

Translation

Notice: This English version is a translation of the original Japanese document and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.



MEMBERSHIP
May 9, 2023

CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended March 31, 2023 <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
Representative: Kazuhiro Kojima, Representative Director, President & COO
Inquiries: Goshiro Ito,
Senior Executive Officer, CFO, Head of Corporate Administrations
TEL: +81-3-5654-1548 (from overseas)

Scheduled date of ordinary general meeting of shareholders: June 23, 2023
Scheduled date to commence dividend payments: June 26, 2023
Scheduled date to file securities report: June 26, 2023
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 earnings forecasts for the fiscal year ended March 31, 2023

(From April 1, 2022 to March 31, 2023)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	187,297	13.2	13,119	6.3	12,043	(4.9)	8,314	(8.8)
March 31, 2022	165,448	17.2	12,344	74.4	12,666	76.7	9,114	69.6

Note: Comprehensive income
Fiscal year ended March 31, 2023 ¥11,923 million [(11.4)%]
Fiscal year ended March 31, 2022 ¥13,460 million [123.3%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
	yen	yen	%	%	%
March 31, 2023	90.66	90.59	10.0	7.6	7.0
March 31, 2022	98.23	98.17	12.3	8.3	7.5

Reference: Equity in earnings of affiliates
Fiscal year ended March 31, 2023: ¥7 million
Fiscal year ended March 31, 2022: ¥3 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
March 31, 2023	159,519	87,167	54.5	950.39
March 31, 2022	156,090	79,174	50.5	860.74

Reference: Equity

As of March 31, 2023: ¥87,012 million

As of March 31, 2022: ¥78,863 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	16,223	(2,134)	(13,689)	66,360
March 31, 2022	16,405	(2,488)	(12,991)	65,310

2. Cash dividends

	Annual dividends					Cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
March 31, 2022	–	10.00	–	22.50	32.50	3,008	33.1	4.1
March 31, 2023	–	17.50	–	15.00	32.50	2,998	35.8	3.6
March 31, 2024 (Forecast)	–	17.50	–	17.50	35.00		35.7	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024

(From April 1, 2023 to March 31, 2024)

(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
Six months ending September 30, 2023 (cumulative)	92,000	3.3	6,000	(0.2)	5,600	14.4	4,000	25.3	43.61
Fiscal year ending March 31, 2024	195,000	4.1	13,500	2.9	13,000	7.9	9,000	8.2	98.13

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - a. Changes in accounting policies due to revisions to accounting standards: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None

Note: For more details, please refer to the section of “(5) Notes Regarding Consolidated Financial Statements (Changes in accounting policies)” of “3. Consolidated Financial Statements and Significant Notes Thereto” on page 22 of the attached material.

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

As of March 31, 2023	94,990,850 shares
As of March 31, 2022	94,990,850 shares

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

As of March 31, 2023	3,435,898 shares
As of March 31, 2022	3,367,301 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2023	91,714,064 shares
Fiscal year ended March 31, 2022	92,785,249 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.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of “(4) Outlook for the Fiscal Year Ending March 31, 2024” of “1. Qualitative Information Regarding Consolidated Operating Results” on page 11 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

A financial results presentation meeting for institutional investors and analysts will be held online on May 9, 2023. Materials for the financial results presentation meeting will be available on our website on the same day.

[Attached Material]

1.	Qualitative Information Regarding Consolidated Operating Results	5
(1)	Overview of Operating Results	5
(2)	Overview of Financial Position.....	10
(3)	Cash Flows	10
(4)	Outlook for the Fiscal Year Ending March 31, 2024	11
(5)	Policy on Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2023 and the Fiscal Year Ending March 31, 2024	13
2.	Basic Approach Regarding the Selection of Accounting Standards	13
3.	Consolidated Financial Statements and Significant Notes Thereto.....	14
(1)	Consolidated Balance Sheet	14
(2)	Consolidated Statement of Income and Consolidated Statement of Comprehensive Income ...	16
	(Consolidated statement of income).....	16
	(Consolidated statement of comprehensive income).....	17
(3)	Consolidated Statement of Changes in Equity	18
(4)	Consolidated Statement of Cash Flows.....	20
(5)	Notes Regarding Consolidated Financial Statements	22
	(Notes regarding assumption of going concern).....	22
	(Changes in accounting policies).....	22
	(Additional information)	22
	(Consolidated statement of income related)	23
	(Segment information).....	25
	(Per share information).....	30
	(Significant subsequent events).....	31

1. Qualitative Information Regarding Consolidated Operating Results

(1) Overview of Operating Results

(Highlights of the Fiscal Year Ended March 31, 2023)

Toward our corporate philosophy of “in order to fulfill the dreams of all,” the TOMY Group further strengthened its toy business to build a solid management foundation, and promoted overseas expansion to transform itself into a truly Outstanding Global Company. In addition, we positioned the fiscal year ended March 31, 2023 as an important second year of the three-year Medium-Term Management Plan that covers the period from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024, and conducted management activities accordingly.

(Impacts etc. of the novel coronavirus disease (COVID-19))

Social and economic activities moved further toward normalization, including the easing of various regulations in response to COVID-19, such as restrictions on movement and border control measures, and we also saw a recovery in the flow of people to stores in the toy market.

In addition, the business environment surrounding the Company remains highly uncertain overall with the sharp rise in global raw materials prices and inflation and extreme foreign exchange fluctuations that began with the sudden deterioration in the situation in Ukraine.

(Consolidated performance)

As a result of focusing our efforts on six company-wide strategies, including the Medium-Term Management Plan strategy of strengthening our target centered on exits, ages, and areas with a key of “right person in the right place,” our operating results exceeded the initially announced consolidated results forecasts.

• Net sales

Net sales were ¥187,297 million (up 13.2% year on year). Shipments of toys were firm, and in addition to the continued popularity of amusement machines and GACHA developed by the T-ARTS Company, retail business at KIDDY LAND saw recovery in the flow of people, including foreign tourists visiting Japan, due to the relaxation of various regulations combating COVID-19 and sales of character toys increased.

