



G R O U P



Purpose

Quality Asobi can inspire and delight the world.

**TOMY Company, Ltd.
Fiscal Year 2023 Results
(April 1, 2023-March 31, 2024)**

**May 14, 2024
TSE Securities Code: 7867**

FY2023 Financial Highlights (April 1, 2023-March 31, 2024)

May 14, 2024

Goshiro Ito
Senior Executive Officer, CFO

Consolidated Income Statements

¥100 million

	FY2023		FY2022	Change
	Actual	Original Forecasts (May 9, 2023)	Actual	
Net sales	2,083	1,950	1,872	+211
Cost of sales	1,233	–	1,149	+84
Gross profit	849	–	723	+126
Operating profit	188	135	131	+57
Operating profit margin	9.0%	6.9%	7.0%	+2.0%
EBITDA	265	–	208	+57
Ordinary profit	178	130	120	+58
Profit attributable to owners of parent	98	90	83	+15
ROE	10.5%	–	10.0%	+0.5%

◆ Net sales

Toys and toy-related businesses in Japan and Asia performed well, with significant growth in the retail business KIDDY LAND and T-ARTS Company. In addition to TOMY Company.

In the Americas, the mainstay operating company TOMY International, Inc. posted solid results, even though Fat Brain Holdings, LLC struggled.

A record high was achieved for net sales.

◆ Profit

Gross profit increased following improvements to the cost rate from an increase in net sales and a tapering off of transportation expenses.

Operating profit and ordinary profit increased due to a decrease, etc. in distribution expenses in selling, general and administrative expenses.

Profit attributable to owners of parent increased, even though we recorded impairment losses, etc., associated with Fat Brain Holdings, LLC, a consolidated subsidiary of the Company, under extraordinary losses in the third quarter.

We posted record highs for operating profit, ordinary profit, and profit attributable to owners of parent.

* Sum of amortization of goodwill and intangible assets associated with the acquisition of TOMY International (TI): ¥2.2 billion for the period under review; ¥2.2 billion for the same period of the previous FY

* EBITDA=Operating profit + depreciation + amortization of goodwill * Dollar conversion rate: ¥144.62 during the period under review; ¥135.46 during the same period of the previous FY

SG&A Breakdown

¥100 million

	FY2023	FY2022	Change
SG&A (total)	661	592	+69
Personnel expenses	227	192	+35
Advertising expenses	132	118	+14
R&D expenses	48	44	+4
Distribution expenses	82	88	-6
Amortization of goodwill and intangible assets associated with acquisition of TI	22	22	+0
	\$15 MM	\$16 MM	-\$1 MM

* All figures have been rounded down to the nearest ¥100 million.

- ◆ SG&A (total)
 - Increase in personnel costs due to the normalization of socio-economic activities and an increase in the yen-equivalent amount of personnel costs and provision for bonuses at overseas subsidiaries.
 - Increase in advertising expenses due to increased domestic business promotion efforts at TOMY Company, etc.

Operating Results by Segment

¥100 million

	FY2023	FY2022	Change
Net sales	2,083	1,872	+211
Japan	1,700	1,482	+218
Americas	300	295	+5
Europe	66	66	-0
Oceania	25	27	-2
Asia	578	554	+24
Eliminations and corporate	-588	-553	-35
Operating profit / (loss)	188	131	+57
Japan	222	164	+58
Americas	-4	-7	+3
Europe	-7	-7	+0
Oceania	1	0	+1
Asia	19	18	+1
Eliminations and corporate	-43	-38	-5

◆ Operating results by segment

* All figures have been rounded down to the nearest ¥100 million.

As mentioned previously, the toys and toy-related businesses in Japan and Asia performed well, with significant growth in the retail business KIDDY LAND and T-ARTS Company in addition to TOMY Company. In the Americas, the mainstay operating company TOMY International, Inc. posted solid results, even though Fat Brain Holdings, LLC struggled. In Europe and Oceania, although sales of agricultural machinery toys remained strong, sales of baby products, etc. declined.

Net Sales by Region

¥100 million

Region	FY2023	FY2022	Change
Japan	1,347	1,151	+196
North America	395	395	-0
Europe	85	85	-0
Oceania	28	35	-7
Asia	219	193	+26
Others	7	11	-4
Total	2,083	1,872	+211
Ratio of overseas sales	35.3%	38.5%	-3.2%

* Net sales are categorized into a country or region based on the customer's location.

* All figures have been rounded down to the nearest ¥100 million.

- ◆ Japan
Japan's net sales are as mentioned above.
(Strong toy sales, GACHA capsule toys business, retail business, etc.)
- ◆ North America
As mentioned above, TOMY International, Inc. posted solid results, even though Fat Brain Holdings, LLC struggled.
- ◆ Europe and Oceania
As mentioned above, sales of agricultural machinery toys remained strong, and sales of baby products, etc. declined.
- ◆ Asia
Sales of TOMICA-, Pokémon-, and DIACLONE-related products were strong, and amusement machines by T-ARTS Company, Ltd. were also well received.
BEYBLADE X products were launched in Hong Kong, Taiwan, Korea, China and other Asian countries.

Consolidated Balance Sheets Breakdown

■ Key year-on-year items changed

¥100 million

Account	FY2023	FY2022	Change
Inventories	194	185	+9
Japan	102	90	+12
Overseas	108	110	-2
Elimination of unrealized profits	-17	-16	-1

Long-term/short-term total borrowings	103	291	-188
Net cash (Cash and deposits less borrowings)	539	373	+166
Equity ratio	60.1%	54.5%	+5.6%

* All figures have been rounded down to the nearest ¥100 million.

<US\$ FX rate at end of period> the period under review: ¥151.41, the same period of the previous FY: ¥133.53

		FY2023	FY2022	Change
Goodwill balance of TI	\$MM	86	116	-30
	¥100 million	131	156	-25
Intangible assets balance of TI	\$MM	60	63	-3
	¥100 million	92	84	+8

Notice Regarding Change in Shareholder Return Policy

The Board of Directors approved a resolution regarding the Company's shareholder return policy at the Board of Directors meeting held on May 14, 2024.

■ Reason for the change

We formulated the Medium- to Long-Term Management Strategy 2030 to build our value creation model on the occasion of the 100th anniversary of the Company's founding.

Taking this opportunity, in addition to the implementation of stable return of profits to shareholders, the Company has decided to adopt a shareholder return policy of continuously improving shareholder value, specifically adopting the total payout ratio, which is the sum of dividends and purchase of treasury shares, as an indicator of shareholder returns, with a total payout ratio of 50% in principle.

We will work to further enhance shareholder returns, improve capital efficiency, and execute a flexible capital policy in response to the business environment to increase corporate value even more.

*Reasons for the change are underlined.

Before change	The Company recognizes the stable return of profits to shareholders as an important priority for management. Our policy is to strengthen the management base and improve the profit margin while deciding on dividends in consideration of performance and dividend payout ratio with a basic intention to continue paying a stable dividend. We will make use of internal reserves for business investment in medium- to long-term growth fields, such as global expansion, while preparing for various changes in the external environment.
After change	The Company recognizes that <u>sustainable improvement of shareholder value and providing stable return of profits to shareholders</u> is as an important priority for management. Our policy is to strengthen the management base, and <u>we will set the total payout ratio, which is the sum of dividends and purchase of treasury share, at 50% in principle.</u> We will make use of internal reserves for business investment in medium- to long-term growth fields, <u>such as M&As, alliances, and global expansion,</u> while preparing for various changes in the external environment.

