stock exchange listing standards. By accepting this Award, you acknowledge and agree that you are bound by, and subject to, the terms of such policies (as they may be in effect or amended from time to time) and that you will promptly take any action necessary to effectuate any required recovery, forfeiture or repayment.

Section 9. **Non-Solicitation.** In consideration of the grant of the Restricted Stock Units and in accordance with Section 12.1 of the Plan, during the Participant's employment with Disney and, subject to the provisions of applicable law, during the one-year period following any termination of the Participant's employment, the Participant shall not, directly or indirectly solicit for employment any employee of Disney or any of its Affiliates, whose duties and capabilities the Participant knows by reason of the Participant's employment with Disney (other than the Participant's personal assistant). In the event Disney determines that the Participant has breached such foregoing covenant, the Restricted Stock Units subject to this Award Agreement that are unvested as of the date of such breach shall immediately and automatically be forfeited for no consideration and the Participant's rights with respect thereto shall cease.

Section 10. **No Voting Rights.** The Restricted Stock Units granted pursuant to this Award, whether or not vested, will not confer any voting rights upon the Participant, unless and until the Award is paid in Shares.

Section 11. **Award Subject to Plan.** This Restricted Stock Unit Award is subject to the terms of the Plan, the terms and provisions of which are hereby incorporated by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail.

Section 12. **Changes in Capitalization.** The Restricted Stock Units under this Award shall be subject to the provisions of the Plan relating to adjustments for changes in corporate capitalization.

Section 13. **No Right of Employment.** Nothing in this Award Agreement shall confer upon the Participant any right to continue as an employee of Disney or an Affiliate nor interfere in any way with the right of Disney or an Affiliate to terminate the Participant's employment at any time or to change the terms and conditions of such employment.

Section 14. **Effect of Employment Agreement.** If the Participant is employed pursuant to an employment agreement with Disney, any provisions thereof relating to the effect of a termination of the Participant's employment upon his or her rights with respect to this Award, including, without limitation, any provisions regarding acceleration of vesting and/or payment of this Award in the event of termination of employment, shall be fully applicable and supersede any provisions hereof with respect to the same subject matter.

Section 15. **Electronic Delivery and Participation.** Disney may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by Disney or a third party designated by Disney.

Section 16. **Severability.** The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Section 17. **Imposition of Other Requirements.** Disney reserves the right to impose other requirements on the Restricted Stock Units, to the extent Disney determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 18. **Data Privacy.**

(a) **Purposes of Processing.** Disney (including its Affiliates, third party administrators, and other recipients) processes Data (as defined below) for purposes that include administering and managing the Participant's participation in the Plan and facilitating compliance with applicable tax, exchange control, securities and labor law.

(b) **Data Collection and Usage.** Disney and its Affiliates process information about the Participant that includes the following for purposes of this Award Agreement: the Participant's name, home address, telephone number, email address, date of birth, social security number (or similar national identifier), salary, nationality, job title, any shares or directorships held in Disney, details of all Awards granted under the Plan or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("**Data**").

(c) **Stock Plan Administration Service Providers.** Disney transfers Data to Merrill Lynch, Pierce, Fenner & Smith Incorporated and certain of its affiliates ("**Merrill**"), which is assisting Disney with the implementation, administration and management of the Plan. Disney may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with Merrill or such other provider(s), with such agreement being a condition to the ability to participate in the Plan.

(d) International Data Transfers. The Participant understands and acknowledges that any processing by Disney and/or Merrill under this Award Agreement may involve a transfer of Data from the Participant's home jurisdiction to the U.S.

(e) Data Subject Rights. The Participant may have a number of rights under the data privacy laws in the Participant's jurisdiction. Depending on where the Participant is based, such rights may include the right to (i) request access to or copies of Data Disney processes, (ii) rectify incorrect Data, (iii) delete Data, (iv) restrict the processing of Data, (v) restrict the portability of Data, (vi) lodge complaints with competent authorities in the Participant's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. For information regarding these rights or to exercise these rights, the Participant should refer to the US Privacy Notice.