For our long-standing products, we continued our efforts to plan, develop, and enhance sales of attractive products not only for children, but for adults as well. For “TOMICA,” we launched large-scale products for children, such as “TOMICA Big Fire Truck & Transforming Command Station,” and for adults, we proactively promoted new products such as the “TOMICA Premium” Series, which pursues reality.

For the trading card game “DUEL MASTERS,” which celebrated the 20th anniversary of its release this fiscal year, the TV animation was revamped in September, and we strengthened marketing through the launch of related products and so forth. Overseas-bound exports of “TRANSFORMERS” grew.

For “Punirunes,” the LCD toy with a new texture that has proved highly popular since its launch, an original toy-inspired TV animation started broadcasting from October, and related products have also gained popularity.

We also commenced development of “Metaverse Pop-up Pirate,” to enable people to play with toys in the metaverse (virtual space), providing a new play experience in digital space.

The amusement machine “Pokémon Mezastar” developed by T-ARTS Company continued to be well received, and sales increased for the T-ARTS Company’s GACHA capsule toy business mainly due to product expansion targeting adults using hit contents amid the increasing market popularity of capsule toys.

• Profit

Operating profit was ¥13,119 million (up 6.3% year on year) mainly reflecting growth in gross profit due to the increase in net sales alongside efforts to manage selling, general and administrative expenses efficiently, despite a year-on-year decrease in our gross profit margin mainly due to the impact of the weak yen.

Ordinary profit was ¥12,043 million (down 4.9% year on year) due to the recording of non-operating expenses mainly from foreign exchange losses.

Profit attributable to owners of parent decreased to ¥8,314 million (down 8.8% year on year), but this was due to the recording of extraordinary income as gain on transfer from the transfer of real estate used for offices in non-current assets in the first quarter of the previous fiscal year.

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change	Rate of change (%)
Net sales	165,448	187,297	21,849	13.2
Japan	130,289	148,214	17,925	13.8
Americas	27,093	29,533	2,440	9.0
Europe	7,206	6,683	(523)	(7.3)
Oceania	2,358	2,741	382	16.2
Asia (excl. Japan)	46,974	55,465	8,490	18.1
Eliminations and corporate	(48,474)	(55,340)	(6,865)	–
Operating profit/(loss)	12,344	13,119	775	6.3
Japan	14,039	16,484	2,444	17.4
Americas	415	(725)	(1,141)	–
Europe	47	(797)	(845)	–
Oceania	173	81	(92)	(53.2)
Asia (excl. Japan)	1,297	1,895	598	46.1
Eliminations and corporate	(3,630)	(3,819)	(189)	–

Japan

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Net sales	130,289	148,214	17,925
Operating profit	14,039	16,484	2,444

Net sales were ¥148,214 million (up 13.8% year on year), and operating profit was ¥16,484 million (up 17.4% year on year). Shipments of toys continued to be firm, and in addition to the continued popularity of amusement machines and GACHA developed by the T-ARTS Company, retail business at KIDDY LAND saw recovery in the flow of people, including foreign tourists visiting Japan, due to the relaxation of various regulations combating COVID-19, and sales of character toys increased.

Social and economic activities moved further toward normalization, including the easing of various regulations in response to COVID-19, such as restrictions on movement and border control measures, and we also saw a recovery in the flow of people to stores in the toy market. Our efforts to expand customer targets under the Medium-Term Management Plan were focused mainly on aggressive initiatives around long-standing products as well as the creation of new businesses such as digital-related business.

For our long-standing products, we continued our efforts to plan, develop, and enhance sales of attractive products not only for children, but for adults as well. For “TOMICA,” we launched large-scale products for children, such as “TOMICA Big Fire Truck & Transforming Command Station,” and for adults, we proactively promoted new products in the “TOMICA Premium” Series, which pursues reality. After launching the “Dream TOMICA Everything Ghibli!” series, a collaboration with Studio Ghibli, in November, we expanded the product line by launching a second round of products in March 2023.

To mark the 10th anniversary of the launch of our “ANIA” series of animal figures that can be moved when playing, we expanded sales as a new long-selling product, while working to strengthen the brand, including the announcement of a TV animation broadcast starting in April 2023.

For the trading card game “DUEL MASTERS,” which celebrated the 20th anniversary of its release this fiscal year, the TV animation was revamped in September for the first time in six years, and we strengthened marketing through measures such as launching related products. Overseas-bound exports of “TRANSFORMERS” expanded. For the Pokémon series, “MONSTER COLLECTION” and other related toys continue to gain in popularity, while the “Pokémon Pikatto Academy Kids PC,” a PC for kids that

enables them to learn while playing with Pokémon, enjoyed a surge in popularity. The TV animation, “PAW Patrol,” which entered its fourth year of broadcasting, further grew its popularity through the broadcasting of a new series on terrestrial television, while enjoying strong sales of related products such as “PAW Patrol Word Book.”

Furthermore, as an initiative to develop our IP on television and the internet, in April we began broadcasting the TV animation “BOTTLEMAN DX” and began streaming the online animation “TOMICA Heroes: Jobraver - Specially-equipped combined robot.” For “Punirunes,” the LCD toy with a new texture that is highly popular due to its product features integrating digital and real play and the attraction of its many characters, an original toy-inspired TV animation started broadcasting from October, and related products have also gained popularity. In “Go! Go! Vehicle Zoo,” an animation with characters from “TOMICA,” “PLARAIL,” and “ANIA,” we announced the start of TV broadcasts from April 2023 in addition to the official YouTube “Takara Tomy Channel,” as part of effort to proactively develop the Company’s intellectual property.

As new initiatives around the key word “play,” we also developed highly original products and services utilizing new technology, such as the launch of “coemo,” a speaker that reads aloud using AI synthetic voice technology that sounds just like the voice of an actual person. We also commenced development of “Metaverse Pop-up Pirate,” to enable people to play with toys in the metaverse (virtual space), providing a new play experience in digital space.