■ Timing of application

Will be applied from the fiscal year ending March 31, 2025.

[Reference] Notice Regarding Purchase of Treasury Shares and Purchase of Treasury Shares Through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)



At a meeting of the Board of Directors held on May 14, 2024, the Company resolved to purchase treasury shares pursuant to Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of said Act, and the specific method of such purchase.

■ Method of acquisition

A purchase order will be made at the closing price (including the final special quote) of 2,711.5 yen on May 14, 2024, at 8:45 a.m. on May 15, 2024 (JST), through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) (no other changes to trading systems or trading hours will be made). Such purchase orders shall be placed only during the relevant trading hours.

■ Method of acquisition

Types of stock certificates, etc.	Total number	Total acquisition price
Common stock	1,000,000 shares (maximum)	¥2,711,500,000 (maximum)

*1.10% of the total number of shares issued and outstanding (excluding treasury shares)

(Note 1) The number of such shares will not be changed. There is a possibility that some or all of the shares may not be acquired due to factors such as market trends.

(Note 2) The purchase will be made with sell orders corresponding to the number of shares to be acquired.

(Note 3) The Company has been informed by Kantaro Tomiyama, who serves as Representative Director, Chairman of the Company, that he intends to sell a part of his shares of common stock in the Company.

■ Measures to avoid conflicts of interest

Kantaro Tomiyama, who is scheduled to be the counterparty of this treasury share purchase, did not participate in the deliberations and the resolution on this matter at the meeting of the Board of Directors because he is a specially interested party. In addition, Akio Tomiyama, a son of Kantaro Tomiyama, did not voluntarily participate in the deliberations and resolution because he may also fall under the category of a specially interested party.

Medium- to Long-Term Management Strategy 2030

May 14, 2024

Kazuhiro Kojima

Representative Director, President & CEO

Akio Tomiyama

Board Director, Executive Vice President & COO

**I. Review of Previous Medium-Term
Management Plan**

II. Direction of the TOMY Group

III. Asobi and Social Value

IV. New Management Structure

I. Review of Previous Medium-Term Management Plan

II. Direction of the TOMY Group

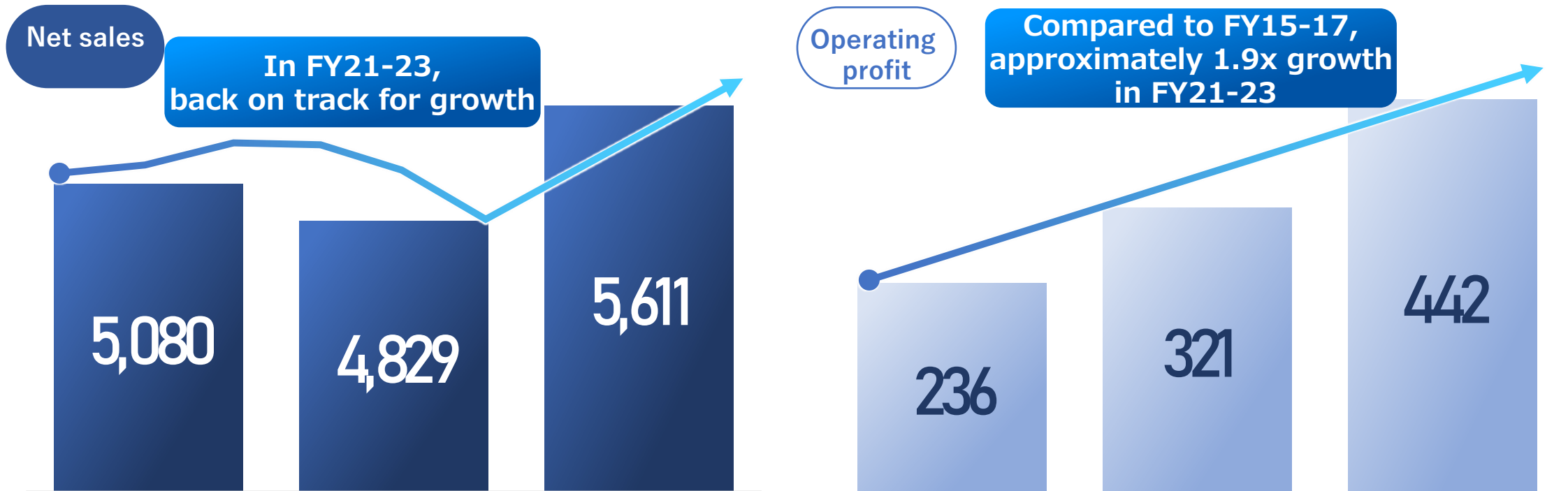
III. Asobi and Social Value

IV. New Management Structure

Changes in Totals Every Three Years from FY2015 to FY2023 (Net Sales, Profit)

- Continuous improvement of profitability

FY2015 to FY2023 "Three-Years-Total" Trends (¥100 million)



	FY15-17 total			FY18-20 total			FY21-23 total			FY15-17 total			FY18-20 total			FY21-23 total		
(¥100 million)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY15-17 total	FY18-20 total	FY21-23 total	FY15-17 total	FY18-20 total	FY21-23 total	FY15-17 total	FY18-20 total	FY21-23 total
Net sales	1,630	1,676	1,773	1,768	1,648	1,412	1,655	1,873	2,083	5,080	4,829	5,611	5,080	4,829	5,611	5,080	4,829	5,611
Operating profit	26	77	132	144	106	70	123	131	188	236	321	442	236	321	442	236	321	442
Ordinary profit	14	78	124	143	102	71	127	120	178	217	316	425	217	316	425	217	316	425
Profit	-67	53	79	93	45	53	91	83	98	66	191	272	66	191	272	66	191	272



