

Review of the Medium-Term Management Plan

Medium-Term Management Plan FY2018-2020

Results

Net sales	Operating profit	
¥141.2 billion	¥7.0 billion	
Operating profit margin	Return on equity(ROE)	Price-to-book ratio(PBR)
5.0 %	7.9 %	1.4 times

Basic Policy

Striving for a New Stage of Growth

Achievements

Businesses for grown-ups and elderly expanded

Business opportunities were identified in non-kids segments

- TOMICA Premium for adults sold well
- Although our target for the DUEL MASTERS PLAY'S app was not achieved, the app helped stabilize our revenue

The strategy for in-house original global brands was advanced

The “third pillar” has yet to be created, but we are sowing the seeds for future generations

- Bottleman, the next hobby project, was launched
- ZOIDS failed to achieve their target and struggled

Acknowledgement of the business environment

- Decline of the birth rate in Japan
- More adults buy toys

Medium-Term Management Plan FY2021-2023

Results

Net sales	Operating profit	
¥208.3 billion	¥18.8 billion	
Operating profit margin	Return on equity(ROE)	Price-to-book ratio(PBR)
9.0 %	10.5 %	2.5 times

Basic Policy

Play will make the world better. So TOMY will greatly respond to the future global society by creating play

Ongoing challenges

- Continuing to improve ROI in the IP investment strategy
- Further strengthening foundations with the strengths of the digital game business as a starting point
- Further improving the profitability of existing brands from European and U.S. subsidiaries, and creating synergy with Fat Brain
- Continuing to build foundations in Asian markets
- Capturing the No. 1 position in the TCG category and solidifying our position in the hobby and pet toy categories

Acknowledgement of the business environment

- Rapidly declining birth rate in Japan
- Global increase in the “kidults” demographic of adults who maintain a playful spirit

Achievements

Increased strategies for exits, ages and regions, with the “right goods in the right place” as key

Generating 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.

Creation of hit products with Japan as the starting point

Create hit products and promote overseas expansion

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

Anticipating global growth with continued IP investment

Core brands × 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

Launch of new businesses under the key concept of “play”

Accumulating extensive experience toward 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

New value creation by utilizing DX in the 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

Sustainability and CSR initiatives

Set medium-term sustainability targets and KPIs and implement activities

- Establishing task forces for themes requiring cross-sectional efforts, we executed and implemented initiatives and made new proposals
- Acquired Kurumin Certification (childcare support company)
- Acquired Eruboshi Certification (3 stars) (a company that does well at empowering women)

- Rapid promotion of DX due to IT advances
- Acceleration of the digital economy
- Changes to various values through ESG and the SDGs