For amusement machines developed by T-ARTS Company, sales of “Pokémon Mezastar” remained strong. In T-ARTS Company’s GACHA capsule toy business, sales also increased amid a market environment of increasing popularity of capsule toys mainly due to the expanded installation of large-scale GACHA sales spaces and product expansion targeting adults using hit contents, and sales of plush toys were also well received.

Americas

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Net sales	27,093	29,533	2,440
Operating profit/(loss)	415	(725)	(1,141)

Net sales were ¥29,533 million (up 9.0% year on year), partly due to foreign exchange effects, but we recorded an operating loss of ¥725 million (operating profit of ¥415 million in the same period of the previous fiscal year), partly due to the increase in selling, general and administrative expenses from soaring logistics costs and enhanced end-of-year promotions.

Although various regulations to combat COVID-19 have been relaxed and efforts to normalize social and economic activity made progress, with accelerated inflation, changes were observed in purchasing behavior such as focus on consumption of daily necessities.

The resulting impact was that some major toy distributors were forced to struggle to gain additional orders mainly due to excessive inventories of baby products in particular. On the other hand, sales of agricultural machinery toys such as “Ag Replicas” and “Ag Basic toys” were favorable, and sales of the plush toy series “Mocchi- Mocchi- (overseas product name: Club Mocchi- Mocchi-),” developed by T-ARTS Company in Japan, grew and the global development of toys popular in Japan was successful.

Europe

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Net sales	7,206	6,683	(523)
Operating profit/(loss)	47	(797)	(845)

Net sales were ¥6,683 million (down 7.3% year on year), mainly due to a decrease in sales of infant products and board games despite firm sales of agricultural machinery toys such as “Ag Replicas” and growth in sales of the plush toy “Club Mocchi- Mocchi-” while operating loss was ¥797 million (operating profit of ¥47 million in the same period of the previous fiscal year), mainly due to an increase in our sales

cost ratio from surging distribution costs.

In European countries, although various regulations to combat COVID-19 have been relaxed and efforts to normalize social and economic activity made progress, with accelerated inflation, changes were observed in purchasing behavior.

Oceania

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Net sales	2,358	2,741	382
Operating profit	173	81	(92)

Net sales were ¥2,741 million (up 16.2% year on year), and operating profit was ¥81 million (down 53.2% year on year). This was due to growing sales of products such as rideable-type agricultural machinery toys and the plush toy “Club Mocchi- Mocchi-” and strong sales of “Lamaze & Friends” in the infant and preschool products category.

In Oceania, although various regulations to combat COVID-19 have been relaxed and efforts to normalize social and economic activity made progress, with accelerated inflation, changes were observed in purchasing behavior.

Asia (excl. Japan)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Net sales	46,974	55,465	8,490
Operating profit	1,297	1,895	598

Net sales were ¥55,465 million (up 18.1% year on year), and operating profit was ¥1,895 million (up 46.1% year on year) mainly due to global expansion of digital related business, with a gain in popularity of “Punirunes,” the LCD toy with a new texture that originated in Japan, and favorable performance of T-ARTS Company’s amusement machines.

Various regulations to combat COVID-19 were implemented depending on country and region. Furthermore, although restrictions on behavior including lockdowns implemented in some cities in China were eased, we saw events such as resurgence of COVID-19 that had temporary impacts on purchasing behavior. Amid these conditions, we offered long-standing products in Japan such as “TOMICA,” “PLARAIL,” “LICCA doll,” and “ANIA,” and sales were particularly favorable, such as for single-pack “TOMICA” vehicles and “DIACLONE.”

(2) Overview of Financial Position

Assets, Liabilities and Net Assets

<Assets>

At the end of the fiscal year ended March 31, 2023, current assets stood at ¥111,664 million, up ¥1,339 million from the end of the previous fiscal year ended March 31, 2022. This is mainly attributable to an increase in cash and deposits.

Non-current assets stood at ¥47,854 million, up ¥2,088 million from the end of the previous fiscal year. This is mainly attributable to an increase in right-of-use assets.

<Liabilities>

At the end of the fiscal year ended March 31, 2023, current liabilities stood at ¥53,056 million, up ¥3,129 million from the end of the previous fiscal year. This was mainly attributable to increases in notes and accounts payable - trade, short-term borrowings, and lease liabilities, despite a decrease in income taxes payable.

Non-current liabilities stood at ¥19,295 million, down ¥7,693 million from the end of the previous fiscal year. This was mainly attributable to a decrease in long-term borrowings, despite an increase in lease liabilities.

<Net assets>

At the end of the fiscal year ended March 31, 2023, total net assets were ¥87,167 million, up ¥7,992 million from the end of the previous fiscal year. This was mainly attributable to increases in retained earnings, valuation difference on available-for-sale securities, and foreign currency translation adjustment.

(3) Cash Flows

Cash and cash equivalents at the end of the fiscal year ended March 31, 2023 was ¥66,360 million, an increase of ¥1,049 million compared with the end of the previous fiscal year ended March 31, 2022.

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

Net cash provided by operating activities was ¥16,223 million, compared with ¥16,405 million provided in the previous fiscal year. The main factors are profit before income taxes of ¥11,642 million and depreciation of ¥6,216 million.

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

Net cash used in investing activities was ¥2,134 million, compared with ¥2,488 million used in the previous fiscal year. The main factors are purchase of property, plant and equipment of ¥1,526 million and purchase of intangible assets of ¥1,083 million, despite proceeds from sale of investment securities of ¥316 million.

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

Net cash used in financing activities was ¥13,689 million, compared with ¥12,991 million used in the previous fiscal year. The main factors are repayments of long-term borrowings of ¥8,726 million, dividends paid of ¥3,691 million, and repayments of finance lease obligations of ¥3,106 million.

