

## Review of Fiscal 2023 (the fiscal year ended March 31, 2024)

### Toy Market

On a nominal retail price basis (recommended retail price), the size of the toy market in Japan topped ¥1 trillion for the first time in fiscal 2023, reaching ¥1.02 trillion. The chief factors in this result were growth in card games and trading cards and continued growth in the hobby market. In addition, the development of

the second and third generations of long-selling brands continued, as the adult market for toys expanded. These results demonstrate that the toy market still has room to grow despite Japan's falling birth rate. (Source: Japan Toy Association website)

### Performance Highlights

Since COVID-19 was downgraded to a Class 5 infectious disease in Japan, conditions in the business environment for the fiscal year ended March 31, 2024 are in a gradual recovery, with signs of a pickup in capital investment and consumer spending and so forth. Even so, conditions remain highly uncertain amid, for instance, overseas economic downturn concerns, foreign exchange fluctuations, and inflation triggered by heightened geopolitical risks and monetary tightening on a global basis.

Amid these conditions, in the Medium-Term Management Plan that commenced in the fiscal year ended March 31, 2022, we have sought to expand our target age groups and market regions, as well as expand our business domain under the vision, "Play will make the world better. So TOMY will greatly respond to the future global society by creating play." The fiscal year ended March 31, 2024 was the final year of the plan, during which we worked to achieve each of its measures by continuing to focus our efforts on six company-wide strategies, including the further targeting of exits, ages, and areas with a key of "right person in the right place."

In the fiscal year ended March 31, 2024, in Japan and other Asian regions, earnings were brisk in not only the toy business, but particularly in the toy peripheral business and the retail business. In the Americas, the mainstay operating company TOMY International, Inc. posted solid results, even though Fat Brain Holdings, LLC struggled. As a result of the above, net sales came to ¥208,326 million (up 11.2% year on year). Operating profit was ¥18,818 million (up 43.4% year on year), and ordinary profit was ¥17,807 million (up 47.9% year on year), reflecting growth in gross profit due to the increase in net sales and improvement in sales cost ratio driven by stability in shipping costs and other factors, as well as lower distribution costs in selling, general and administrative expenses. Profit attributable to owners of parent came to ¥9,808 million (up 18.0% year on year), 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 net sales, operating profit, ordinary profit, and profit attributable to owners of parent.

### Overview by Regional Segment

#### Japan

Net sales were ¥170,097 million (up 14.8% year on year), and operating profit was ¥22,265 million (up 35.1% year on year). Within the "TOMICA" range, the "Dream TOMICA" series, which embodies content that is popular with a broad range of target demographics, and the "TOMICA Premium" series both performed well. In "PLARAIL," we have been working to appeal to a wider range of age groups including through the rollout of "PLARAIL Real Class" from June, which enables both the enjoyment of displaying and the enjoyment of playing.

For "BEYBLADE X," the fourth generation of the modern version of "BEYBLADE," we launched a range of toys in July, which has garnered attention not only from children but also from adults. We began broadcasting a TV animation series from October, which expanded its popularity, and created digital tie-ins with, for example, the opening of the official metaverse world "BEYBLADE PARK" in the global metaverse platform Roblox. For "TRANSFORMERS," we launched new toys related to the newly released movie, but exports of these products fell short of our

expectations mainly due to the impact of challenging conditions in overseas toy markets.

In the event business, from Golden Week 2023 onwards we resumed TOMICA EXPO, PLARAIL EXPO, and various other events that had been postponed due to the COVID-19 pandemic. All of these events were well received by attendees. Also, sales were brisk in the retail business by virtue of a sharp recovery in footfall, including foreign tourists visiting Japan, mainly at urban KIDDY LAND stores, as well as growth in sales of goods at character specialty stores. Sales increased in the GACHA capsule toy business being developed by T-ARTS Company, as a result of the expanded installation of more large-scale

GACHA sales spaces and the expansion of age groups by making use of popular content. In amusement machines, Pokémon Mezastar continued to garner attention thanks to its characters' high popularity.