Details and Results of Previous Medium-Term Management Plan

- Net sales by geographic segment

Net sales improved in all segments

Net sales increased steadily in the Americas

Both net sales and operating profit improved in Asia, Europe, and Oceania

¥100 million

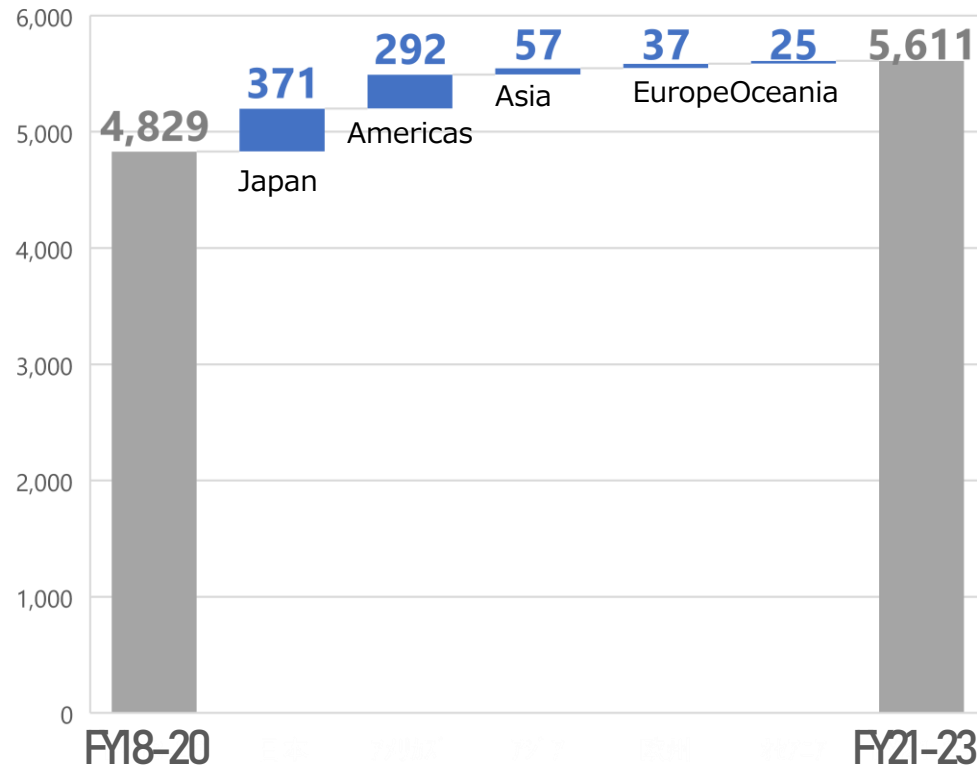
Increase

Decrease

Total

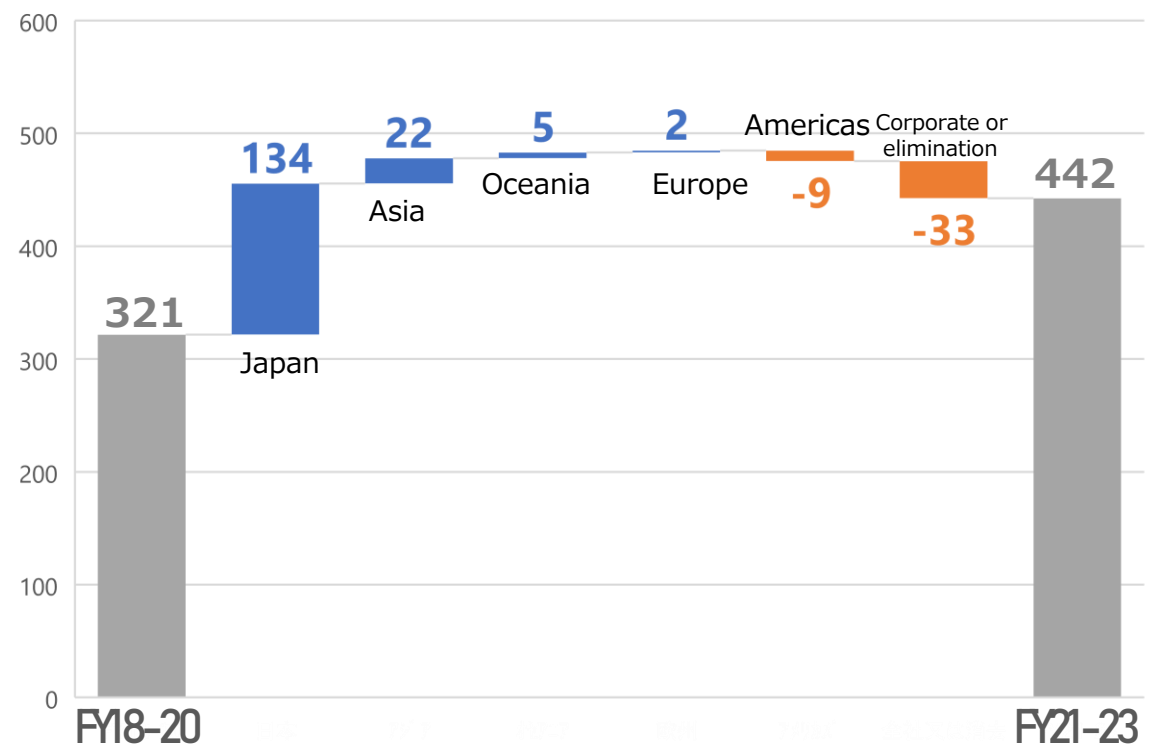
FY18-20 vs FY21-23

Geographic segment Sales to external customers



FY18-20 vs FY21-23

Geographic segment Operating profit



Review of Previous Medium-Term Management Plan

1 Further strengthen our target centered on exits, ages, and areas with a key of “right person in the right place”

Generate new sales by approaching a wide range of age groups

- Deploying the brand palette by leveraging the optimal combination of exits, age, and region
- Improving Life Time Value through TOMICA, ZOIDS, Digital Arcade Game, App Games, etc.

2 Create hit products based in Japan

Create hit products and promote overseas expansion

- Creating hit products originating from Japan through focused investment in strategic categories and collaboration with partner companies
- Promote expansion of Punirunes, LCD care toy with a new texture and BEYBLADE X, from Japan to overseas.

3 Prepare for global growth by continuing to invest in IP

Core brands x IP investment to expand business scale

- Expansion of standard products through animation series such as TOMICA Heroes: Jobraver - Specially-equipped combined robot, Shinkansen Henkei Robo SHINKALION Z, and Ania Kingdom

4 Launch new business with Asobi as key

Accumulating extensive experience towards a new Medium-Term Management Plan

- Development of various products for a broader age range of customers
- LEV-2 (nickname SORA-Q) became the first Japanese robot to land on and photograph the lunar surface during the pinpoint landing mission of the SLIM (Smart Lander for Investigating Moon), which generated great interest

5 Create new value by utilizing DX for value chain

Promotion of the use of the metaverse, provision of meticulous services, and utilization of AI

- Communication with fans through the official metaverse world BEYBLADE PARK
- Provision of services tailored to customer preferences through e-commerce, including TakaraTomy Mall
- Utilization of AI in daily operations and product development

6 Sustainability and CSR initiatives

Set mid-term sustainability targets and KPIs and implement activities

- Establishing task forces for themes requiring cross-sectional efforts, executing and implementing initiatives, and making new proposals
- Acquired Kurumin Certification (childcare support company)
- Acquired Eruboshi Certification (3 stars) (company that promotes the active participation of women)

Regional axis

Japan, Asia, and Oceania are performing well, the Americas are recovering, and business restructuring is ongoing in Europe

Age group

Providing business opportunities that resonate with a wide range of age groups, starting with Kidults



