

**TOMY Company Ltd.
Fiscal Year 2018 1st Half (6 months)
Results
(April 1, 2018– September 30, 2018)**

Nov 16, 2018
TSE Securities Code: 7867

Fiscal Year 2018 1st Half (6months) Highlights (April 1, 2018– September 30, 2018)

Nov 16, 2018

Hiroya Kutsuzawa
Board Director,
Senior Executive Officer & CFO
Head of Corporate Administrations
TOMY Company, Ltd.

FY2018 1st Half Consolidated Income statements



¥100 million

	FY2018 1st Half (2018/4-9)				FY2017 1st Half (2017/4-9)	Change
	Actual	Revised Forecasts (Oct 26, 2018)	Revised Forecasts (Aug 7, 2018)	Original Forecasts	Actual	
Net Sales	891	885	870	830	879	+12
Cost of Sales	531	—	—	—	527	+4
Gross Profit	360	—	—	—	352	+8
Operating Profit	70	68	55	40	65	+5
Operating Profit Margin	7.9%	7.7%	6.3%	4.8%	7.5%	+0.4%
EBITDA	110	—	—	—	111	-1
Ordinary Profit	73	71	58	38	64	+9
Profit Attributable to Owners of Parent	49	48	38	25	42	+7

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

◆ Sales

Increased due to strong sales of toys such as long-standing products and new products in Japan, as well as an increase in overseas-bound exports of “BEYBLADE BURST.”

◆ Operating Profit

Increased due to an upturn in gross profit resulting from the increase in net sales.

◆ Ordinary Profit

Increased due an upturn in foreign exchange gains, in addition to the increase in operating profit.

◆ Profit Attributable to Owners of Parent

Increased due to the increase in ordinary profit

※ *Sum of amortization of goodwill and intangible assets associated with the acquisition of TOMY International (TI): ¥2 bil for the FY under review; ¥2 bil for the previous FY
* EBITDA=Operating income + depreciation + amortization of goodwill *Dollar conversion rate: ¥110.26 during the FY under review; ¥111.06 during the previous FY

¥100million

	FY2018 1st Half (2018/4-9)	FY2017 1st Half (2017/4-9)	Change
SG&A (total)	289	286	+3
Personnel expense	96	96	0
Advertising expense	76	74	+2
R&D expenses	17	16	+1
Distribution expenses	31	32	-1
Amortization of goodwill and intangible assets associated with acquisition of TI	10	10	0
	\$9MM	\$9MM	\$0MM

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

◆ SG&A (total)

- Advertising expenses and R&D expenses increased as a result of efforts to strengthen marketing and new product development, geared to sales expansion.

Net Sales by Region

FY2018 1st Half



¥100million

Area	FY2018 1st Half (2018/4-9)	FY2017 1st Half (2017/4-9)	Change
Japan	561	534	+27
North America	167	172	-5
Europe	44	63	-19
Oceania	13	17	-4
Asia	94	78	+16
Others	8	14	-6
Total	891	879	+12
Ratio of overseas sales	37.0%	39.3%	-2.3%

* Net sales are based on customers' address and classified into country or region.

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

- ◆ **Japan**
Sales were strong of "DUEL MASTERS" and other brands, in addition to results of long-standing products of the "PLARAIL" brand and "LICCA" doll brand related products.
- ◆ **North America**
Although sales of "BEYBLADE BURST" increased, sales of character-related toys decreased.
- ◆ **Europe**
Sales of character-related toys and other products decreased, despite strong sales of agricultural machinery toys
- ◆ **Oceania**
Sales of character-related toys decreased, despite robust sales of agricultural machinery toys and baby products
- ◆ **Asia**
Results of the "TOMICA" brand were robust, in addition to attaining growth in sales of "BEYBLADE BURST."