In the digital business, we pressed ahead with the digital rollout of our IP. For instance, we ramped up business mainly through a collaboration with a popular character for the card game app DUEL MASTERS PLAY'S, and in October, the launch of Nintendo Switch™ software for the long-selling board game, "THE GAME OF LIFE," was well received.

As a result of the above, net sales were ¥170,097 million (up 14.8% year on year) and operating profit was ¥22,265 million (up 35.1% year on year).

## Overseas

### Americas

Net sales were ¥30,063 million (up 1.8% year on year), and we recorded an operating loss of ¥495 million (operating loss of ¥725 million in the same period of the previous fiscal year). "Boon" and other baby products were well received, and sales of "Ag Replicas" in the agricultural machinery toy category were brisk. The plush toy series "Mocchi- Mocchi-" (overseas product name: Club Mocchi- Mocchi-) and the long-selling party game "Kurohige Kiki Ippatsu" (overseas product name: POP-UP PIRATE) developed by T-ARTS Company in Japan remained popular.

On the other hand, sales struggled at Fat Brain Holdings, LLC owing to a sluggish toy market overall.

### Europe

Net sales were ¥6,640 million (down 0.6% year on year), and we recorded an operating loss of ¥724 million (operating loss of ¥797 million in the same period of the previous fiscal year). This was partly due to declines in sales of baby products, etc., even though sales of agricultural machinery toys were solid and the party game "POP-UP PIRATE" increased in popularity.

### Oceania

Net sales were ¥2,545 million (down 7.1% year on year), partly due to declining sales of baby products, etc., despite strong sales of agricultural machinery toys and favorable sales of the plush toy series "Club Mocchi- Mocchi-."

On the other hand, operating profit was ¥189 million (up 133.8% year on year), reflecting growth in gross profit due to the improvement in our sales cost ratio driven by stability in shipping costs and other factors.

### Asia

Net sales were ¥57,869 million (up 4.3% year on year), and operating profit was ¥1,907 million (up 0.6% year on year). Sales were brisk attributable to "TOMICA," "Pokémon," "DIACLONE," and others, which gained popularity, as well as rebounding from the lockdown in China in the first quarter of the previous fiscal year. Also, the "Pokémon Ga-Olé" amusement machine sold by T-ARTS Company was well received. We also launched sales of "BEYBLADE X" in Hong Kong and Taiwan in July, and in South Korea, China, and other Asian regions since November, to coincide with the launch in Japan. The TV animation also started airing in November in Hong Kong, in December in Taiwan, and in February in South Korea and Thailand.

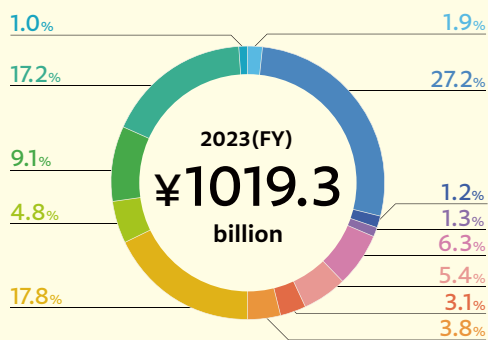
In addition to the above, manufacturing subsidiary TOMY (Hong Kong) Ltd. achieved a recovery in shipments to the Americas.