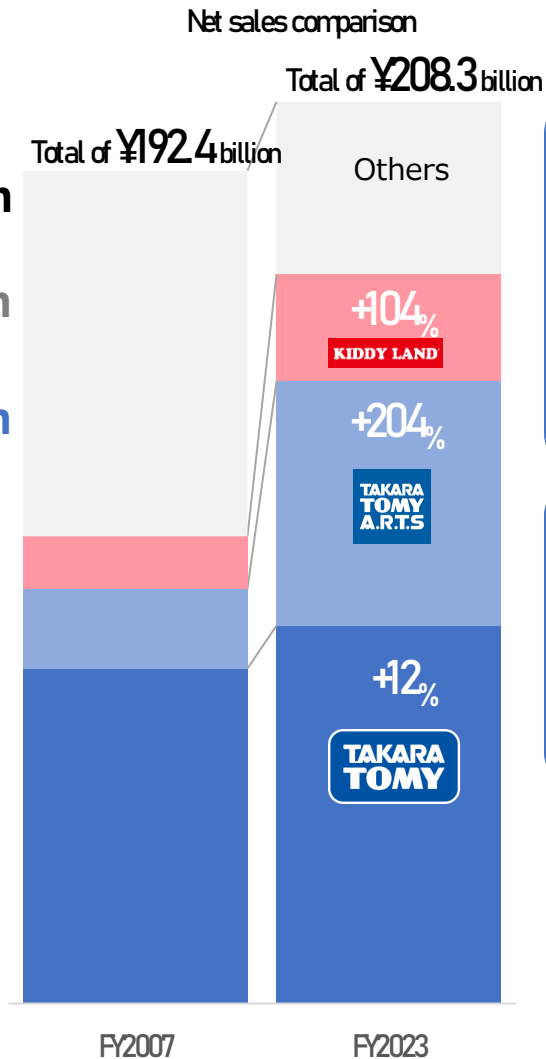
Achieved record high net sales and profit

Net sales

FY2023 **¥208.3** billion
 FY2007 **¥192.4** billion
+¥15.9 billion

Operating profit

FY2023 **¥18.8** billion
 FY2007 **¥6.0** billion
+¥12.8 billion



TOMY Company

- Increased popularity of long-standing products, BEYBLADE, etc.
- Strong performance of digital business
 DUEL MASTERS PLAY'S, Jinsei game for Nintendo Switch™ performed well

T-ARTS Group*

- Business growth through expansion of age group (GACHA capsule toys, etc.)
- Increased popularity of amusement machines (in Japan and in Asia)

*T-ARTS Company, Penny, T-ARTS Korea

KIDDY LAND

- Increase in human flow including inbound tourists
- Strong sales of popular character toys

Continued challenges for the Medium- to Long-Term Management Strategy

- **Expansion of regional axis**
Expanding through localization in North American and Chinese markets
- **Expansion of age group**
Utilizing strengths for Kidults (long-standing IP, technical capabilities)
- **Transition to management-conscious of cost of capital**
Achieving balance between management efficiency and improvement of business value



Recognition of the business environment

- **Declining birthrate in Japan**
Focusing on expanding regional axis and age group
Accelerating expansion into growing overseas markets
- **Evolution of digital technology**
Promotion of proactive initiatives adapted to technological evolution
- **Increase in purchase prices due to yen depreciation**
Efficient procurement strategy, risk reduction through forward exchange contracts

Accelerating growth through Group synergies

**I. Review of Previous Medium-Term
Management Plan**

II. Direction of the TOMY Group

III. Asobi and Social Value

IV. New Management Structure

タカラトミー 創業100周年



TOMY

TOMY





Purpose

Quality Asobi can
inspire and delight the world.



In the past, now,
and in the future.
Our passion never changes.





Business Vision 2030



All people who love Asobi

©ShoPro



Environmental Changes and Opportunities

Ability to respond to changes in the external environment (declining birthrate, globalization)



© TOMY
©nagano / chiikawa committee



BEYBLADE X
バイブレードエックス

©Homura Kawamoto, Hikaru Muno,
Posuka Demizu, BBXProject, TV TOKYO
© TOMY



© TOMY
© Goshō AOYAMA/Shogakukan, YOMIURI
TELECASTING, TMS 1996



KIDDY LAND

© TOMY © ShoPro

TCG

LET'S COLLECT AND PLAY!





Large growth potential, Asobi to be a growth industry



Age group



Regional axis





Numerical Targets



Business Vision 2030

Becoming a globally adored Asobi powerhouse, known for its top-notch quality and boundless creativity.

Fiscal year ending March 31, 2030

Net sales

¥300.0 billion

Operating profit

¥30.0 billion

Operating profit margin

10%
target

Earnings per share (EPS) growth rate

Continuous
10%
or more

Return on equity (ROE)

Continuous
11%
or more

Equity ratio

50%
approx.

Total payout ratio

In principle
50%

Price-to-book ratio (PBR)