Extraordinary Loss Breakdown

FY2018 1st Half



■ Major year-on-year items changed

¥100million

	FY2018 1st Half (2018/4-9)	FY2017 1st Half (2017/4-9)	Change
Extraordinary Loss	1.0	4.0	-3.0
Provision of Allowance for Doubtful Accounts	-	3.8	-3.8
Impairment Loss	0.9	0.1	+0.8

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

Consolidated Balance Sheets Breakdown FY2018 1st Half



Major year-on-year items changed

¥100million

account	FY2018 1st Half (2018/4-9)	FY2017 1st Half (2017/4-9)	Change
Inventories	167	192	-25
Japan	97	97	0
Overseas	82	110	-28
Elimination of unrealized profits	-12	-16	+4

Total Interest Bearing Debt	419	515	-96
Loans Payable	319	415	-96
Bonds	100	100	0

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

		<US\$ FX rate at end of FY> FY2018 ¥113.57 FY2017 ¥112.73		FY2018 1st Half (2018/4-9)	FY2017 1st Half (2017/4-9)	Change
Amortization on goodwill of TI	\$MM			163	175	-12
	¥100 million			185	198	-13
intangible assets of TI	\$MM			85	99	-14
	¥100 million			97	111	-14

Business Review for FY 2018 1H

November 16, 2018

Kazuhiro Kojima

Representative Director, President & COO

1H Review Main Points

- ▶ Net sales were close to a record high (FY2011)
- ▶ Operating profit, ordinary profit and profit were highest on record
- ▶ Strong results in the Japan segment
- ▶ The New Medium-Term Management Plan off to a solid start

Operating Results

▶ 1H: Having captured trends achieved record highs*1 exceeding original plans

[Cumulative results for the six months ended September 30, 2018]

¥100 million

	Net sales	Operating profit	Ordinary profit	Profit Attributable to Owners of Parent
Original forecasts (May 11, 2018)	830	40	38	25
Revised forecasts (Aug 7, 2018)	870	55	58	38
Revised forecasts (Oct 26, 2018)	885	68	71	48
Actual	891	70	73	49
(Reference) Actual results for the six months ended September 30, 2017	879	65	64	42

▶ Full year: Forecast predicts record-high*2 operating profit and ordinary profit

[Earnings forecasts for the full year]