Review of Fiscal 2023 (the fiscal year ended March 31, 2024)

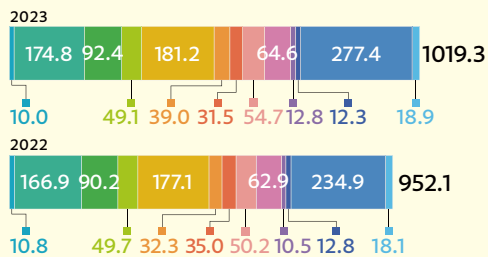
(Millions of yen)

	2023.3	2024.3	Change	Change (%)
<b>Net sales</b>	187,297	208,326	21,028	11.2
Japan	148,214	170,097	21,883	14.8
Americas	29,533	30,063	529	1.8
Europe	6,683	6,640	(42)	(0.6)
Oceania	2,741	2,545	(195)	(7.1)
Asia (other than Japan)	55,465	57,869	2,404	4.3
Eliminations and corporate	(55,340)	(58,891)	(3,550)	-
<b>Operating profit (loss)</b>	13,119	18,818	5,698	43.4
Japan	16,484	22,265	5,780	35.1
Americas	(725)	(495)	229	-
Europe	(797)	(724)	73	-
Oceania	81	189	108	133.8
Asia (other than Japan)	1,895	1,907	12	0.6
Eliminations and corporate	(3,819)	(4,324)	(505)	-

Japanese Toy Market (Billions of yen)



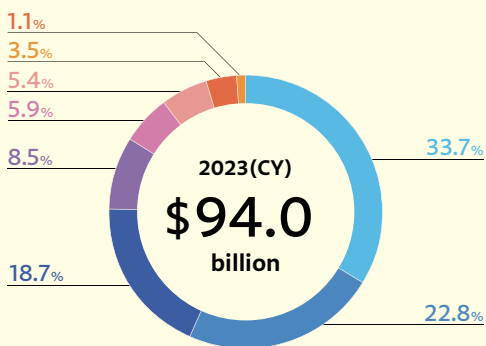
(Source: The Japan Toy Association)



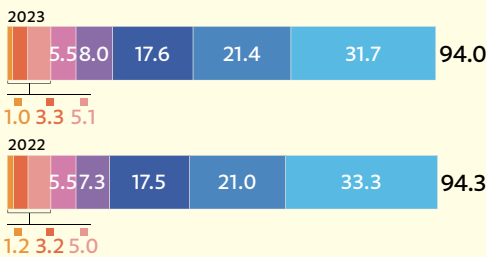
(The survey period of each year is January 1 to December 31.)

- Games
- Card games, trading card games
- Jigsaw puzzles
- Interactive toys
- Characters
- Ride-on toys
- Dolls, role play
- Stuffed toys
- Educational toys
- Seasonal toys
- Stationery, gifts, etc.
- Hobbies
- Others

Global Toy Market (Billions of U.S. dollars)



(Source: Euromonitor International)

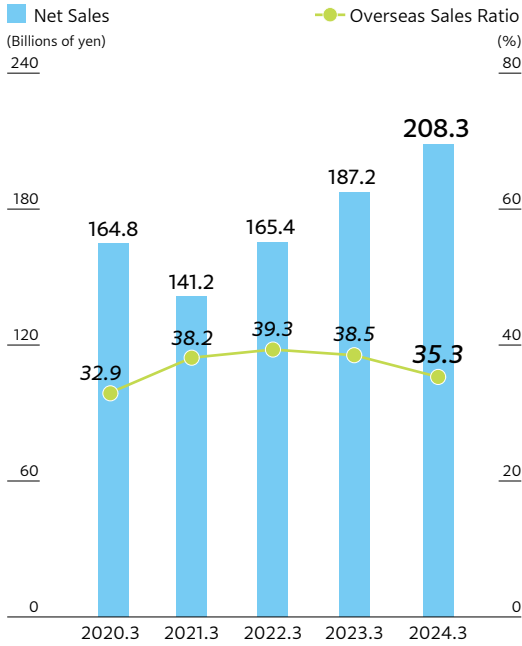


(The survey period of each year is January 1 to December 31.)