3 times
target



II. Direction of the TOMY Group

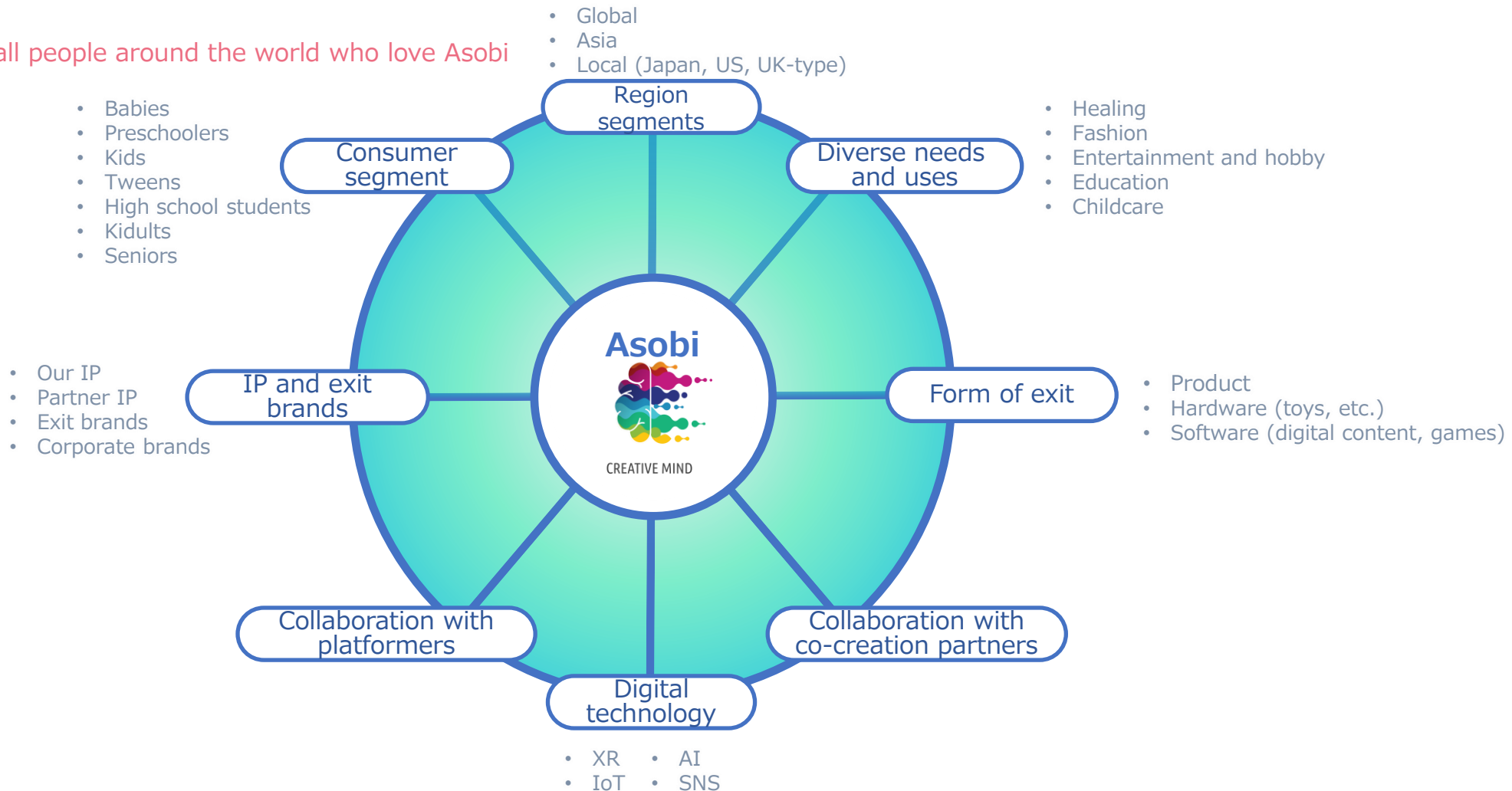
1. Growth Strategy



Shifting From “Toys” to “Asobi”

Transition to Asobi evolves to the next stage through deepening and refinement

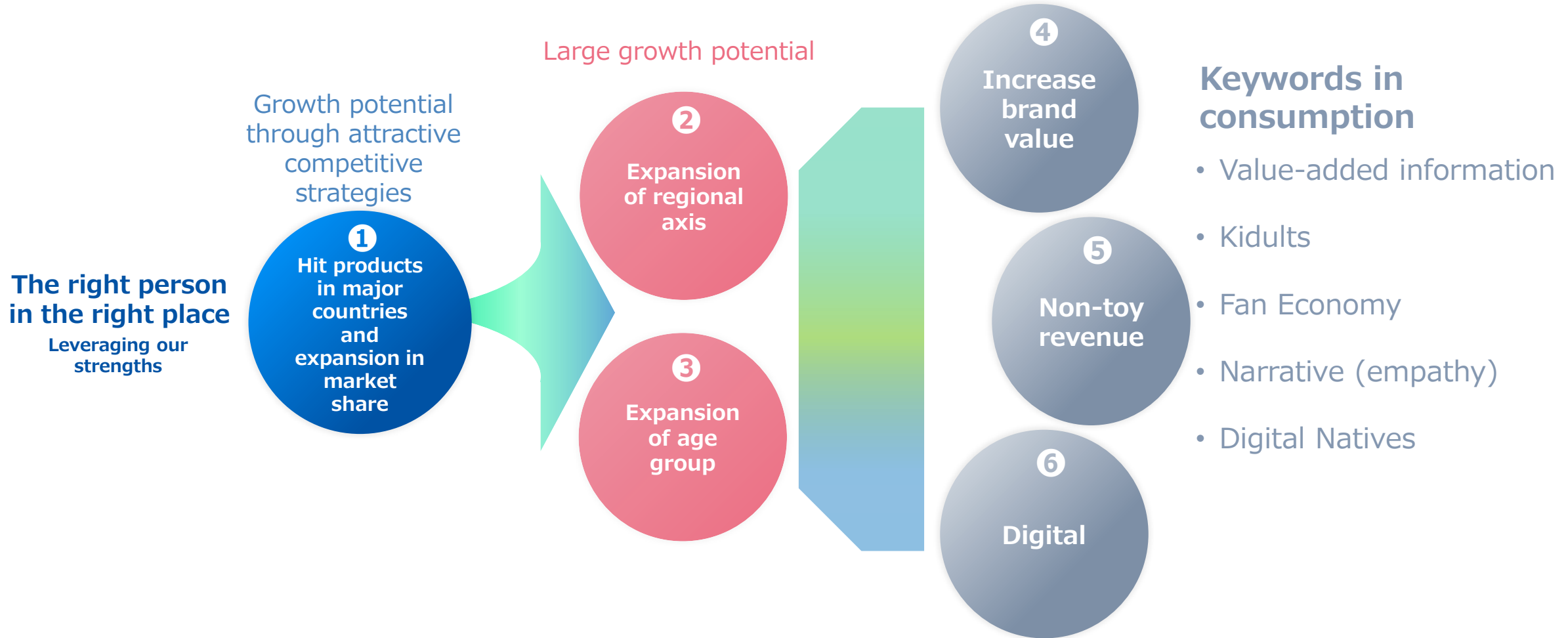
Scope For all people around the world who love Asobi



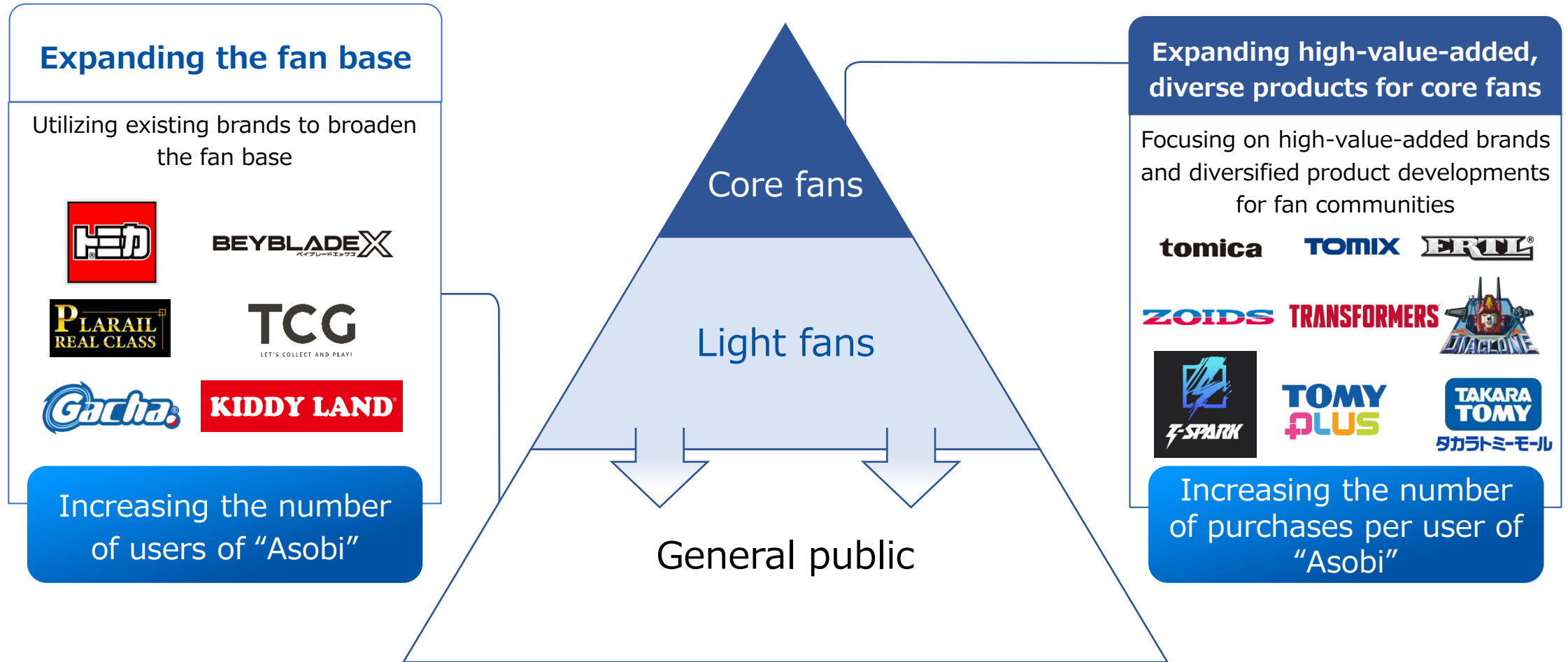


Six key strategies leading to brand growth

Factors supporting growth



Formulating age group strategies for each brand





Expansion of the Age Group: Expanding Asobi That can Be Enjoyed by a Wide Range of Ages