(Reference) Trends in Cash Flow Indicators

	FY2023	FY2022	FY2021
Equity ratio (%)	54.5	50.5	47.1
Market value equity ratio (%)	88.2	74.3	65.6
Cash flow to interest-bearing liabilities ratio (years)	1.8	2.2	2.3
Interest coverage ratio (times)	27.5	49.4	76.0

- Equity ratio: equity / total assets

- Market value equity ratio: market capitalization / total assets
- Cash flow to interest-bearing liabilities ratio: interest-bearing liabilities / operating cash flow
- Interest coverage ratio: operating cash flow / interest expenses paid

- *1. All of the figures in the table were calculated based on consolidated financial data.
- *2. Market capitalization was calculated by multiplying the closing stock price at the end of the period by the total number of issued and outstanding shares at the end of the period.
- *3. Cash flow means cash flows from operating activities.
- *4. The scope of interest-bearing liabilities is short-term borrowings and long-term borrowings of the liabilities recorded on the consolidated balance sheet.

(4) Outlook for the Fiscal Year Ending March 31, 2024

In the fiscal year ending March 31, 2024, as the final year of the Medium-Term Management Plan that began in the fiscal year ended March 31, 2022, we will flexibly respond to changes in economic activities and consumer behavior. Based on the following policy, we will work toward achieving each measure of the Medium-Term Management Plan.

- ✓ Respond to changes in consumer behavior
- ✓ Restructure our business in response to changes in the external environment (response to social conditions, yen depreciation trend and raw material price hikes)
- ✓ Practice business that leverages TOMY COMPANY's strengths (product appeal, branding, customer base)
- ✓ Ensure cost controls and liquidity in line with the business environment

Toward our corporate philosophy of “in order to fulfill the dreams of all,” the TOMY Group will further strengthen “play” to build a solid management foundation, and promote overseas expansion to transform itself into a truly Outstanding Global Company.

[Toward the Achievement of the Medium-Term Management Plan]

The TOMY Group is shifting its business focus starting point from “toys” to “play” in order to provide consumers with even more of the “excitement, amazement, enthusiasm, and smile” that “toys” inherently possess. In the Medium-Term Management Plan, we are aiming to expand our target age groups and market regions, as well as expanding 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.”

In addition, we have set a Medium-Term policy of “building a foundation to realize Sustainable Growth by leveraging our global strengths.” To press forward with these policies, we are currently working on six company-wide strategies.

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

In addition to working to expand “TOMICA” in the Asian market, we promoted the development of a diverse range of “TOMICA Premium” products aimed at the Kidults demographic. In addition, while “DIACLONE” is expanding domestically and in Asia, and the flow of people to stores is returning, we were able to achieve results in the KIDDY LAND retail business, focusing on popular characters, in expanding the customer base.

Going forward, we will continue to develop products that utilize TOMY's diverse brands and the useful brands of our IP partners in places (the right places) where they can better demonstrate their strengths.

Create hit products based in Japan

In the second year of the domestic hit of the “Punirunes” LCD toys with new texture, we started TV animation broadcasting as an original IP and achieved significant results, beginning with the start of overseas expansion. We also led the market by expanding “PAW Patrol,” an IP for preschoolers.

In TOMICA, we launched the “TOMICA Heroes: Jobraver - Specially-equipped combined robot” as new content, and we also implemented a new trial for an online animation

broadcasting with popularity.

We will continue to propose products that become No. 1 in their respective categories and strengthen initiatives with IP and overseas manufacturer partners.

Prepare for global growth by continuing to invest in IP

We generated new sales by launching visual content for the above “Punirunes” and “TOMICA Heroes: Jobraver - Specially-equipped combined robot.”

Looking ahead to the next fiscal year, we will continue to produce “ANIA Kingdom,” the first animated version of “ANIA,” an animal figure that can be moved and played with, which is now in its 10th year on the market, as well as launching the TV animation broadcast of “Go! Go! Vehicle Zoo,” the character originated from the product. We will continue to invest in IP for new growth and promote global development.

Launch new business with “play” as key

Amusement machines “Pokémon Mezastar” and “Waccha PriMagi! Studio” performed well and led the market. In addition, we newly opened a business for “Metaverse Pop-up Pirate,” in collaboration with Cluster, Inc.

We will continue to create businesses for new growth and build new markets.

Create new value by utilizing DX for the value chain

In the direct to consumer (D2C) business TOMY Company’s official online store, “Takara Tomy Mall,” we will expand business by continuing to leverage DX and providing appropriate information to customers at the right time through customer ID clustering, among other efforts.

Sustainability and CSR initiatives

To realize the TOMY Group’s Sustainability Vision, “Become friends with children around the world,” we have established targets and KPIs in line with eight material sustainability issues and are promoting initiatives to address them.

For themes that require particularly cross-departmental initiatives, the Group established the Sustainability Promotion Division, an organization under the direct supervision of the President, which oversees theme-specific task forces, with the executive officers in charge and diverse members from across the Group working to implement and promote initiatives and make new proposals.

In the fiscal year ending March 31, 2024, we will develop our business as follows.

In April, for “ANIA,” which marks the 10th anniversary of its launch in 2023, we will start the TV animation “ANIA Kingdom.” In addition, we will develop visual content in conjunction with related products, such as the commencement of television broadcasting of the animation “Go! Go! Vehicle Zoo” with individualistic characters born from “TOMICA,” “PLARAIL,” and “ANIA.”

In the summer, “BEYBLADE X,” the fourth generation of the modern version of “BEYBLADE,” will be introduced to the market. We will also work to expand sales of related products for the new “TRANSFORMERS” movie that are coming out.

We will continue to strengthen products that form the foundation of our business, such as our staple products “TOMICA,” “PLARAIL,” and “LICCA dolls,” as well as the trading card game “DUEL MASTERS,” and expand the Kidult demographic with a playful spirit, while focusing on product planning, development and marketing in other categories as well.

To expand our business domain, we will regularly update the version of the card game app “DUEL MASTERS PLAY’S” to enhance its gameplay, and strengthen mainly our digital-related projects, including amusement machines such as “Pokémon Mezastar” and “Waccha PriMagi! Studio.”

In the Asian market, we will work to expand sales of our staple “TOMICA” and “PLARAIL” products, as well as promote development of character products, amusement machines, etc.