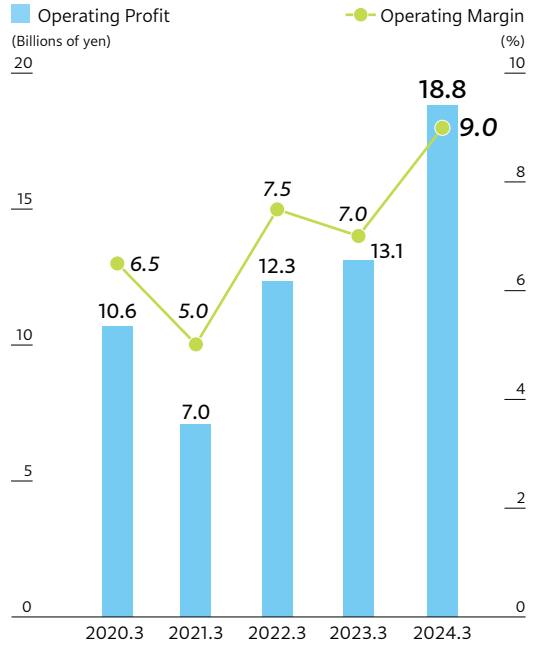
- North America
- Western Europe
- Asia Pacific (ex-Japan)
- Latin America
- Japan
- Eastern Europe
- Middle East and Africa
- Australasia

# Financial Highlights

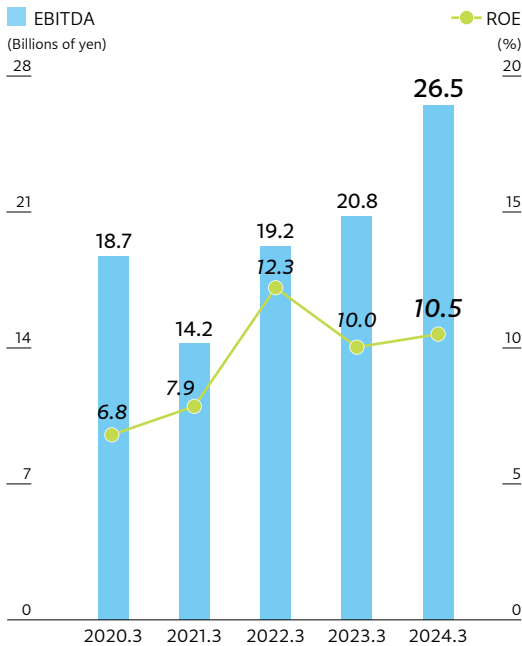
## Net Sales/Overseas Sales Ratio



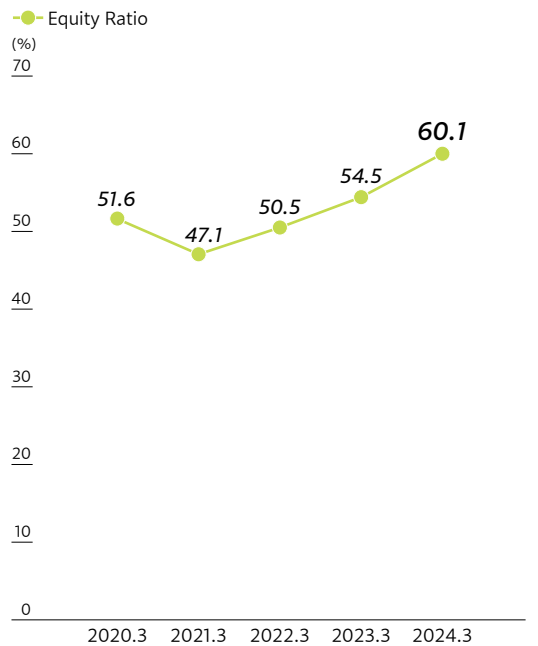
## Operating Profit/Operating Margin



## EBITDA<sup>1</sup>/Return on Equity (ROE)<sup>2</sup>



## Equity Ratio<sup>3</sup>



1. EBITDA = Operating profit + Depreciation + Amortization of goodwill

2. Return on equity = Profit attributable to owners of parent ÷ Average of total equity\* × 100

\*Equity = Net assets – Subscription rights to shares – Non-controlling interests