(f) Contractual Requirement. Where necessary, the Participant's provision of Data and its processing as described above is a contractual requirement for the Participant to participate in the Plan. The Participant's participation in the Plan and acceptance of the Restricted Stock Unit Award is purely voluntary. The Participant can refuse to provide Data, as a result of which the Participant will not be able to participate in the Plan, but the Participant's employment and salary will not be affected in any way.

Section 19. **Governing Law**. This Award Agreement shall be construed and enforced in accordance with the internal substantive laws of the State of Delaware, U.S.A., without giving effect to the choice of law principles thereof. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by these Restricted Stock units and this Award Agreement, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the State of California, U.S.A. and agree that such litigation shall be conducted only in the courts of Los Angeles County, California, U.S.A., or the federal courts for the United States for the Central District of California, and no other courts, where this grant is made and/or to be performed.

Section 20. **Section 409A**. The Restricted Stock Units are intended to comply with, or be exempt from, Section 409A of the Code and shall be interpreted and administered accordingly. For purposes of this Award, a termination of employment shall mean a "separation from service" within the meaning of Section 409A. To the extent that any payment under this Award is subject to Section 409A and the Participant is a "specified employee" within the meaning of Section 409A at the time of separation from service, such payment shall be delayed for six months to the extent required to avoid the imposition of any additional tax under Section 409A. Each payment under this Award shall be treated as a separate payment for purposes of Section 409A.

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Note: Restricted Stock Units are granted and vested in the United States. The Participant is responsible for any applicable taxes whether the Participant is in the United States or any other country. At the time of vesting, Disney will withhold any minimum statutory local or U.S. taxes, as applicable.

**List of Guarantor Subsidiaries**

TWDC Enterprises 18 Corp (Legacy Disney) is a subsidiary of The Walt Disney Company (TWDC) and, as of March 28, 2026, a guarantor of TWDC's registered debt securities. Legacy Disney is also an issuer of registered debt securities, which are guaranteed by TWDC. At March 28, 2026, the registered debt securities were as follows:

**CUSIPs for TWDC Registered Debt Securities Guaranteed by Legacy Disney**

254687FL5 / 254687FM3 / 254687FP6 / 254687FQ4 / 254687FR2 / 254687FS0 / 254687DH6 / 254687DK9 / 254687DM5 / 254687DP8 / 254687DR4 / 254687DT0 / 254687DV5 / 254687DX1 / 254687DZ6 / 254687EB8 / 254687ED4 / 254687EF9 / 254687EH5 / 254687EK8 / 254687EM4 / 254687EP7 / 254687ER3 / 254687ET9 / 254687EV4 / 254687EX0 / 254687EZ5 / 254687FB7 / 254687FD3 / 254687FF8 / 254687FU5 / 254687FW1 / 254687FX9 / 254687FY7 / 254687FZ4 / 254687GA8 / 254687GB6 / 254687GC4 / 254687GD2 / 254687GE0

**CUSIPs for Legacy Disney Registered Debt Securities Guaranteed by TWDC**

25468PDM5 / 25468PDV5 / 25468PBW5 / 25468PCP9 / 25468PCR5 / 25468PCX2 / 25468PDB9 / 25468PDN3 /

**RULE 13a-14(a) CERTIFICATION IN  
ACCORDANCE WITH SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Josh D'Amaro, Chief Executive Officer of The Walt Disney Company (the "Company"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

By: /s/ JOSH D'AMARO  
Josh D'Amaro  
Chief Executive Officer

**RULE 13a-14(a) CERTIFICATION IN  
ACCORDANCE WITH SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Hugh F. Johnston, Senior Executive Vice President and Chief Financial Officer of The Walt Disney Company (the "Company"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

By:

/s/ HUGH F. JOHNSTON

Hugh F. Johnston

Senior Executive Vice President and  
Chief Financial Officer



