

## Translation

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MEMBERSHIP  
November 12, 2024

# CONSOLIDATED FINANCIAL RESULTS for the First Six Months of the Fiscal Year Ending March 31, 2025 <under Japanese GAAP>

Company name: TOMY COMPANY, LTD.  
Listing: Prime Market of the Tokyo Stock Exchange  
Securities identification code: 7867  
URL: [www.takaratomy.co.jp](http://www.takaratomy.co.jp)  
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Scheduled date to file semi-annual securities report: November 13, 2024  
Scheduled date to commence dividend payments: December 12, 2024  
Supplementary material on financial results: Yes  
Financial results presentation meeting: Yes (for institutional investors and analysts)

(in millions of yen with fractional amounts discarded, unless otherwise noted)

## 1. Consolidated performance for the first six months of the fiscal year ending March 31, 2025 (From April 1, 2024 to September 30, 2024)

### (1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	120,709	25.6	12,361	54.3	11,892	61.5	8,454	50.6
Six months ended September 30, 2023	96,078	7.9	8,013	33.3	7,361	50.4	5,613	75.8

Note: Comprehensive income

Six months ended September 30, 2024 ¥3,966 million [(67.7)%]  
Six months ended September 30, 2023 ¥12,275 million [(3.6)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	yen	yen
September 30, 2024	94.12	94.09
September 30, 2023	61.55	61.48

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
September 30, 2024	157,857	98,413	62.3	1,097.37
March 31, 2024	166,252	99,999	60.1	1,104.07

Reference: Equity

As of September 30, 2024 ¥98,380 million  
As of March 31, 2024 ¥99,966 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2024	–	17.50	–	32.50	50.00
Fiscal year ending March 31, 2025	–	28.00			
Fiscal year ending March 31, 2025 (Forecast)			–	28.00	56.00

- Notes: 1. Revisions to the cash dividend forecasts most recently announced: None  
2. Breakdown of year-end dividend for the fiscal year ended March 31, 2024: ordinary dividend 24.50 yen, commemorative dividend 8.00 yen

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025

(From April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending March 31, 2025	240,000	15.2	23,000	22.2	22,500	26.4	14,500	47.8	161.43

Note: Revisions to the consolidated earnings forecasts most recently announced: None

\* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of specific accounting for preparing semi-annual consolidated financial statements: Yes

Note: For more details, please refer to the section of “(4) Notes Regarding Consolidated Financial Statements, (Notes regarding specific accounting for preparing semi-annual consolidated financial statements)” of “2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto” on page 17 of the attached material.

- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- a. Changes in accounting policies due to revisions to accounting standards: None
- b. Changes in accounting policies due to other reasons: Yes
- c. Changes in accounting estimates: Yes
- d. Restatement: None

Note: From the six months ended September 30, 2024, the Company has made changes to its method of depreciation, and this falls under “a case of changes in accounting policies which are difficult to distinguish from changes in accounting estimates.” For more details, please refer to the section of “(4) Notes Regarding Consolidated Financial Statements, (A case of changes in accounting policies which are difficult to distinguish from changes in accounting estimates)” of “2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto” on page 17 of the attached material.

- (4) Number of issued shares (common shares)
- a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	93,616,650 shares
As of March 31, 2024	93,616,650 shares

- b. Number of treasury shares at the end of the period

As of September 30, 2024	3,965,813 shares
As of March 31, 2024	3,072,841 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	89,822,791 shares
Six months ended September 30, 2023	91,194,003 shares

Note: The Company has introduced “Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)” and “Performance-linked stock-based compensation system for Executive Officers.” Treasury shares remaining in the “Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)” and the “Performance-linked stock-based compensation system for Executive Officers” that are recorded as treasury shares in shareholders’ equity are included in treasury shares to be deducted in the calculation of the total number of issued shares at the end of the period for the calculation of net assets per share. They are also included in treasury shares to be deducted in the calculation of the average number of shares during the period for the calculation of basic earnings per share.

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Regarding future forecasts, please refer to “(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements,” under “1. Qualitative Information Regarding Consolidated Operating Results,” on page 10.

A financial results presentation meeting for institutional investors and analysts will be held online on November 12, 2024. Materials for the financial results presentation meeting will be available on our website on the same day.