3. Equity ratio = Equity ÷ Total assets × 100

## Six-Year Financial and Non-Financial Summary

(Millions of yen)

	2024	2023	2022	2021	2020	2019
Net sales	208,326	187,297	165,448	141,218	164,837	176,853
Gross profit	84,960	72,348	66,606	55,256	66,364	73,478
Total selling, general and administrative expenses	66,141	59,229	54,261	48,177	55,681	59,071
Operating profit	18,818	13,119	12,344	7,079	10,683	14,407
Ordinary profit	17,807	12,043	12,666	7,170	10,204	14,303
Profit (loss) before income taxes	14,869	11,642	13,772	7,462	7,601	13,784
Profit (loss) attributable to owners of parent	9,808	8,314	9,114	5,374	4,507	9,302
EBITDA <sup>1</sup>	26,564	20,804	19,241	14,246	18,723	22,490
R&D expenses	4,971	4,542	4,607	4,066	4,666	3,963
Depreciation and amortization	7,746	7,685	6,897	7,166	8,040	8,082
Cash flows from operating activities	29,175	16,223	16,405	18,064	9,006	21,492
Cash flows from investing activities	(5,324)	(2,134)	(2,488)	(8,606)	(3,381)	(4,038)
Cash flows from financing activities	(27,149)	(13,689)	(12,991)	6,817	(12,274)	(10,057)
(As of March 31)						
Total assets	166,252	159,519	156,090	147,614	129,253	143,364
Net assets	99,999	87,167	79,174	69,928	67,410	67,315
Interest-bearing debt	10,364	29,121	35,357	42,363	29,655	35,465
<b>Per Share Data (Yen)</b>						
Earnings per share	107.73	90.66	98.23	57.07	47.30	97.85
Dividend per share	50.00	32.50	32.50	17.50	30.00	24.00
Net assets per share	1,104.07	950.39	860.74	742.45	703.07	700.26

	2024	2023	2022	2021	2020	2019
<b>Major Financial Indices</b>						
Operating margin (%)	9.0	7.0	7.5	5.0	6.5	8.1
Overseas sales ratio (%)	35.3	38.5	39.3	38.2	32.9	33.7
Return on equity (ROE) (%) <sup>2</sup>	10.5	10.0	12.3	7.9	6.8	15.2
Return on assets (ROA) (%) <sup>3</sup>	10.9	7.6	8.3	5.2	7.5	10.1
Equity ratio (%) <sup>4</sup>	60.1	54.5	50.5	47.1	51.6	46.5
Dividend payout ratio (%) <sup>5</sup>	46.4	35.8	33.1	30.7	63.4	24.5
<b>Stock Data</b>						
Stock price at year-end (Yen)	2813.5	1,481	1,221	1,005	762	1,142
PER (Times)	26.1	16.3	12.4	17.6	16.1	11.7
Number of shares outstanding (Thousand shares) <sup>6</sup>	90,543	91,554	91,623	93,656	94,797	95,239
<b>Company Data</b>						
Number of subsidiaries	35	35	34	34	32	33
Number of employees (Consolidated)	2,423	2,476	2,418	2,379	2,568	2,665
Number of employees (Non-consolidated)	553	562	557	547	541	509
Average age of employees (Non-consolidated)	44.3	44.0	43.9	43.2	42.3	41.5

1. EBITDA = Operating profit + Depreciation + Amortization of goodwill

2. Return on equity = Profit attributable to owners of parent ÷ Average of total equity\* × 100 \*Equity = Net assets - Subscription rights to shares - Non-controlling interests

3. Return on assets = Ordinary profit ÷ Total assets × 100

4. Equity ratio = Equity ÷ Total assets × 100

5. Payout ratio = Dividend per share for common stock with the record date in the corresponding fiscal year (Total) ÷ Earnings per share × 100

6. Treasury stock has been excluded from these figures.

## Our Products

TOMICA, PLARAIL and LICCA are core products that support the TOMY Group's growth. While preserving the fun of the original toys that a multitude of children have played with, we have evolved these toys in line with the times to create long-selling products that are always fresh and continue to be loved across generations.