Expand TCG lineup horizontally targeting Kidults



*TCG (trading card game)

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F-SPARK

すべてのホビーファンへ
最高のエクスペリエンスを提供する

© TOMY / © TOMY © ShoPro / © TOMY © サンライズ



Expansion of Regional Axis: Expanding Business Regions Through Overseas Expansion

Formulate regional strategies for brands based on the right person in the right place

Expanding Asobi towards China and Asia

Expanding Asobi towards Europe, US, and Australia

Strengthening the development of TOMICA and BEYBLADE



BEYBLADE X
ベイブレードエックス

Strengthening the development of BEYBLADE

BEYBLADE X
ベイブレードエックス

Strengthening the development of Japanese culture products for Kidults



Gradual expansion of other products by taking advantage of system development



TCG
LET'S COLLECT AND PLAY!



* Standardization of sales among TI regions



JOHN DEERE



TOMY games

*TI: TOMY International, Inc.

John Deere's products under license with Deere & Company.

Creation of Group synergies



■ Strengthen licensing function of BEYBLADE

- ◆ Further expansion of BEYBLADE into overseas markets
- ◆ Further solidify the position of our IP through collaboration with partner companies

■ Increase sales through T-ARTS collaboration

- ◆ * Development centered on plush toys and figures
- ◆ Developing Kidults distribution in North America through TI using Japanese IP and T-ARTS products as a starting point

*TI (TOMY International, Inc.)

Increase Brand Value

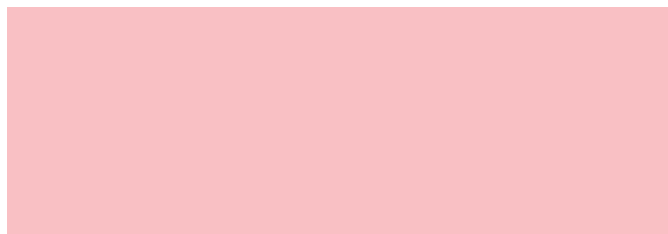
How to attract and communicate to fans, parents and children

The company provides a moving experience that exceeds expectations, and customers also support the background efforts that create this emotionally moving experience.

Brand Message

TAKARA TOMY

トイ 本物は、ときめく。
Only the Real Thing Moves



まがってみると、
行けないと思ってたところに、
行けた。
想像力と、ガッチャンコ!

R-11 TURN OUT RAIL

その想像を駆動させる
プラレール

リカちゃん

TAKARA TOMY

どうしてライオンは "たてがみ"がツツサなの?
どうしてカバは "大きな口"をあけるの?
どうしてゾウは "鼻"がながいの?
どうしてライノサウルスは "前足"がみじかいの?
どうしてサメは "歯"がたくさんあるの?
どうしてキリンは "首"がながいの?
アニア アニマルアドベンチャー

BEYBLADE transcends gender, age, and nationality

ゴーシューしようよ。

そのかけ声は、勝負のはじまり。
そのかけ声は、友情のはじまり。
そのかけ声は、成長のはじまり。
そのかけ声は、青春のはじまり。
そのかけ声は、世界への挑戦のはじまり。

3・2・1

さあ、想像以上の明日へ。

GEAR SPORTS
BEYBLADE X
ベイブレードエックス

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Posuka Demizu, BBXProject, TV TOKYO



40TH ANNIVERSARY
大ZOIDS博
2023

Continuation of Investment in Content



Expansion of fan base through our IP and partner IP animation



© T-ARTS / syn Sophia / TV TOKYO / AP Production Committee



© Project Shinkalion, JR-HECWK/ERDA



© TOMY



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© TOMY / Punirunes / TV Osaka

