

**Telephone Conference for the First Three Months of the Fiscal Year Ending March 31,
2025: Outline of Questions and Answers**

- Q. Please tell us if there were any differences between your first quarter results and the assumptions you made at the beginning of the fiscal year.
- A. (Ito, Board Director, Senior Executive Officer, CFO) In Japan, conditions remained generally favorable for products including the BEYBLADE X and the DETECTIVE CONAN CARD GAME. On the other hand, we will be watching overseas markets closely given they have started slowly.
- Q. Sales for your major categories total approximately 18.0 billion yen. Taking that amount away from the 53.5 billion yen in net sales for the first three months of the fiscal year would leave 35.5 billion yen. What would that include?
- A. (Ito, Board Director, Senior Executive Officer, CFO) A large percentage of sales comes from group companies in Japan. T-ARTS and KIDDY LAND combined have net sales the same size as TOMY Company's key categories. The remaining other sales are mainly from group companies overseas and the weak yen trend is also contributing.
- Q. Please tell us about the situation with "BEYBLADE X." To what extent does the development in Europe and U.S. compare with the previous generation "BEYBLADE BURST?"
- A. (Ito, Board Director, Senior Executive Officer, CFO) After the development of the anime series, the percentage of elementary school students, the main target group, increased, and there has been a lot of activity around events. As for the development in Europe and U.S., the products have just started coming onto the shelves in shops in North America, so we are not yet at the stage where we can compare it with the previous generation. However, we are hearing that it is off to a good start.
- Q. Please tell us about the initial response, the product attributes and product development of the "DETECTIVE CONAN CARD GAME."
- A. (Ito, Board Director, Senior Executive Officer, CFO) The initial response was strong, almost double what we had in plan, but as for the scale of sales they are not yet that big. As for the purchase attribute, females comprise a higher percentage of buyers compared to other trading card games, and the ratio of male to female buyers is approximately 50-50. Going forward, we will be launching products in line with our plan.

Q. Regarding the “DETECTIVE CONAN CARD GAME,” from a medium- to long-term perspective, can the content be expected to be capable of generating sales in the range of 20-30 billion yen?

A. (Ito, Board Director, Senior Executive Officer, CFO) We are targeting a wide range of customers, and positioning the product as content that can provide for long-lasting play. Therefore, we would like to expand the scale of sales over the long-term, not the short-term.

Q. Please tell us about the situation with the development in Asia of “Pokémon” amusement machines.

A. (Ito, Board Director, Senior Executive Officer, CFO) Some of the explosive boom that we saw in countries including Korea has slowed, but overall the situation remains favorable.

Q. Please tell us about the situation regarding development of hobby products for high-target customers, and the scale of sales you are aiming for in that area.

A. (Ito, Board Director, Senior Executive Officer, CFO) We launched T-SPARK, our hobby label for high-target customers, and it has been very highly received. I will refrain from addressing the question when it comes to the scale of sales we are aiming for there.

Q. Please tell us about the foreign exchange impact for this fiscal year.

A. (Ito, Board Director, Senior Executive Officer, CFO) Because we do a lot of purchasing from overseas factories to Japan, for every one yen depreciation has a negative impact totaling more than 100 million yen on operating profit. However, the impact of depreciation in the yen is limited due to FX contracts and the contributions from sales at overseas locations and exports to overseas. If the recent trend in the appreciation of the yen continues, we believe it will be in a positive direction for the Company.

Q. Please explain the specific factors regarding the “Efficient management of SG&A expenses” included in the financial results, driving the improvement in the SG&A-to-sales ratio.

A. (Ito, Board Director, Senior Executive Officer, CFO) The main factor driving the improvement in the SG&A-to-sales ratio is the increase in net sales. Regarding the “Efficient management of SG&A expenses,” we recognize that logistics costs are one component. Through avoiding incurring unnecessary costs in our supply chain management worldwide, we are increasing efficiency.

Q. Please could you tell us about the risk to inbound demand due to the risk of a strong yen?

A. (Ito, Board Director, Senior Executive Officer, CFO) The trend in the appreciation of the yen is a development that has emerged only in the last few days, so we will continue to monitor the situation closely. In terms of the impact on inbound demand, we would expect the impact to be limited because we are not competing on price alone: for example, we are selling products that are only available at KIDDY LAND.

Q. Stock prices have been fluctuating wildly. Please tell us about the market acceptance of the stock and any points of concern for the market.

A. (Ito, Board Director, Senior Executive Officer, CFO) The volatility in stock prices has been surprising, and we are also paying attention to it. If such market movements continue for a long time, some kind of disruption would be a concern. However, while we are aware of stock prices, we want to do what we should do including working to expand our presence in terms of both regional axis and age group in line with our Medium- to Long-Term Management Strategy.

Q. Please tell us about the main attractions at the INTERNATIONAL TOKYO TOY SHOW in August.

A. (Ito, Board Director, Senior Executive Officer, CFO) I cannot provide any details yet, but please look forward to it.

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