In Europe, North America and Australia, the TOMY International Group will further strengthen its core brands of “Baby Products” and “Agricultural Machinery Toys,” as well as work to strengthen

the direct-to-consumer sales platform, a strength of the independent US toy company Fat Brain Group, that became a subsidiary of TOMY International, Inc. in October 2020, and to expand business synergies. In addition, we will further strengthen cooperation with group companies in Japan, such as T-ARTS Company, which develops the plush toy series “Mocchi- Mocchi-” (overseas product name: “Club Mocchi- Mocchi-”).

As for the business environment surrounding the Company, while regulations on measures against COVID-19 are relaxed and socioeconomic activities are in full swing, the situation will likely continue to require close monitoring due to rising resource prices, exchange rate fluctuations, and rising geopolitical risks. Even in such an unclear situation, the TOMY Group will strive to roll out our products centering on “play” and will endeavor to expand our business domain in order to achieve the goals of its Medium-Term Management Plan.

Through the above efforts, regarding full-year operating results for the fiscal year ending March 31, 2024, the TOMY Group forecasts net sales of ¥195,000 million (up 4.1% compared with the fiscal year ended March 31, 2023), operating profit of ¥13,500 million (up 2.9%), ordinary profit of ¥13,000 million (up 7.9%), and profit attributable to owners of parent of ¥9,000 million (up 8.2%).

(5) Policy on Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2023 and the Fiscal Year Ending March 31, 2024

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.

Based on the aforementioned policy, the year-end dividend per share for the fiscal year ended March 31, 2023 shall be ¥15.00, and thus, we plan to pay an annual dividend of ¥32.50 per share combined with the dividend of ¥17.50 per share paid at the end of the second quarter (interim dividend).

For the fiscal year ending March 31, 2024, we plan to pay an annual dividend of ¥35.00 per share (including a dividend at the end of the second quarter (interim dividend) of ¥17.50).

2. Basic Approach Regarding the Selection of Accounting Standards

The TOMY Group, to ensure comparability among companies and with past years, creates the Company’s consolidated financial statements based on the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapter VII and Chapter VIII)” (Ordinance of the Ministry of Finance No. 28 of 1976).

Furthermore, regarding the application of IFRS (International Financial Reporting Standards), the policy is to respond appropriately while considering various conditions in Japan and overseas.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	65,424	66,455
Notes receivable - trade	938	779
Accounts receivable - trade	19,352	20,125
Merchandise and finished goods	16,082	16,694
Work in process	837	730
Raw materials and supplies	1,096	1,100
Other	6,758	5,972
Allowance for doubtful accounts	(165)	(194)
Total current assets	110,324	111,664
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,347	13,593
Accumulated depreciation	(9,034)	(9,357)
Accumulated impairment loss	(941)	(910)
Buildings and structures, net	3,370	3,325
Machinery, equipment and vehicles	2,892	2,862
Accumulated depreciation	(2,305)	(2,335)
Accumulated impairment loss	(36)	(35)
Machinery, equipment and vehicles, net	549	492
Tools, furniture and fixtures	24,209	24,725
Accumulated depreciation	(22,344)	(22,779)
Accumulated impairment loss	(947)	(960)
Tools, furniture and fixtures, net	918	985
Land	3,916	3,933
Leased assets	8,425	8,746
Accumulated depreciation	(3,663)	(4,791)
Accumulated impairment loss	(378)	(393)
Leased assets, net	4,383	3,561
Right-of-use assets	-	2,916
Construction in progress	387	423
Total property, plant and equipment	13,526	15,638
Intangible assets		
Goodwill	15,988	15,616
Right of using trademark	3,740	3,935
Other	6,161	6,179
Total intangible assets	25,890	25,731
Investments and other assets		
Investment securities	2,970	2,979
Deferred tax assets	1,215	1,483
Other	2,230	2,033
Allowance for doubtful accounts	(66)	(10)
Total investments and other assets	6,349	6,485
Total non-current assets	45,766	47,854
Total assets	156,090	159,519

(Millions of yen)

As of March 31, 2022

As of March 31, 2023

Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,958	9,213
Short-term borrowings	7,628	10,043
Current portion of long-term borrowings	8,834	8,901
Lease liabilities	2,686	3,198
Accounts payable - other	7,502	7,276
Accrued expenses	8,183	8,058
Income taxes payable	2,422	1,562
Provision for product warranties	297	245
Provision for bonuses for directors (and other officers)	246	139
Provision for share awards for directors (and other officers)	85	47
Provision for share awards	85	41
Other	2,995	4,328
Total current liabilities	49,927	53,056
Non-current liabilities		
Long-term borrowings	18,894	10,177
Lease liabilities	1,626	3,669
Deferred tax liabilities	770	431
Deferred tax liabilities for land revaluation	472	472
Retirement benefit liability	2,585	2,597
Provision for retirement benefits for directors (and other officers)	206	214
Allowance for recall-NCL	37	186
Other	2,396	1,546
Total non-current liabilities	26,989	19,295
Total liabilities	76,916	72,352
Net assets		
Shareholders' equity		
Share capital	3,459	3,459
Capital surplus	8,014	8,147
Retained earnings	55,472	60,092
Treasury shares	(3,374)	(3,587)
Total shareholders' equity	63,571	68,112
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,103	1,317
Deferred gains or losses on hedges	800	680
Revaluation reserve for land	624	624
Foreign currency translation adjustment	13,158	16,712
Remeasurements of defined benefit plans	(395)	(433)
Total accumulated other comprehensive income	15,291	18,900
Share acquisition rights	310	154
Total net assets	79,174	87,167
Total liabilities and net assets	156,090	159,519