¥100 million

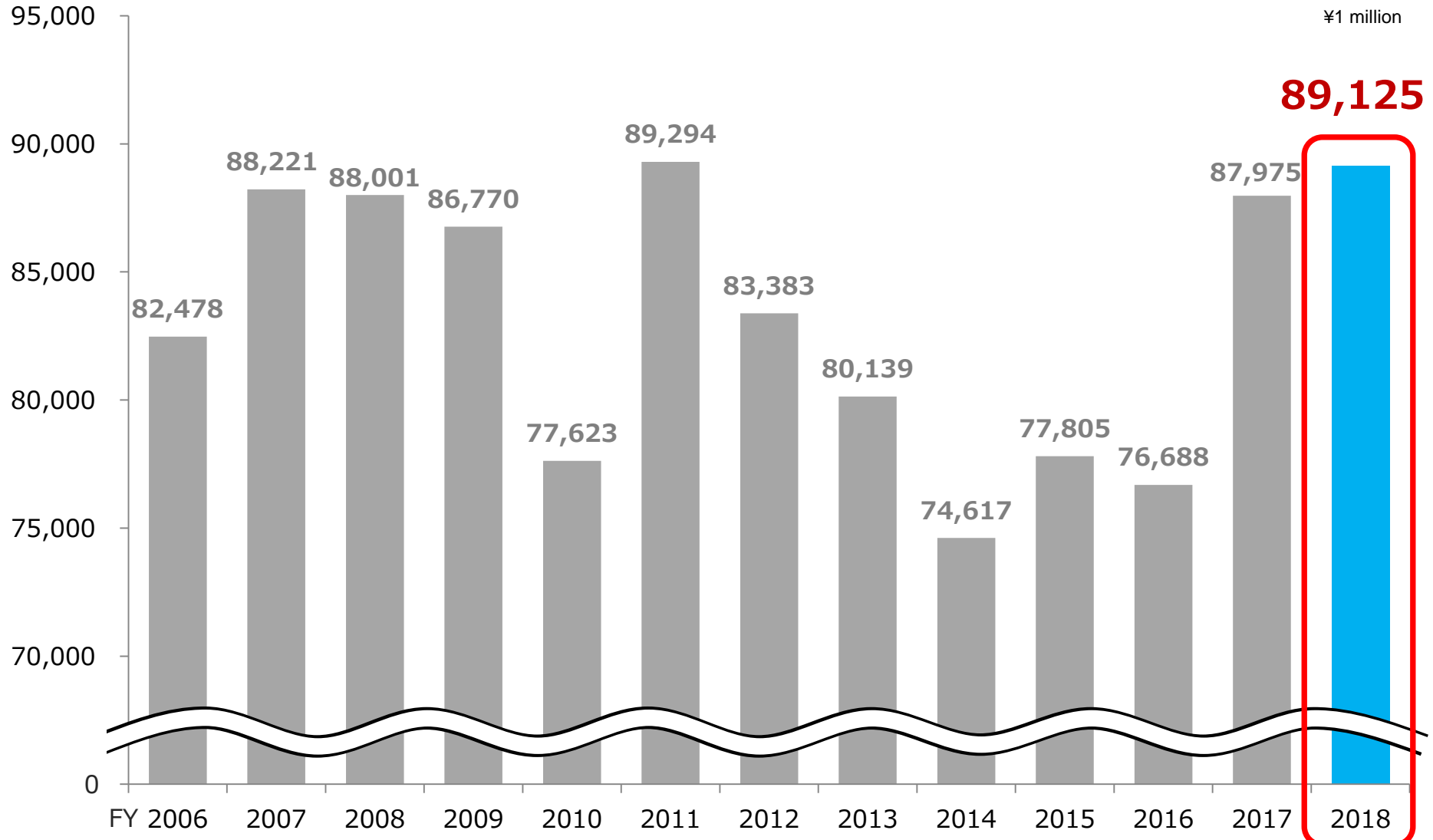
	Net sales	Operating profit	Ordinary profit	Profit Attributable to Owners of Parent
Original forecasts (May 11, 2018)	1,720	100	95	60
Revised forecasts (Oct 26, 2018)	1,785	135	135	85
(Reference) Actual results for the six months ended September 30, 2017	1,773	131	124	79

*1 After the merger in 2006 Operating profit, Ordinary profit, Profit Attributable to Owners of Parent