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## 1. Qualitative Information Regarding Consolidated Operating Results

### (1) Explanation of Operating Results

#### (Highlights of First Six Months of the Fiscal Year Ending March 31, 2025)

Looking at the business environment surrounding the Company, the situation in Japan is trending toward a modest recovery thanks to the effects of various government policies amid improvements in the employment and income environment, and an increase in inbound demand. Meanwhile, overseas, the situation remained unpredictable, mainly due to the impact of concerns of a downturn in economies, rising prices, and fluctuations in financial and capital markets.

Under our “Medium- to Long-term Management Strategy 2030” announced in May 2024, we aim to achieve net sales of ¥300 billion and an operating profit margin of 10% in the fiscal year ending March 31, 2030 by establishing a new value-creation model, expanding business opportunities and the scale of our business with age groups and regions axis as growth drivers, and aligning these with the corporate strategies that support them.

In the fiscal year ending March 31, 2025, which marks the start of this strategy, TOMY Company achieved sales growth for “BEYBLADE X” (which was launched in Japan and Asia in July of last year) thanks to the promotion of branding measures based on the theme of “BEYBLADE WILL BECOME SPORTS.” Furthermore, the Company began exports to Europe and the United States and started the airing of the animation in various countries, expanding its business that transcends age and region in full swing. In terms of the expansion of animation in Europe and the United States, the viewing area grew due to local efforts with broadcasting stations by T-Licensing Inc., which handles licensing operations.

At T-ARTS Company, sales of Pokémon-related products such as plush toys grew, in addition to which in the GACHA capsule toy business we increased the number of items offered, including character products, and we also expanded our installation of GACHA sales spaces in capsule toy specialty stores, while also expanding overseas, resulting in continued favorable performance. In addition, in amusement machines, operations of “Himitsu no AIPRI” started in April and “Pokémon FRIENDA” in July, with a better launch than previous products.

In Kiddy Land operations, continuing from last year, we offered fresh and topical character products and miscellaneous items, which are gaining popularity among people of all ages in Japan and abroad. In the midst of this, the continued popularity of characters and inbound demand led to ongoing favorable performance, with flagship stores such as the Harajuku and Umeda stores, as well as our character specialty stores and event development, putting in continued strong performance.

In addition, as part of our corporate strategy, we have established a system to promote sustainable growth, including the announcement in June of revisions to our personnel systems, such as changing to a job-based personnel system and expanding support for balancing work and family life through the establishment of a new childbirth and childcare monetary gift system and other measures.

As a result of these efforts, business performance in the first six months of the fiscal year ending March 31, 2025 was favorable at three companies in Japan, with T-ARTS Company and Kiddy Land continuing to perform well and TOMY Company showing significant growth, while business performance in Asia was also strong, with net sales exceeding initial expectations. Net sales were ¥120,709 million (up 25.6% year on year), marking a record high for the second consecutive period.

At the profit level, operating profit was ¥12,361 million (up 54.3% year on year), ordinary profit was ¥11,892 million (up 61.5% year on year), and profit attributable to owners of parent was ¥8,454 million (up 50.6% year on year), all at record highs, making for steady progress under the new management system. These results were mainly due to the increase in gross profit accompanying the growth in net sales.

(Overview of Reportable Segments)  
 <Overview of operating results by segment>

(Millions of yen)

	First six months of the fiscal year ended March 31, 2024	First six months of the fiscal year ending March 31, 2025	Change	Rate of change (%)
Net sales	96,078	120,709	24,631	25.6
Japan	79,881	104,780	24,899	31.2
Americas	13,598	14,076	477	3.5
Europe	2,861	3,003	141	4.9
Oceania	1,248	1,329	80	6.5
Asia (excl. Japan)	29,379	36,517	7,137	24.3
Eliminations and corporate	(30,891)	(38,996)	(8,104)	–
Operating profit/(loss)	8,013	12,361	4,347	54.3
Japan	10,116	13,598	3,482	34.4
Americas	(459)	(312)	146	–
Europe	(302)	(128)	173	–
Oceania	136	62	(73)	(54.1)
Asia (excl. Japan)	904	1,702	798	88.3
Eliminations and corporate	(2,381)	(2,561)	(179)	–

Japan

(Millions of yen)

	First six months of the fiscal year ended March 31, 2024	First six months of the fiscal year ending March 31, 2025	Change
Net sales	79,881	104,780	24,899
Operating profit	10,116	13,598	3,482