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	165,448	187,297
Cost of sales	98,842	114,948
Gross profit	66,606	72,348
Selling, general and administrative expenses	54,261	59,229
Operating profit	12,344	13,119
Non-operating income		
Interest and dividend income	56	195
Rental income	148	151
Foreign exchange gains	314	–
Infection prevention cooperation money	85	0
Other	210	231
Total non-operating income	816	579
Non-operating expenses		
Interest expenses	332	612
Foreign exchange losses	–	688
Provision to allowance for recall	–	174
Expenses related to assets for rent	35	31
Other	125	147
Total non-operating expenses	493	1,654
Ordinary profit	12,666	12,043
Extraordinary income		
Gain on sale of non-current assets	1,930	6
Gain on reversal of share acquisition rights	137	54
Subsidies for employment adjustment	38	–
Other	69	–
Total extraordinary income	2,175	61
Extraordinary losses		
Impairment losses	790	15
Loss on COVID-19	221	32
Business restructuring expenses	–	147
Loss on withdrawal from business	–	260
Other	58	6
Total extraordinary losses	1,070	462
Profit before income taxes	13,772	11,642
Income taxes - current	4,335	3,839
Income taxes - deferred	322	(511)
Total income taxes	4,658	3,328
Profit	9,114	8,314
Profit attributable to owners of parent	9,114	8,314

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	9,114	8,314
Other comprehensive income		
Valuation difference on available-for-sale securities	275	213
Deferred gains or losses on hedges	195	(120)
Foreign currency translation adjustment	3,883	3,553
Remeasurements of defined benefit plans, net of tax	(7)	(37)
Total other comprehensive income	4,346	3,608
Comprehensive income	13,460	11,923
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,460	11,923
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statement of Changes in Equity
Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,459	9,211	48,226	(2,307)	58,590
Changes during period					
Dividends of surplus			(1,868)		(1,868)
Profit attributable to owners of parent			9,114		9,114
Cancellation of treasury shares		(1,198)		1,198	–
Purchase of treasury shares				(2,265)	(2,265)
Disposal of treasury shares		0		1	1
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,197)	7,245	(1,066)	4,981
Balance as of March 31, 2022	3,459	8,014	55,472	(3,374)	63,571

	Accumulated other comprehensive income						Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	828	605	624	9,275	(388)	10,944	393	69,928
Changes during period								
Dividends of surplus								(1,868)
Profit attributable to owners of parent								9,114
Cancellation of treasury shares								–
Purchase of treasury shares								(2,265)
Disposal of treasury shares								1
Net changes in items other than shareholders' equity	275	195	–	3,883	(7)	4,346	(82)	4,264
Total changes during period	275	195	–	3,883	(7)	4,346	(82)	9,246
Balance as of March 31, 2022	1,103	800	624	13,158	(395)	15,291	310	79,174

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,459	8,014	55,472	(3,374)	63,571
Changes during period					
Dividends of surplus			(3,694)		(3,694)
Profit attributable to owners of parent			8,314		8,314
Cancellation of treasury shares					–
Purchase of treasury shares				(669)	(669)
Disposal of treasury shares		133		456	589
Net changes in items other than shareholders' equity					
Total changes during period	–	133	4,620	(213)	4,540
Balance as of March 31, 2023	3,459	8,147	60,092	(3,587)	68,112

	Accumulated other comprehensive income						Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,103	800	624	13,158	(395)	15,291	310	79,174
Changes during period								
Dividends of surplus								(3,694)
Profit attributable to owners of parent								8,314
Cancellation of treasury shares								–
Purchase of treasury shares								(669)
Disposal of treasury shares								589
Net changes in items other than shareholders' equity	213	(120)	–	3,553	(37)	3,608	(156)	3,452
Total changes during period	213	(120)	–	3,553	(37)	3,608	(156)	7,992
Balance as of March 31, 2023	1,317	680	624	16,712	(433)	18,900	154	87,167

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	13,772	11,642
Depreciation	5,806	6,216
Impairment losses	790	15
Amortization of goodwill	1,551	1,853
Gain on reversal of share acquisition rights	(137)	(54)
Subsidies for employment adjustment	(38)	–
Loss on COVID-19	221	32
Business restructuring expenses	–	147
Loss on withdrawal from business	–	260
Increase (decrease) in allowance for doubtful accounts	0	(39)
Increase (decrease) in provisions	389	7
Increase (decrease) in retirement benefit liability	66	41
Interest and dividend income	(56)	(195)
Interest expenses	332	612
Foreign exchange losses (gains)	219	295
Loss (gain) on sale of property, plant and equipment	(1,895)	(3)
Loss (gain) on sale of investment securities	(23)	(31)
Decrease (increase) in trade receivables	(1,373)	38
Decrease (increase) in inventories	(2,432)	195
Decrease (increase) in prepaid expenses	(296)	(133)
Decrease (increase) in advance payments to suppliers	(457)	731
Increase (decrease) in trade payables	450	(118)
Increase (decrease) in accounts payable - other	1,688	(217)
Increase (decrease) in accrued expenses	837	(399)
Other, net	221	708
Subtotal	19,633	21,607
Interest and dividends received	55	189
Interest paid	(331)	(589)
Proceeds from subsidies for employment adjustment	38	–
Payments associated with loss on COVID-19	(153)	(27)
Payments of business restructuring expenses	–	(147)
Income taxes paid	(2,836)	(4,808)
Net cash provided by (used in) operating activities	16,405	16,223
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,939)	(1,526)
Proceeds from sale of property, plant and equipment	1,811	2
Purchase of intangible assets	(1,467)	(1,083)
Proceeds from sale of investment securities	69	316
Other, net	36	156
Net cash provided by (used in) investing activities	(2,488)	(2,134)

(Millions of yen)

Fiscal year ended March 31, Fiscal year ended March 31,
2022 2023

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	507	2,067
Repayments of long-term borrowings	(8,026)	(8,726)
Dividends paid	(1,869)	(3,691)
Repayments of finance lease liabilities	(2,751)	(3,106)
Purchase of treasury shares	(2,265)	(669)
Proceeds from disposal of treasury shares	1	309
Proceeds from sale and leaseback transactions	1,584	306
Other, net	(171)	(179)
Net cash provided by (used in) financing activities	(12,991)	(13,689)
Effect of exchange rate change on cash and cash equivalents	837	649
Net increase (decrease) in cash and cash equivalents	1,762	1,049
Cash and cash equivalents at beginning of period	63,548	65,310
Cash and cash equivalents at end of period	65,310	66,360

(5) Notes Regarding Consolidated Financial Statements
(Notes regarding assumption of going concern)
Nothing to note.