*2 After the merger in 2006

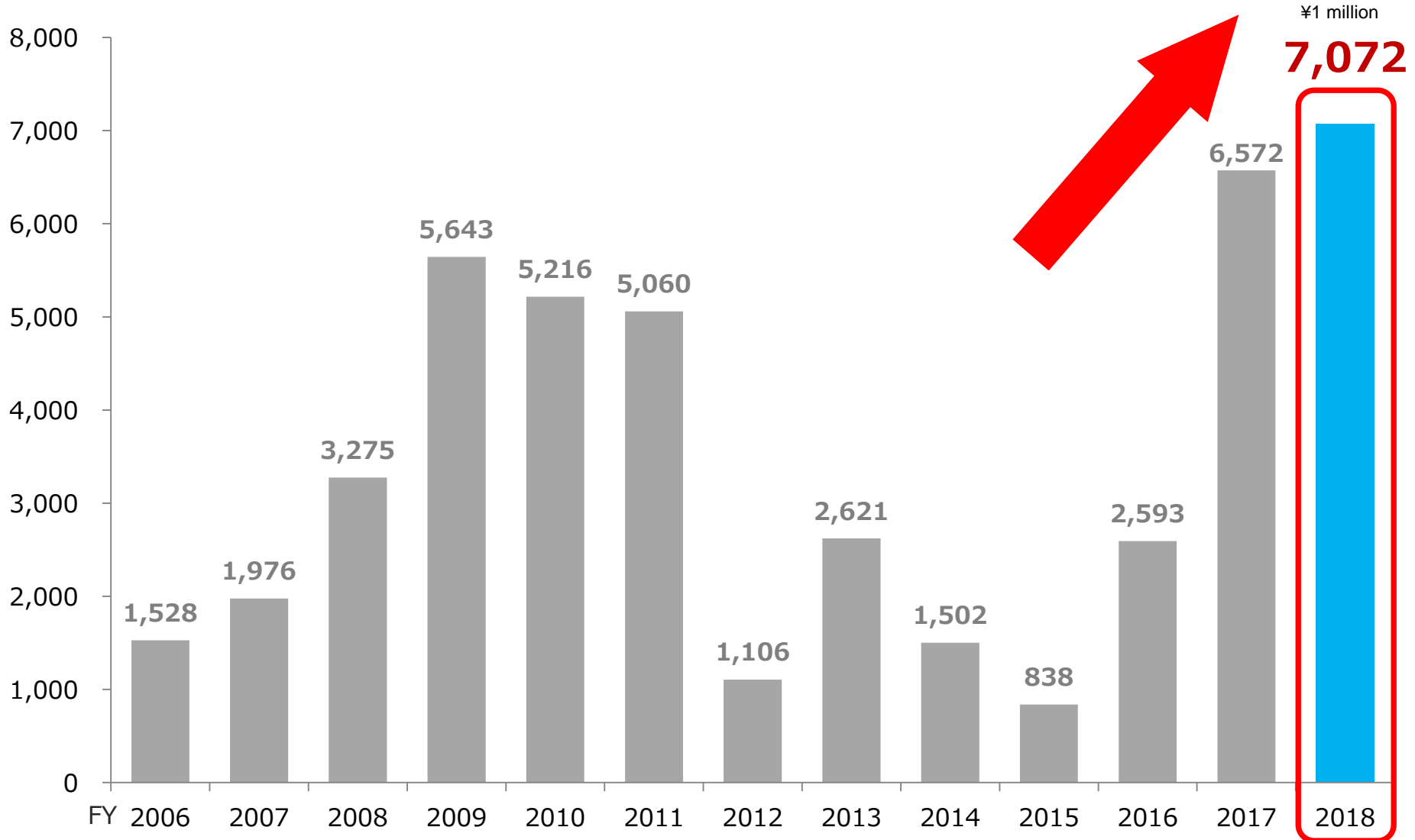
1H Operating Results (Net Sales)

▶ Net sales close to a record high* (FY2011)