© TOMY

TOMICA, Japan's first series of palm-sized diecast mini cars that was launched in 1970. At a time when foreign made mini cars were seeing booming popularity, the TOMICA brand was created out of the strong desire to have Japan's children play with the miniature versions of the domestically manufactured cars they were familiar with, and today the series has been loved across three generations of parents and their children. A cumulative 1,170+ models have been released, with lifetime sales of more than 745 million pieces (as of April 2024).

In recent years, TOMY has expanded its lineup of mini cars. In addition to core products, TOMY now offers the Dream TOMICA series, created through collaborations with popular characters and content, and the TOMICA Premium series, a TOMICA series for adults. In 2016, we undertook the full-scale launch of licensing activities for "tomica," a brand for adults. We aim for this to be a brand that attracts the interest of a wide range of people regardless of age or gender and have expanded our licensing efforts to include apparel, stationery, lifestyle products and so on.



**プラレール** ®



© TOMY

PLARAIL (sold by TOMY Company, Ltd.) is TOMY's signature long-selling train toy series, loved by three generations of train toy fans. Launched in 1959, the series celebrates its 65th anniversary this year. The original (1959) PLARAIL was the Plastic Train and Rail Set. Unlike other toys of that era, which were generally made of metal and wood, PLARAIL was made with plastic, a new material at the time. Its distinguishing blue rails were sized for playing on the small round tea tables around which Japanese families of that time would gather and spend quality time. The brand's rail size specifications have not changed over its 60-year existence, and the newest rails can still be connected to original rails from 1959. Moving forward, we will continue to develop the PLARAIL brand according to the same familiar and admired railway theme, releasing products that enable children to learn about society, encourage creativity and other child growth and development, and foster communication between parents and their offspring. Approximately 1,994 PLARAIL products have been released in Japan, selling more than 187.76 million units (as of March 31, 2024).

**リカちゃん** ®

LICCA, a dressable doll that debuted in 1967, was the perfect companion for playing house and dress-up. From product launch, LICCA came complete with profiles describing her age, family and friends. Always in step with the latest fashion trends, LICCA continues to be loved across two and even three generations, by children, parents and grandparents alike.



© TOMY



Our Products

TOMY



TRANSFORMERS

TRANSFORMERS toys and cartoons launched in the United States in 1984 and in Japan in 1985. This series of shape-transforming robots immediately became a worldwide hit. Celebrating its 35th anniversary in 2019, this series is loved by two generations of parents and children in more than 130 countries and regions throughout the world.



ZOIDS

This major franchise has been developed as an original IP originating from toys since 1983 and celebrates its 40th anniversary in 2023.

ZOIDS come with either electric motors or springs and feature the ability to move as if it were a real life form after assembly is complete.



THE GAME OF LIFE

The Game of Life was released in September 1968 as a board game in which players spin a roulette wheel to advance through the squares with the aim of becoming millionaires through various life events. In 2023, the game celebrated its 55th anniversary and to commemorate the occasion we launched the eighth generation of the flagship The Game of Life board game.



BEYBLADE

This series of competition-style next generation spinning tops has recorded cumulative shipments of more than 520 million units to more than 80 countries and regions throughout the world. In July of 2023, we launched sales of the fourth generation BEYBLADE X.



DUEL MASTERS

Launched in 2002 as a full-fledged trading card game easy for kids to play, this popular series has shipped more than 7 billion units and every year numerous regional events are held. At the end of 2019, we also began distributing an authentic DUEL MASTERS card game app.



ANIA

This is a series of palm-sized animal figures that can be moved and played with that have been on the market since 2013. The products can be enjoyed together with parents as elements of “three-dimensional animal encyclopedias” to stimulate the intellectual curiosity of children who are interested in different types of animals and their characteristics.