(Changes in accounting policies)

(Application of ASU 2016-02 “Leases”)

At consolidated subsidiaries outside Japan adopting US GAAP, Accounting Standards Update No. 2016-02 “Leases” (“ASU 2016-02”) has been applied from the beginning of the fiscal year ended March 31, 2023. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. In applying ASU 2016-02, in accordance with the transition requirements, a method has been adopted to recognize the cumulative effect of accounting change at the date of initial application.

As a result, as of March 31, 2023, “right-of-use assets” in property, plant and equipment increased by ¥2,916 million, “lease liabilities” in current liabilities increased by ¥580 million, and “lease liabilities” in non-current liabilities increased by ¥2,549 million. The impact on profit and loss for the fiscal year under review was immaterial.

(Additional information)

(Performance-linked stock-based compensation system for Directors and Performance-linked stock-based compensation system for Executive Officers)

The Company and some of its subsidiaries have introduced the “Performance-linked stock-based compensation system for Directors” and the “Performance-linked stock-based compensation system for Executive Officers.” The former covers the Company’s directors (excluding outside directors; the same applies hereinafter) and directors (excluding part-time directors; the same applies hereinafter) of some consolidated subsidiaries, while the latter covers executive officers and senior staff of the Company and those of some consolidated subsidiaries (hereinafter collectively referred to as “executive officers, etc.”). With regard to the stock delivery trusts, the gross price method has been applied pursuant to “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (PITF No. 30, March 26, 2015).

1. Overview of transactions

This system is a stock award plan in which a trust set up through money contribution by the Company (hereinafter “the Trust”) will acquire shares of the Company and such shares of the Company will be delivered through the Trust to each of the directors and executive officers, etc. in proportion to the respective points given each of them by the Company.

2. Treasury shares remaining in the trust

Treasury shares remaining in the trust are recorded as treasury shares in shareholders’ equity at the book value at the trust. The book value and number of said treasury shares are ¥724 million and 669 thousand shares, respectively, as of March 31, 2022, and ¥556 million and 514 thousand shares, respectively, as of March 31, 2023.

(Consolidated statement of income related)

1. Impairment losses

In the fiscal year ended March 31, 2022, the TOMY Group recorded impairment losses on the following asset groups.

Use	Type	Location	Impairment losses (millions of yen)
Business assets and stores	Buildings and structures, Tools, furniture and fixtures, Intangible assets (other), Investments and other assets	Shibuya, Tokyo, etc.	716
Business assets	Machinery, equipment and vehicles, Tools, furniture and fixtures, Intangible assets (other), Investments and other assets	Seoul, South Korea	50
Business assets	Leased assets	Archon, France	19
Idle assets	Land	Mibu, Tochigi	2

The TOMY Group classifies its business assets into groups by management account, which is based on associations according to location and type of business. For idle assets, individual properties are grouped in the smallest units possible.

Regarding the above business assets and stores in Tokyo and other locations, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value of the individual assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥716 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥511 million in buildings and structures, ¥79 million in tools, furniture and fixtures, ¥50 million in intangible assets (other), and ¥74 million in investments and other assets (other). Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero.

Regarding the above business assets in South Korea, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value of the individual assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥50 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥3 million in machinery, equipment and vehicles, ¥11 million in tools, furniture and fixtures, ¥0 million in intangible assets (other), and ¥35 million in investments and other assets (other). Furthermore, the utility value was used to measure the recoverable value, and a discount rate of 3.4% was applied for the calculation of the utility value.

Regarding the above business assets in France, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥19 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥19 million in leased assets. Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero.

Regarding the above idle assets in Tochigi, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥2 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥2 million in land. Furthermore, the net sale value was used to measure the recoverable value.

For the fiscal year ended March 31, 2023, this information is omitted due to its immateriality.

2. Loss on COVID-19

During the fiscal year ended March 31, 2022, it mainly includes fixed expenses (personnel expenses and depreciation, etc.) incurred at retail stores that had temporary closures or shortening business hours following the declaration of the state of emergency, which was issued by the Japanese government, due to the effects of the spread of COVID-19.

During the fiscal year ended March 31, 2023, it mainly includes fixed expenses (personnel expenses and depreciation, etc.) incurred during the business activity suspension period following the lockdowns in Shanghai, China, due to the effects of the spread of COVID-19.

3. Business restructuring expenses

In the fiscal year ended March 31, 2023, loss arising from the decision to reorganize businesses, etc. at overseas consolidated subsidiaries of ¥147 million was recorded as business restructuring expenses.

4. Loss on withdrawal from business

In the fiscal year ended March 31, 2023, expenses relating to the withdrawal from business for the “neltip” dedicated printing machines for nail tips at the Company of ¥260 million were recorded as loss on withdrawal from business.

(Segment information)

a. Segment information

1. Overview of reportable segments

The reportable segments of the TOMY Group are constituent units of the Company whose separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of business resources and evaluating the operating results.

The TOMY Group operates toy (including nursery business) and toy peripheral businesses (including mini-capsule toys, amusement machines, toys with candy, etc.) in Japan and overseas. The TOMY Group aims to push ahead with further overseas development and transform itself into a truly global group of toy companies. For this reason, the Group's operations are classified into five reportable segments: "Japan," "Americas," "Europe," "Oceania," and "Asia (excl. Japan)."

2. Method of calculating net sales, profit or loss, assets, and other items by reportable segment

The method of accounting for reportable segment is roughly the same as the method described in "Important Items Concerning the Presentation of the Consolidated Financial Statements."

Profit of reportable segments is operating profit-based values. Intersegment sales and transfers are based on actual market values.