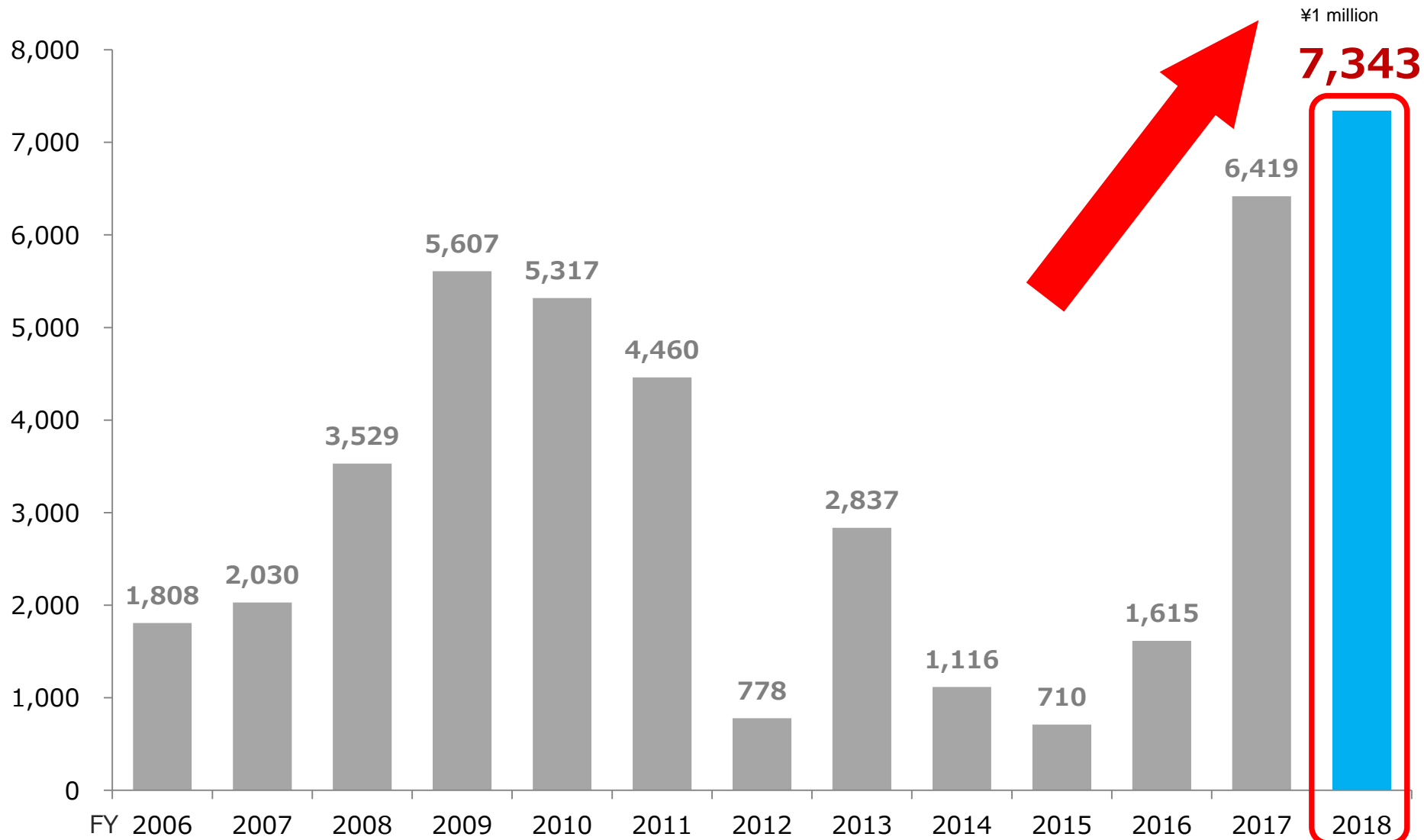
1H Operating Results (Operating Profit)