Net sales were ¥104,780 million (up 31.2% year on year), and operating profit was ¥13,598 million (up 34.4% year on year). TOMY Company performed well due to efforts to expand classic brands such as “TOMICA” to diverse ages and regions, and its modernized version of Japanese “bei-goma” battling tops, “BEYBLADE X,” which was launched in July of last year, has seen sales expand as a result of the implementation of branding measures based on the theme of “BEYBLADE WILL BECOME SPORTS.” Furthermore, the Company began exports to Europe and the United States and started the airing of the animation in various countries, expanding its business that transcends age and region in full swing. In terms of the expansion of animation in Europe and the United States, the viewing area grew due to local efforts with broadcasting stations by T-Licensing Inc., which handles licensing operations. Our IP “Punirunes” has proven popular in Japan and Asia, and we began exporting it to Europe and the United States in April, thus continuing the IP’s growth into global content. Additionally, in May, we launched the enormously popular comic “DETECTIVE CONAN” as a trading card game aimed at a wide range of customer base, and in July, we released the second series, generating new sales. In the digital business, the collaboration with the VTuber group “HoloLive” for “DUEL MASTERS PLAY’S” and the animation “Oshi no Ko” became a hot topic, while “The Game of Life for the Nintendo Switch™,” released in October last year, continued to gain popularity.

At T-ARTS Company, sales of Pokémon-related products such as plush toys grew, in addition to which in the GACHA capsule toy business we increased the number of items offered, including character products, and we also expanded our installation of GACHA sales spaces in capsule toy specialty stores, while also expanding overseas, resulting in continued favorable performance. In addition, in amusement machines,

operations were started in April for “Himitsu no AIPRI” and in July for “Pokémon FRIENDA,” with a better launch than previous products.

In Kiddy Land operations, continuing from last year, we offered fresh and topical character products and miscellaneous items, which are gaining popularity among people of all ages in Japan and abroad. In the midst of this, the continued popularity of characters and inbound demand led to ongoing favorable performance, with flagship stores such as the Harajuku and Umeda stores, as well as our character specialty stores and event development, putting in continued strong performance.

#### Americas

(Millions of yen)

	First six months of the fiscal year ended March 31, 2024	First six months of the fiscal year ending March 31, 2025	Change
Net sales	13,598	14,076	477
Operating loss	(459)	(312)	146

Net sales were ¥14,076 million (up 3.5% year on year), and we recorded an operating loss of ¥312 million (operating loss of ¥459 million in the same period of the previous fiscal year). The toy market as a whole was sluggish, with decreased sales of agricultural machinery toys and toy and hobby products. Meanwhile, sales of baby products, including “The First Years,” remained strong, and net sales of Fat Brain Holdings, LLC increased from the same period of the previous fiscal year.

#### Europe

(Millions of yen)

	First six months of the fiscal year ended March 31, 2024	First six months of the fiscal year ending March 31, 2025	Change
Net sales	2,861	3,003	141
Operating loss	(302)	(128)	173

Net sales were ¥3,003 million (up 4.9% year on year), and we recorded an operating loss of ¥128 million (operating loss of ¥302 million in the same period of the previous fiscal year). Although the toy market was sluggish overall, there were steady sales of toy and hobby products such as bath toys and T-ARTS Company’s GACHA capsule toys, and sales of agricultural machinery toys increased.

#### Oceania

(Millions of yen)

	First six months of the fiscal year ended March 31, 2024	First six months of the fiscal year ending March 31, 2025	Change
Net sales	1,248	1,329	80
Operating profit	136	62	(73)

Net sales were ¥1,329 million (up 6.5% year on year). Operating profit was ¥62 million (down 54.1% year on year) due to a deterioration in gross profit margin caused by factors such as higher transportation costs. Sales increased in T-ARTS Company’s GACHA capsule toy business, and we boosted group synergy effects while also achieving strong sales of baby products and preschool products. Meanwhile, sales of agricultural machinery toys decreased due to the sluggish toy market.



Asia (excl. Japan)

(Millions of yen)

	First six months of the fiscal year ended March 31, 2024	First six months of the fiscal year ending March 31, 2025	Change
Net sales	29,379	36,517	7,137
Operating profit	904	1,702	798

Net sales were ¥36,517 million (up 24.3% year on year), and operating profit was ¥1,702 million (up 88.3% year on year). In addition to strong sales mainly due to the popularity of the “TOMICA” brand to a wide age range, the Company opened its first “TOMICA” overseas brand store in Shanghai in September amid expanded sales in China. In “BEYBLADE X,” which we launched toy sales in July of last year, we implemented a rollout for the brand in full swing, including broadcasts of its animation adaptation commencing in various regions. Additionally, sales grew due in part to the start of the TV animation broadcasting of “SHINKALION CHANGE THE WORLD” in Hong Kong in July and in Taiwan in September, after the sales of related toys launched in April. Furthermore, we released the “DETECTIVE CONAN Card Game” series in nine countries and regions, including Hong Kong, South Korea, and Taiwan, in May, simultaneous with its release in Japan, gaining popularity.