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## GROUP (DOMESTIC)



T-ARTS Company, Ltd.

### Gacha Business

Capsule toys were imported to Japan in 1965 and are now marketed by T-ARTS under the registered trademark “Gacha.” More than half a million Gacha machines have been shipped worldwide and are now widely seen in locations such as food courts, train stations and airports.



### Amusement Business

The amusement business provides a new asobi and communication that cannot be experienced at home. Introduced at events and other gatherings, amusement activities are devised to encourage interaction among players and enrich children’s imaginative powers.



### Life Business

This segment is chock full of hit products ranging from cooking toys to party goods, which generate plenty of buzz with the surprise and delight they bring to customers.



### Stuffed Toy Business

Centered on characters beloved by families worldwide, this segment markets appealing content in the form of stuffed toys.

### Candy Toy Business

As the name suggests, this segment brings together two favorites of children’s everyday lives: candy and toys. Popular content is used to offer low-priced products children can easily purchase with their allowance.

Our Products

GROUP (DOMESTIC)

**KIDDY LAND®**

KIDDY LAND CO., LTD.

KIDDY LAND is a boutique retail chain that specializes in character-based products, selling toys, cute accessories, character goods and books. As the leader of the overall culture industry, it is sensitive to the times and constantly disseminates new information and trends.



CHIIKAWA



SNOOPY TOWN



miffy style



Sumikko Gurashi Shop



Rilakkuma Store



**TOMYTEC**

TOMY TEC CO., LTD.

Boasting the top domestic share in railway models in Japan, this comprehensive hobby manufacturer is responsible for product planning and development, manufacture, sales and service.

## TOMY International (OVERSEAS)



### THE FIRST YEARS

These are baby products to help raise children, including baby bottles, tableware and strollers.



### Fat Brain

Based on its philosophy of offering children “a smarter way to play,” Fat Brain offers innovative and modern designs alongside toys that can be played with for years without getting caught up in the latest trends.



**JOHN DEERE**

### JOHN DEERE

Toy versions of global agricultural vehicles. This lineup includes a variety of products for preschoolers as well as detailed replicas.



### LAMAZE

Educational toys for infants tailored to development level and age. Developed with the advice of an infant development specialist.



### BOON

Products that eliminate the inconveniences of childcare with simple and smart designs that also meet the desire for being fashionable among those raising children.



### TOOMIES

TOOMIES are a series of infant toys and bath toys that balance classic play with excitement, allowing children to become engrossed and enjoy play as they grow.

### Games & Toys

We disseminate a wide array of games and toys for all generations that love asobi.

John Deere's products under license with Deere & Company. Lamaze® is a registered trademark of Lamaze International, Inc. ©2003-2020 Fat Brain Holdings LLC. All rights reserved. All DC characters and elements © &™ DC. WB SHIELD: © &™ WBEI. (s22)

## External Evaluations

TOMY's past annual reports have won numerous awards at the two major annual report competitions in the United States, the LACP Vision Awards and the International ARC Awards, earning kudos overseas for both their content and expressive power. We will continue to position dialogue with our stakeholders as the basis of a host of corporate activities and work to communicate information to our shareholders and investors in an easy-to-understand format.

2023



International ARC Awards Gold in the Toy Manufacture and Sales/Summary Annual Review Category



LACP [2022/2023 Vision Awards] 22nd among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Worldwide Special Achievement (Creative Category)

2022



International ARC Awards Honors in the Toy Manufacture and Sales/Summary Annual Review Category



LACP [2021/22 Vision Awards] 24th among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Most Creative Report

2021



International ARC Awards Bronze in the Toy Manufacture and Sales/Summary Annual Review Category

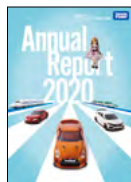


LACP [2020/21 Vision Awards] 33rd among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Most Creative Report

2020



International ARC Awards Honors in the Toy Manufacture and Sales/Summary Annual Review Category