▶ Record-high* operating profit, exceeding FY2017 results



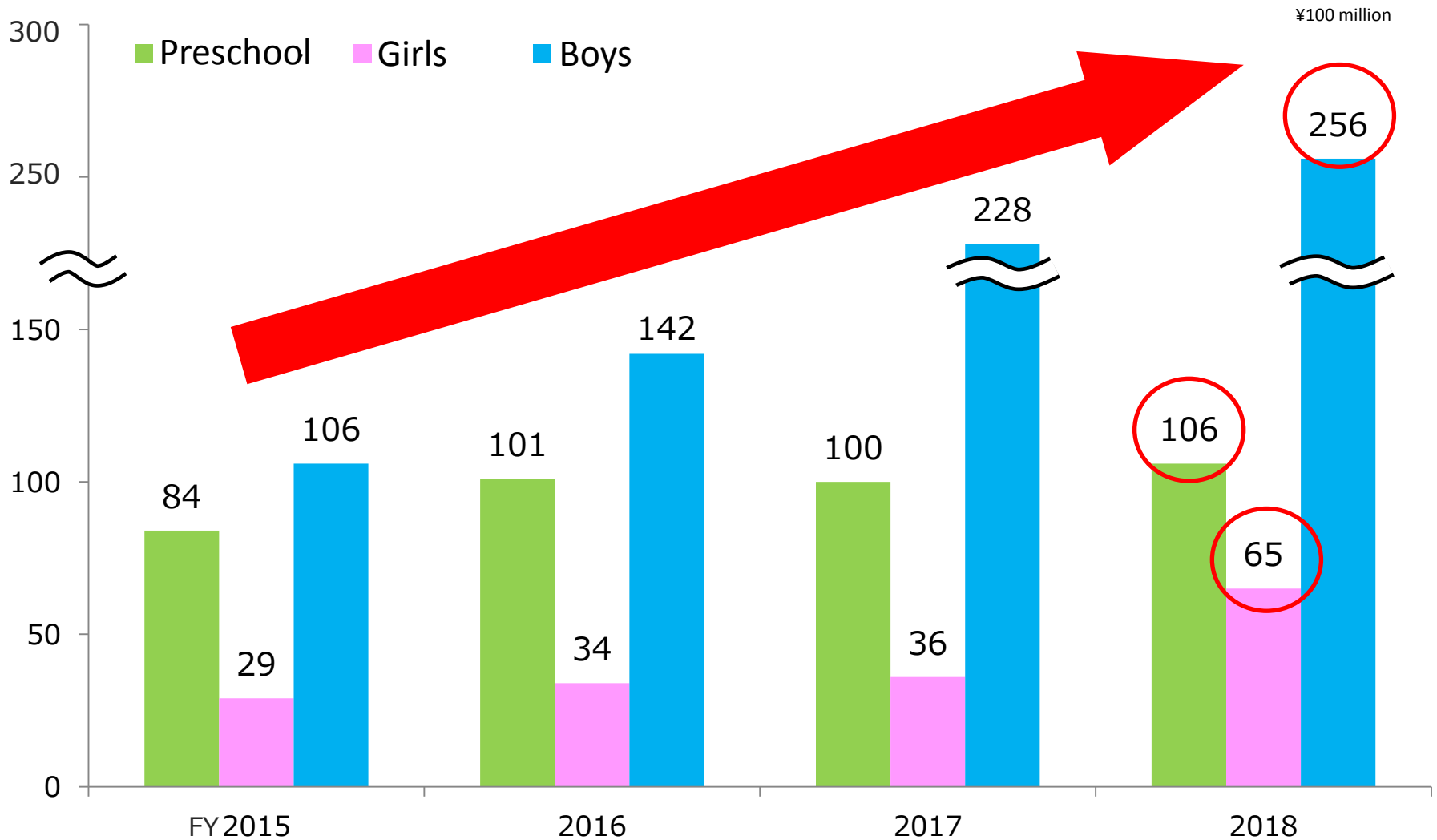
1H Operating Results (Ordinary Profit)

▶ Record-high* ordinary profit, exceeding FY2017 results



1H Operating Results (Net Sales by Core Categories)

▶ Results exceed those of FY2017 in each of the core categories



Product Trends

▶ Long-standing products achieved strong results

リカちゃん®

LICCA doll

- ✓ Dolls, houses and other related products were well-received



プラレール®

PLARAIL

- ✓ Sales of "SHINKALION"-related products were robust



トミカ

TOMICA

- ✓ Sales of TOMICA were robust



Product Trends

▶ Strong results achieved with original IP



- ✓ Currently broadcast across a network of 28 TBS affiliates nationwide
- ✓ This real Shinkansen train transforms into a large robot



- ✓ Currently broadcast by affiliates of TV TOKYO and BS TV TOKYO
 - ✓ Live action series aimed at girls
 - ✓ Successful events attracting more than 100,000 visitors overall
- * Visitor numbers include up until October 31, 2018.