Other factors included an increase in overseas-bound exports of “BEYBLADE X” and other products at the manufacturing subsidiary TOMY (Hong Kong) Ltd.

## (2) Overview of Financial Position

### Assets, Liabilities and Net Assets

#### <Assets>

At the end of the second quarter of the fiscal year ending March 31, 2025, current assets stood at ¥108,151 million, down ¥9,410 million from the end of the previous fiscal year ended March 31, 2024. This was mainly attributable to a decrease in cash and deposits, despite increases in notes and accounts receivable - trade and merchandise and finished goods.

Non-current assets stood at ¥49,706 million, up ¥1,015 million from the end of the previous fiscal year. This was mainly attributable to increases in property, plant and equipment and investments and other assets, despite a decrease in intangible assets.

#### <Liabilities>

At the end of the second quarter, current liabilities stood at ¥49,373 million, down ¥4,348 million from the end of the previous fiscal year. This was mainly attributable to decreases in accounts payable - other, current portion of long-term borrowings, and income taxes payable, despite an increase in notes and accounts payable - trade.

Non-current liabilities stood at ¥10,070 million, down ¥2,459 million from the end of the previous fiscal year. This was mainly attributable to decreases in long-term borrowings and deferred tax liabilities.

#### <Net assets>

At the end of the second quarter, total net assets were ¥98,413 million, down ¥1,586 million from the end of the previous fiscal year. This was mainly attributable to the purchase of treasury shares and decreases in foreign currency translation adjustment and deferred gains or losses on hedges, despite an increase in retained earnings.

### Cash Flows

Cash and cash equivalents at the end of the second quarter of the fiscal year ending March 31, 2025 was ¥42,583 million, a decrease of ¥21,599 million compared with the end of the previous fiscal year ended March 31, 2024.

<Net cash provided by (used in) operating activities>

Net cash used in operating activities was ¥6,049 million, compared with ¥5,022 million provided in the same period a year earlier. The main factors are an increase in trade receivables of ¥9,731 million, an increase in inventories of ¥5,663 million, and income taxes paid of ¥4,217 million, despite profit before income taxes of ¥11,883 million.

<Net cash provided by (used in) investing activities>

Net cash used in investing activities was ¥4,741 million, compared with ¥2,213 million used in the same period a year earlier. The main factors are purchase of property, plant and equipment of ¥3,923 million and purchase of intangible assets of ¥823 million.

<Net cash provided by (used in) financing activities>

Net cash used in financing activities was ¥10,395 million, compared with ¥7,005 million used in the same period a year earlier. The main factors are repayments of long-term borrowings of ¥3,363 million, dividends paid of ¥2,949 million, purchase of treasury shares of ¥2,712 million, and repayments of finance lease liabilities of ¥1,520 million.

- (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements  
No changes have been made to the earnings forecasts that were announced on October 29, 2024.

## 2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto

### (1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	64,279	42,679
Notes and accounts receivable - trade	25,260	34,550
Merchandise and finished goods	17,716	22,766
Work in process	653	650
Raw materials and supplies	1,093	1,124
Other	8,778	6,599
Allowance for doubtful accounts	(220)	(219)
Total current assets	117,561	108,151
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,010	14,035
Accumulated depreciation	(9,787)	(9,714)
Accumulated impairment loss	(921)	(902)
Buildings and structures, net	3,301	3,418
Machinery, equipment and vehicles	2,949	2,956
Accumulated depreciation	(2,496)	(2,536)
Accumulated impairment loss	(36)	(36)
Machinery, equipment and vehicles, net	417	382
Tools, furniture and fixtures	26,371	28,990
Accumulated depreciation	(24,240)	(24,768)
Accumulated impairment loss	(1,080)	(1,073)
Tools, furniture and fixtures, net	1,050	3,148
Land	3,958	3,955
Leased assets	7,137	7,498
Accumulated depreciation	(3,457)	(3,200)
Accumulated impairment loss	(449)	(446)
Leased assets, net	3,229	3,851
Right-of-use assets	2,760	2,352
Construction in progress	1,183	1,133
Total property, plant and equipment	15,901	18,242
Intangible assets		
Goodwill	13,135	11,508
Other	12,465	12,028
Total intangible assets	25,600	23,536
Investments and other assets		
Investment securities	3,426	3,407
Deferred tax assets	1,671	2,392
Other	2,109	2,159
Allowance for doubtful accounts	(19)	(32)
Total investments and other assets	7,188	7,926
Total non-current assets	48,690	49,706
Total assets	166,252	157,857