3. Information regarding net sales, profit or loss, assets, and other items by reportable segment

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	120,354	26,663	7,202	2,358	8,868	165,448
Inter-segment sales and transfers	9,934	429	3	–	38,106	48,474
Total	130,289	27,093	7,206	2,358	46,974	213,922
Segment profit	14,039	415	47	173	1,297	15,974
Segment assets	55,203	31,933	3,978	2,469	32,451	126,037
Other items						
Depreciation	4,837	492	105	2	255	5,693
Amortization of goodwill	–	863	–	–	687	1,551
Increase in property, plant and equipment and intangible assets	6,048	320	85	6	75	6,537

(Note) Amounts of segment liabilities are not periodically provided or used by the supreme decision-making organization of the Company.

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	135,965	29,357	6,683	2,741	12,550	187,297
Inter-segment sales and transfers	12,249	175	–	–	42,914	55,340
Total	148,214	29,533	6,683	2,741	55,465	242,637
Segment profit (loss)	16,484	(725)	(797)	81	1,895	16,938
Segment assets	50,928	34,251	3,860	2,901	31,866	123,807
Other items						
Depreciation	5,160	579	88	3	232	6,065
Amortization of goodwill	–	1,024	–	–	828	1,853
Increase in property, plant and equipment and intangible assets	4,787	168	105	1	95	5,156

(Note) Amounts of segment liabilities are not periodically provided or used by the supreme decision-making organization of the Company.

4. Differences between the total amounts in reportable segments and the amount recorded on the consolidated financial statements and details
(Reconciliation)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Reportable segments total	213,922	242,637
Inter-segment eliminations	(48,474)	(55,340)
Net sales on the consolidated financial statements	165,448	187,297

(Millions of yen)

Profit	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Reportable segments total	15,974	16,938
Inter-segment eliminations	(276)	(114)
Corporate expenses (Note)	(3,353)	(3,704)
Operating profit on the consolidated financial statements	12,344	13,119

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

(Millions of yen)

Assets	As of March 31, 2022	As of March 31, 2023
Reportable segments total	126,037	123,807
Inter-segment eliminations	(22,465)	(18,557)
Corporate assets (Note)	52,519	54,269
Total assets on the consolidated financial statements	156,090	159,519

(Note) Corporate assets primarily comprise cash and deposits not allocable to reportable segments.

(Millions of yen)

Other items	Reportable segments total		Adjustments		Amount on the consolidated financial statements	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Depreciation	5,693	6,065	112	119	5,806	6,184
Amortization of goodwill	1,551	1,853	–	–	1,551	1,853
Increase in property, plant and equipment and intangible assets	6,537	5,156	16	216	6,553	5,373

b. Related information

I. Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

1. Information by product and service

This information has been omitted as net sales to external customers in a single product or service category account for more than 90% of net sales recorded in the consolidated statement of income.

2. Regional information

(1) Net sales

(Millions of yen)

Japan	North America		Other	Total
		U.S.		
100,416	38,650	37,037	26,381	165,448

(2) Property, plant and equipment

(Millions of yen)

Japan	North America	Asia (excl. Japan)	Other	Total
9,451	781	3,268	24	13,526

3. Information by major customer

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

II. Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

1. Information by product and service

This information has been omitted as net sales to external customers in a single product or service category account for more than 90% of net sales recorded in the consolidated statement of income.

2. Regional information

(1) Net sales

(Millions of yen)

Japan	North America		Other	Total
		U.S.		
115,164	39,568	37,520	32,564	187,297

(2) Property, plant and equipment

(Millions of yen)

Japan	North America	Asia (excl. Japan)	Other	Total
8,050	3,052	3,862	672	15,638

3. Information by major customer

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

c. Information regarding impairment loss of non-current assets by reportable segment

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Impairment losses	719	–	19	–	50	–	790

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Impairment losses	1	–	14	–	–	–	15

d. Information regarding amortization of goodwill and unamortized balance by reportable segment

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Amortization expense during the fiscal year ended March 31, 2022	–	863	–	–	687	–	1,551
Balance as of March 31, 2022	–	9,186	–	–	6,801	–	15,988

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Amortization expense during the fiscal year ended March 31, 2023	–	1,024	–	–	828	–	1,853
Balance as of March 31, 2023	–	9,012	–	–	6,604	–	15,616

(Per share information)

(Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	860.74	950.39
Basic earnings per share	98.23	90.66
Diluted earnings per share	98.17	90.59

Notes: 1. Both the number of common shares as of March 31, 2023 used for calculating net assets per share and the average number of common shares during the period used for calculating basic earnings per share and diluted earnings per share exclude the portion of shares owned by the Company itself as well as the portion of the Company's shares owned by 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" (669 thousand shares as of March 31, 2022 and 397 thousand shares on average during the period; 514 thousand shares as of March 31, 2023 and 587 thousand shares on average during the period) for the respective calculations.

2. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	9,114	8,314
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	9,114	8,314
Average number of shares during the period (Thousands of shares)	92,785	91,714
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	–	–
Increase in the number of common shares (Thousands of shares)	58	70
[Of the above, share acquisition rights (Thousands of shares)]	[58]	[70]
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	Reporting entity Share acquisition rights 6 issues Number of potential shares 819 thousand shares	Reporting entity Share acquisition rights – issues Number of potential shares – thousand shares

(Significant subsequent events)

(Increase in capital of subsidiary)

At a meeting of the Board of Directors held on April 18, 2023, the Company resolved to increase the capital of TOMY UK Co., Ltd. (hereafter, “the Subsidiary”).

(1) Purpose of increase in capital

The purpose is to strengthen the financial position by repaying interest-bearing liabilities held by the Subsidiary and reducing its interest payments, thereby strengthening the financial management base of the Subsidiary and the TOMY Group.

(2) Overview of the company in scope

- (i) Name TOMY UK Co., Ltd.
- (ii) Location Exeter, Devon, United Kingdom
- (iii) Business lines Marketing of infant products and toys

(3) Overview of increase in capital

- (i) Amount of increase in capital £86 million
- (ii) Payment date To be determined