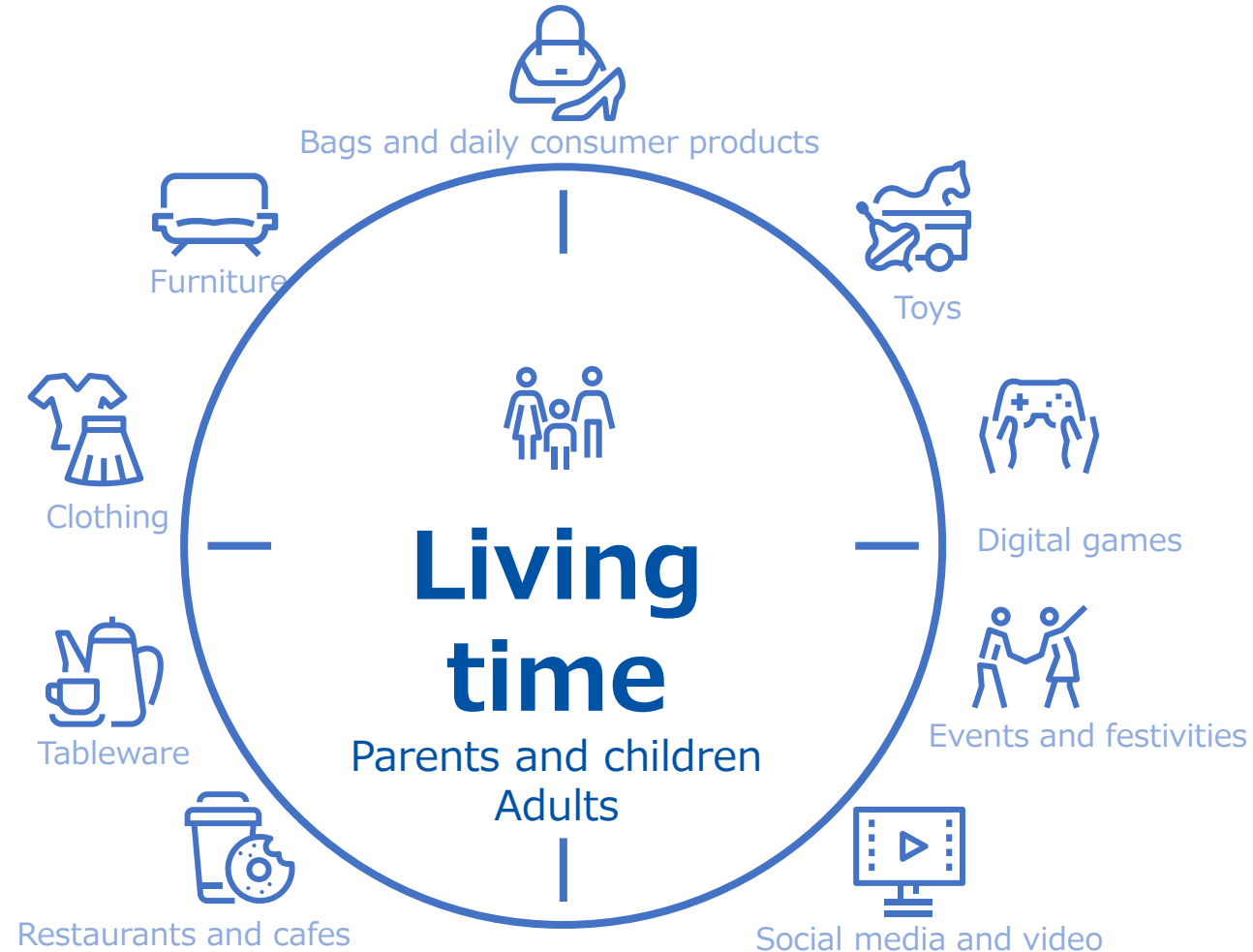
Responding to Experiential Value

Sales floor building capabilities that respond to fluid and localized economic zones





Build broad and high brand engagement



Always present in some part of our lifestyle



Expanding the digital game business by leveraging strengths



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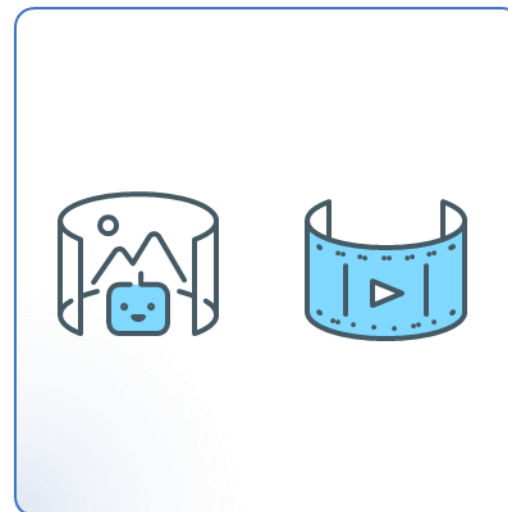
Promoting DX in the value chain



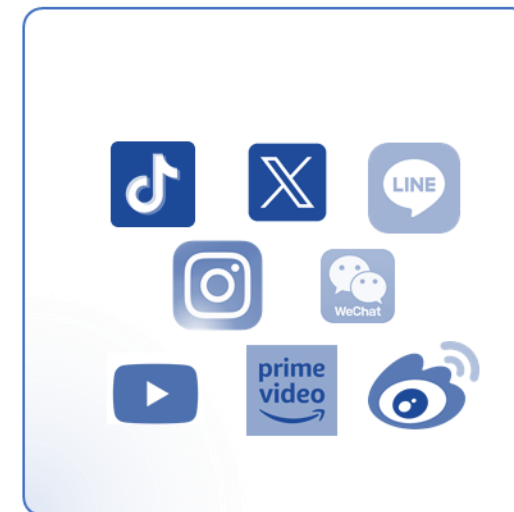
EC/Game



Data analysis and marketing automation



Visual marketing
Images and videos you can empathize with



Digital communication



II. Direction of the TOMY Group

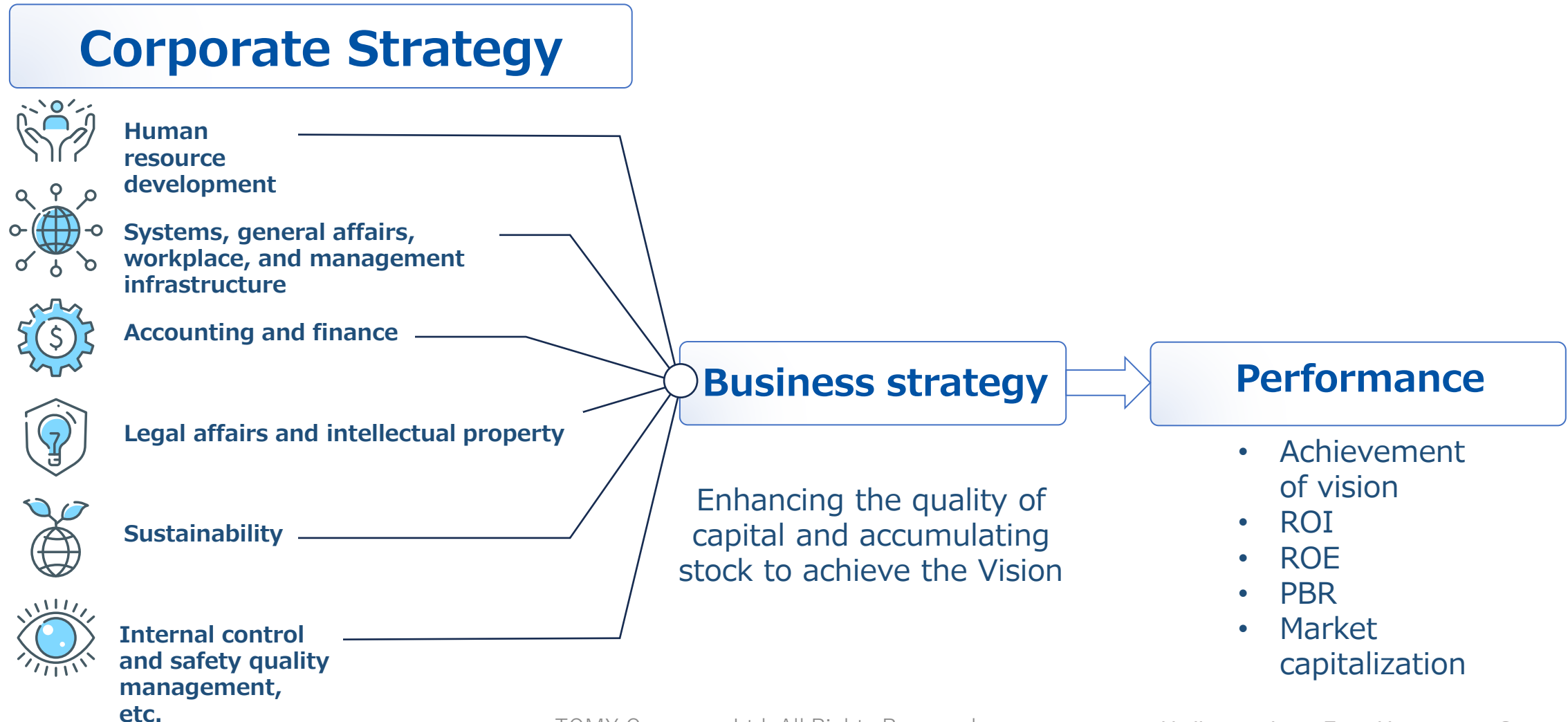
2. Corporate Strategy

Concept

To become an organization that is self-driven toward its Vision, and enable sustainable growth by utilizing the right person in the right place.