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,598	16,465
Current portion of long-term borrowings	6,183	4,481
Lease liabilities	3,274	3,346
Accounts payable - other	10,425	7,865
Accrued expenses	10,913	10,804
Income taxes payable	4,520	3,641
Provisions	555	387
Other	3,250	2,379
<b>Total current liabilities</b>	<b>53,722</b>	<b>49,373</b>
Non-current liabilities		
Long-term borrowings	4,181	2,314
Lease liabilities	3,259	3,338
Deferred tax liabilities	385	0
Deferred tax liabilities for land revaluation	472	472
Provisions	376	335
Retirement benefit liability	2,132	2,147
Other	1,724	1,463
<b>Total non-current liabilities</b>	<b>12,530</b>	<b>10,070</b>
<b>Total liabilities</b>	<b>66,252</b>	<b>59,444</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,459	3,459
Capital surplus	6,818	6,818
Retained earnings	66,920	72,418
Treasury shares	(3,980)	(6,577)
<b>Total shareholders' equity</b>	<b>73,218</b>	<b>76,119</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,682	1,675
Deferred gains or losses on hedges	2,348	401
Revaluation reserve for land	624	624
Foreign currency translation adjustment	22,174	19,646
Remeasurements of defined benefit plans	(82)	(86)
<b>Total accumulated other comprehensive income</b>	<b>26,747</b>	<b>22,260</b>
Share acquisition rights	33	33
<b>Total net assets</b>	<b>99,999</b>	<b>98,413</b>
<b>Total liabilities and net assets</b>	<b>166,252</b>	<b>157,857</b>

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
(Consolidated statement of income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	96,078	120,709
Cost of sales	58,024	72,285
Gross profit	38,053	48,423
Selling, general and administrative expenses	30,039	36,062
Operating profit	8,013	12,361
Non-operating income		
Interest and dividend income	230	169
Rental income	59	98
Other	111	106
Total non-operating income	401	373
Non-operating expenses		
Interest expenses	488	194
Foreign exchange losses	357	430
Other	207	217
Total non-operating expenses	1,053	843
Ordinary profit	7,361	11,892
Extraordinary income		
Gain on sale of non-current assets	4	3
Gain on reversal of share acquisition rights	16	–
Total extraordinary income	20	3
Extraordinary losses		
Loss on sale of non-current assets	3	0
Loss on retirement of non-current assets	3	12
Impairment losses	0	–
Total extraordinary losses	7	12
Profit before income taxes	7,374	11,883
Income taxes	1,761	3,429
Profit	5,613	8,454
Profit attributable to owners of parent	5,613	8,454

## (Consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	5,613	8,454
Other comprehensive income		
Valuation difference on available-for-sale securities	214	(7)
Deferred gains or losses on hedges	1,932	(1,947)
Foreign currency translation adjustment	4,566	(2,528)
Remeasurements of defined benefit plans, net of tax	(50)	(4)
Total other comprehensive income	6,662	(4,487)
Comprehensive income	12,275	3,966
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,275	3,966
Comprehensive income attributable to non-controlling interests	–	–