- ✓ Cumulative global sales of more than ¥83 billion
- ✓ Major original IP in its 35th year

Product Trends

- ▶ Strong results from content in the top product category

BEYBLADE BURST (boys' hobby)



- ✓ Strong results overseas including the Asian region
- ✓ Sold in more than 80 countries and regions around the world
- ✓ Cumulative sales in Japan of more than 20 million units

DUEL MASTERS (TCG)



- ✓ Increased sales due to success in enhancing product appeal
- ✓ With this year marking the 17th year since its launch in 2002, it has grown into a brand adored by children as well as adults

Product Trends

▶ Building a new category of “surprise toys”

ハッピーサプライズ! happy Surprise!

Shipments in Japan topped 1 million units

Started sales in September 18, 2018

Started sales in September 18, 2018

Total shipments in Japan of more than 550 thousand items

LOL
SURPRISE!

ハッピーサプライズ!



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©2017 MGA Entertainment, Inc.

Disney
DOORABLE'S



© Disney

ピクミン
ポップ
サプライズ!



© TOMY
©MOOSE TOYS PTY LTD.2018

HATCHIMALS
うまれで!
WOMO
ウーモ



© TOMY

Product Trends

▶ Promoting overseas expansion of our original IPs

MIRACLE TUNES!



Started broadcasting a localized version in Italy in October 2018

BEYBLADE BURST



World championship was held in November 2018.
[Venue: France (Paris)]

TRANSFORMERS



Sold in more than 130 countries and regions around the world

DRIVE HEAD



[Broadcasts of TV animation series overseas]
Started broadcasting in 2017: South Korea
Started broadcasting in 2018: Hong Kong, Taiwan and Thailand

ZOIDS WILD



[South Korea]
• Started developing as a toy in August 2018
• Started broadcasts of TV animation series in October 2018

Overseas Business

▶ Introduction of original hit products from Japan

- ✓ Printoss, Product name overseas: KiiPix
Launched from this summer in 12 countries in regions such as Europe, North America and Australia[※]



© TOMY

Enables users to print images taken on a smartphone without the need for batteries



- ✓ Other original hit products are slated for future release

Topics in 2H

▶ Products chosen for inclusion as “2018 Christmas toys selected by toy stores”

TOMY gained first-place ranking in 3 of 5 categories

Toys for girls category

1st



“L.O.L. SURPRISE! Series 3 9 SURPRISE! CONFETTI POP”

© T O M Y © M G A

Games and puzzles category

1st



“THE GAME OF LIFE”

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Variety category

1st



“HATCHIMALS (“Umarete! Woomo Nazotama ver. 2”)

© T O M Y

Toys for girls category

2nd



“AQUA CURL MISAKI-CHAN”

© T O M Y

Toys for boys category

2nd



“BEYBLADE BURST B-126 Cho-Z Musou Bey Stadium”

©Hiro Morita, BBBProject, TV TOKYO © T O M Y

Toys for boys category

3rd



“ZOIDS WILD ZW01 WILD LIGER”

© T O M Y / Z W 製作委員会・M B S

Games and puzzles category

3rd



“VIRTUAL MASTERS SPIRITS 360° (Red/Blue)”

© T - A R T S

Toys for girls category

3rd



“Sumikkogurashi Sumikko Atsume”

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Topics Going Forward

To be released on February 28, 2019!



Game software for Nintendo Switch™



U.S. nationwide release of TRANSFORMERS the movie in December 2018



Release in Japan slated for spring 2019

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リカちゃん 莉卡



SHANGHAI TAKASHIMAYA

Amusement machines actively under development

Started sales in China! (From September 18)

Major hit animated series in Europe and North America

Trolls

Launch of toys from late December 2018!



More in the pipeline!

- ✓ New Contents for Preschool
- ✓ New Contents for Boys

95th anniversary

2014

2015

2016

2017

2018

2019

2020

Previous Medium-Team Management Plan (FY2014~2017)

New Medium-Team Management Plan (FY2018~2020)



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