Support System for Achieving the Vision

Organically connecting strategies by function to business strategies.





Human Capital Strategy

As an organization capable of self-driven, sustainable growth, we will build an environment where employees can get absorbed in creating Asobi.

- Continuing and improving engagement surveys
- Strengthening global marketing human resources
- Developing next-generation management personnel
- Continuously reviewing the personnel system to achieve the Vision



Values

**Eyes Open to a Wide World
Creativity with purpose.
“Here be DragonsQ”
Gritty Together**



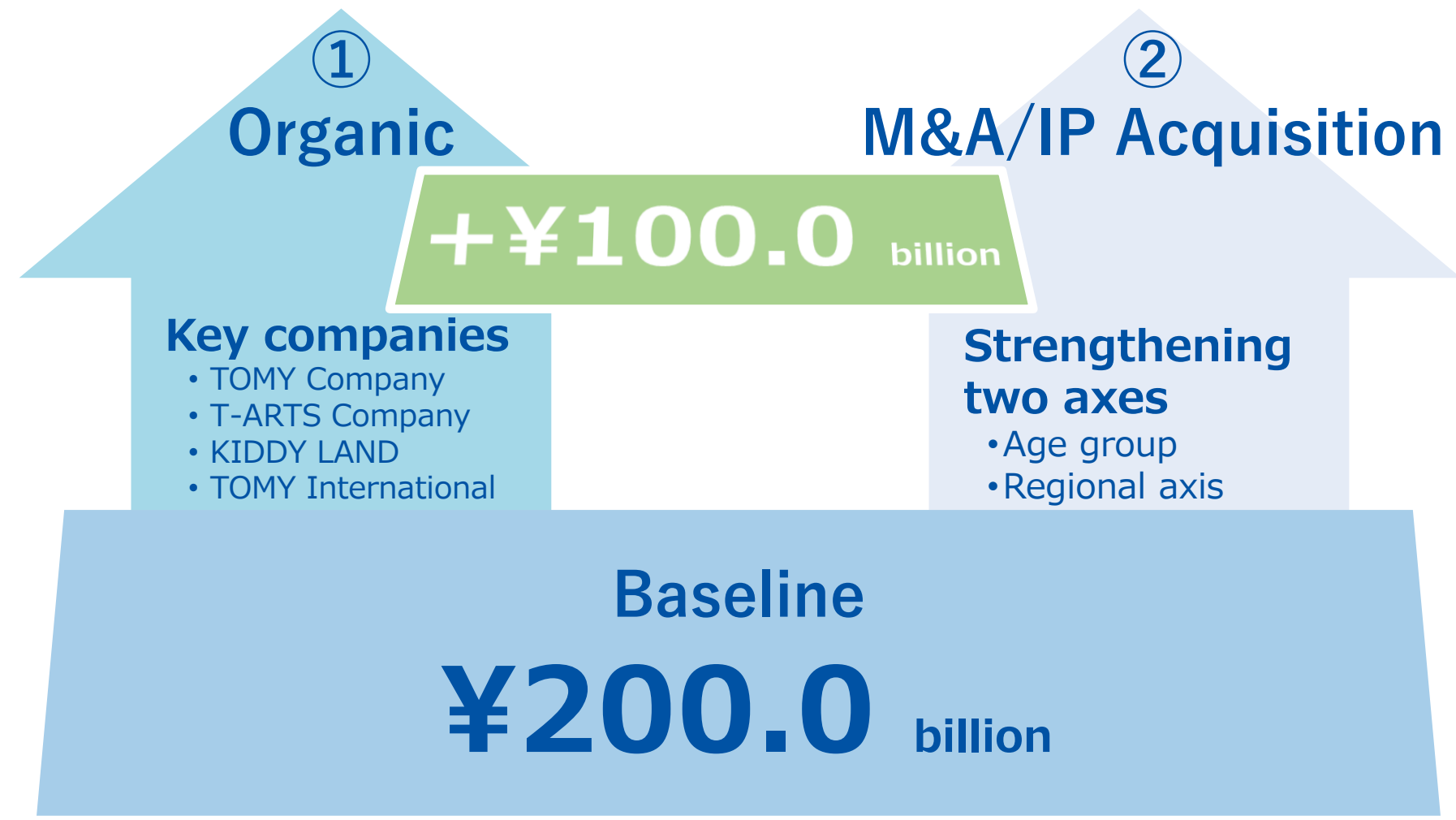
Promise

**Our sincerity and diligence will
contribute to society and lead to our
own success and happiness.**



Cash Allocation

Path to over 300 billion yen in net sales by the fiscal year ending March 31, 2030



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Sustainability Vision 2030

**A creator of quality Asobi that promotes
the sustainable well-being of society.**



Aiming to improve corporate value through the achievement of both business and sustainability vision.



Our Passion



Through Asobi, contribute to a healthy society that has dreams



A workplace where employees can get absorbed in the work of creating Asobi that is noticed and loved all over the world.





Our Responsibilities



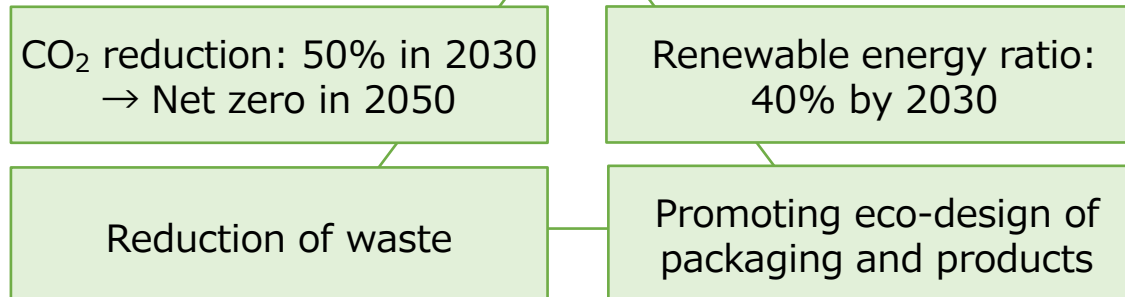
Ensuring high quality



Coexistence with the global environment



Sound management



I. Review of Previous Medium-Term Management Plan

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New Management Structure

(Following the General Meeting of Shareholders to Be Held on June 26, 2024)



Kazuhiro Kojima
Representative Director,
Chairman & CEO



Akio Tomiyama
Representative Director,
President & COO

* The positions stated are subject to the election of Directors by resolution at the Company's 73rd Ordinary General Meeting of Shareholders to be held on June 26, 2024, and will be formally determined at a subsequent meeting of the Company's Board of Directors.

In addition, Kantaro Tomiyama, the current Representative Director, Chairman & CEO, will become Chairman Emeritus as of the same date.



Hiroyuki Usami
Board Director,
Executive Vice President

Business divisions



Goshiro Ito
Board Director and CFO

Corporate divisions



100th
anniversary

**Bringing Asobi to the world and
Asobi to all generations!**



G R O U P



Purpose

Quality Asobi can inspire and delight the world.