## (3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	7,374	11,883
Depreciation	3,169	2,975
Loss on retirement of non-current assets	3	12
Impairment losses	0	–
Amortization of goodwill	964	934
Gain on reversal of share acquisition rights	(16)	–
Increase (decrease) in allowance for doubtful accounts	10	22
Increase (decrease) in provisions	(132)	(131)
Increase (decrease) in retirement benefit liability	14	(39)
Interest and dividend income	(230)	(169)
Interest expenses	488	194
Foreign exchange losses (gains)	666	(583)
Loss (gain) on sale of non-current assets	(0)	(3)
Decrease (increase) in trade receivables	(7,570)	(9,731)
Decrease (increase) in inventories	(3,098)	(5,663)
Decrease (increase) in prepaid expenses	211	(745)
Increase (decrease) in trade payables	5,845	2,218
Increase (decrease) in accounts payable - other	437	(1,878)
Increase (decrease) in accrued expenses	705	95
Other, net	(2,252)	(1,193)
Subtotal	6,590	(1,802)
Interest and dividends received	231	170
Interest paid	(466)	(200)
Income taxes paid	(1,332)	(4,217)
Net cash provided by (used in) operating activities	5,022	(6,049)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(739)	(3,923)
Proceeds from sale of property, plant and equipment	4	13
Purchase of intangible assets	(844)	(823)
Payments of contingent consideration for shares of subsidiaries	(677)	–
Other, net	44	(7)
Net cash provided by (used in) investing activities	(2,213)	(4,741)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	971	–
Repayments of long-term borrowings	(4,363)	(3,363)
Dividends paid	(1,382)	(2,949)
Repayments of finance lease liabilities	(1,418)	(1,520)
Proceeds from disposal of treasury shares	413	0
Purchase of treasury shares	(1,265)	(2,712)
Proceeds from sale and leaseback transactions	133	244
Other, net	(92)	(94)
Net cash provided by (used in) financing activities	(7,005)	(10,395)
Effect of exchange rate change on cash and cash equivalents	851	(412)
Net increase (decrease) in cash and cash equivalents	(3,344)	(21,599)
Cash and cash equivalents at beginning of period	66,360	64,182
Cash and cash equivalents at end of period	63,015	42,583



(4) Notes Regarding Consolidated Financial Statements

(A case of changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

*(Changes in depreciation method for property, plant and equipment)*

The Company and its domestic consolidated subsidiaries had previously used the declining-balance method for the depreciation of amusement machines among tools, furniture and fixtures. However, from the six months under review, this has been changed to the straight-line method.

The Group has changed its policy from the six months under review to purchase amusement machines, which had been acquired as leased assets, in principle. Taking this opportunity, the depreciation method for amusement machines was reconsidered, and as stable operation is expected, it was decided that adopting a method of evenly distributing expenses over the period of use is more in line with the actual use of amusement machines and is a method that more appropriately reflects the actual state of management.

Note that the impact of this change on the semi-annual consolidated financial statements for the current period is not significant.

(Notes regarding specific accounting for preparing semi-annual consolidated financial statements)

*(Tax expense calculation)*

Tax expenses on profit before income taxes for the six months under review are calculated by multiplying profit before income taxes for the six months under review by the reasonably estimated effective tax rate for the fiscal year including the first half under review after applying tax effect accounting.

(Segment information and other notes)

I. First six months of the fiscal year ended March 31, 2024 (April 1, 2023 to September 30, 2023)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	71,775	13,577	2,846	1,248	6,630	96,078
Inter-segment sales and transfers	8,106	20	15	–	22,748	30,891
Total	79,881	13,598	2,861	1,248	29,379	126,970
Segment profit (loss)	10,116	(459)	(302)	136	904	10,395

2. Differences between the total amount of profit or loss in reportable segments and the amount recorded on the semi-annual consolidated statement of income and details thereof  
(Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	10,395
Inter-segment eliminations	(183)
Corporate expenses (Note)	(2,198)
Operating profit on the semi-annual consolidated statement of income	8,013

Note: Corporate expenses primarily comprise general and administrative expenses not allocable to reportable segments.

3. Information regarding impairment loss of non-current assets or goodwill, etc. by reportable segment  
Nothing to note.

II. First six months of the fiscal year ending March 31, 2025 (April 1, 2024 to September 30, 2024)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	94,790	14,060	2,999	1,329	7,529	120,709
Inter-segment sales and transfers	9,989	15	4	–	28,987	38,996
Total	104,780	14,076	3,003	1,329	36,517	159,706
Segment profit (loss)	13,598	(312)	(128)	62	1,702	14,922

2. Differences between the total amount of profit or loss in reportable segments and the amount recorded on the semi-annual consolidated statement of income and details thereof  
(Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	14,922
Inter-segment eliminations	43
Corporate expenses (Note)	(2,605)
Operating profit on the semi-annual consolidated statement of income	12,361

Note: Corporate expenses primarily comprise general and administrative expenses not allocable to reportable segments.

3. Information regarding impairment loss of non-current assets or goodwill, etc. by reportable segment  
Nothing to note.

(Notes on significant changes in the amount of shareholders' equity)

Nothing to note.

(Notes regarding assumption of going concern)

Nothing to note.