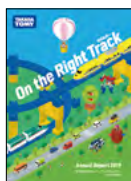


LACP [2019/20 Vision Awards] 14th among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Most Creative Report

2019



International ARC Awards Gold in the Toy Manufacture and Sales/Summary Annual Review Category

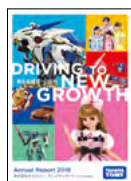


LACP [2018/19 Vision Awards] 14th among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Best Report Cover

2018



LACP [2017/18 Vision Awards] 18th among the Top 100 Worldwide; Platinum in the Consumer/Consumables Industry





## Corporate Information

<b>Company Name</b>	TOMY Company, Ltd.	<b>Major Group Companies</b>
<b>Head Office</b>	7-9-10 Tateishi, Katsushika-ku, Tokyo 124-8511, Japan	<b>Japan</b>
<b>Date of Establishment</b>	January 17, 1953	T-ARTS Company, Ltd. TOMY TEC CO., LTD. TOMY MARKETING COMPANY, LTD. KIDDY LAND CO., LTD. PENNY COMPANY, LTD. T-FIELDTEC Company, Ltd. TOMY IBIS CO., LTD.
<b>Paid-in Capital</b>	¥3,459.53 million	<b>Overseas</b>
<b>Business Domain</b>	Planning, manufacturing and selling of products such as toys, general merchandise, card games and baby care products, etc.	TOMY International, Inc. Fat Brain Holdings, LLC. TOMY Asia Limited. TOMY SOUTHEAST ASIA PTE. LTD. TOMY (Shanghai) Ltd. T-ARTS Korea Co., Ltd. TOMY (Hong Kong) Ltd. TOMY (Shenzhen) Ltd. TOMY (Thailand) Ltd. TOMY (Vietnam) Co., Ltd. T-Licensing Inc.
<b>Number of Employees</b> <small>(as of March 31, 2023)</small>	2,423 (consolidated) 553 (non-consolidated)	
<b>Number of Consolidated Subsidiaries</b>	35	

## Stock Information (as of March 31, 2024)

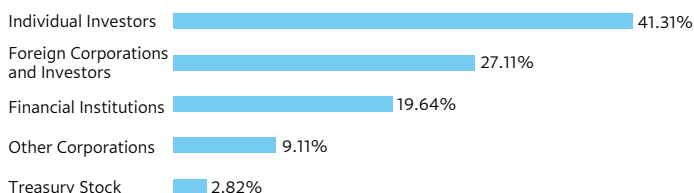
Number of Shares Authorized:  
384,000,000

Number of Shares Issued:  
93,616,650

Trading Unit of Shares:  
100

Number of Shareholders:  
162,276

### Distribution of Ownership among Shareholders



### Major Shareholders

Name	Number of Shares Held	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,592,300	14.94
Custody Bank of Japan, Ltd. (Trust Account)	7,573,844	8.32
Tsukasa Fudosan	6,565,312	7.22
Kantaro Tomiyama	2,693,766	2.96
STATE STREET BANK WEST CLIENT - TREATY 505234	1,327,950	1.46
JP MORGAN CHASE BANK 385781	1,192,131	1.31
J.P.MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SETT ACCT	1,078,404	1.19
Administration trust (account of Fumie Tomiyama) Trustee SMBC Trust Bank Ltd.	1,000,000	1.10
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Retirement Benefit Trust Account)	900,000	0.99
Akio Tomiyama	835,100	0.92

1. TOMY owns 2,638,697 shares as treasury stock, but is excluded from the above list of major shareholders.

2. The percentages shown by [Major Shareholders] are calculated excluding treasury stock.

3. TOMY has implemented a Stock Issuance Trust for Directors and a Stock Issuance Trust for Executive Officers. Custody Bank of Japan, Ltd. (Trust Account) (hereinafter "the Trust Account"), holds 434,000 shares of TOMY stock. TOMY shares held by the Trust Account are not included in TOMY treasury stock.