

TOMY Company, Ltd.
Fiscal Year 2021 1st Half (6 months)
Results
(April 1, 2021-September 30, 2021)

Nov 9, 2021
TSE Securities Code: 7867

Fiscal Year 2021 1st Half (6 months) Highlights (April 1, 2021-September 30, 2021)

Nov 9, 2021

Goshiro Ito
Executive Officer, Head of Corporate
Administrations

Consolidated Income Statements FY2021 1st Half

¥100 million

	FY2021 1st Half (2021/4-9)				FY2020 1st Half (2020/4-9)	Change
	Actual	Revised Forecasts (Oct 28, 2021)	Revised Forecasts (Aug 12, 2021)	Original Forecasts (May 11, 2021)	Actual	
Net sales	770	770	750	720	631	+139
Cost of Sales	459	—	—	—	395	+64
Gross Profit	310	—	—	—	235	+75
Operating profit	59	58	47	25	18	+41
Operating Profit Margin	7.7%	7.5%	6.3%	3.5%	2.9%	+4.8%
EBITDA	93	—	—	—	52	+41
Ordinary Profit	59	58	45	23	16	+43
Profit Attributable to Owners of Parent	52	52	40	28	5	+47

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

◆ Net sales

Despite the continued slump in retail business under the COVID-19 pandemic, net sales increased 21.9% year on year to ¥77.0 billion, exceeding the upward revision of forecasts in August, due to firm sales of core toy brands, as well as due to favorable performance by "DUEL MASTERS," "Pokémon Mezastar," "PAW Patrol," and "Punirunes," which was released in July, etc., and the impact of the acquisition of independent U.S. toy company the Fat Brain group last October.

◆ Operating profit

Despite the impact of prolonged disruption in international logistics and other factors, the impact of sales growth resulted in operating profit increasing 222.6% year on year to ¥5.9 billion.

◆ Profit attributable to owners of parent

In addition to the growth in operating profit, the sale of real estate for office use owned by a Hong Kong consolidated subsidiary in the 1Q resulted in profit attributable to owners of parent increasing 916.4% year on year to ¥5.2 billion.

◆ Interim dividend

A payment of interim dividend of 10 yen per share as planned was resolved at the meeting of the Board of Directors held today (November 9, 2021).

* Sum of amortization of goodwill and intangible assets associated with the acquisition of TOMY International (TI): ¥900 mil for the period under review; ¥800 mil for the same period of the previous FY
With the acquisition of independent U.S. toy company the Fat Brain group last October and it becoming a subsidiary of TOMY International, Inc., amortization of goodwill and intangible assets associated with acquisition of TI increased

* EBITDA=Operating profit + depreciation + amortization of goodwill * Dollar conversion rate: ¥109.80 during the period under review; ¥106.91 during the same period of the previous FY

SG&A Breakdown FY2021 1st Half

¥100 million

	FY2021 1st Half (2021/4-9)	FY2020 1st Half (2020/4-9)	Change
SG&A (total)	251	217	+34
Personnel expenses	84	78	+6
Advertising expenses	51	42	+9
R&D expenses	21	19	+2
Distribution expenses	33	25	+8
Amortization of goodwill and intangible assets associated with acquisition of TI	9	8	+1
	\$8 MM	\$8 MM	±\$0 MM

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

- With the acquisition of independent U.S. toy company the Fat Brain group last October and it becoming a subsidiary of TOMY International, Inc., amortization of goodwill and intangible assets associated with acquisition of TI increased by less than the displayed unit.

◆ SG&A (total)

- Costs increased compared to the same period of the previous fiscal year when stores were closed and events and promotional activities were limited due to the impact of COVID-19 (personnel expenses, advertising expenses)
- Increased distribution expenses due to prolonged disruption in international logistics

Operating Results by Segment FY2021 1st Half

¥100 million

		FY2021 1st Half (2021/4-9)	FY2020 1st Half (2020/4-9)	Change
Net sales		770	631	+139
	Japan	635	534	+101
	Americas	114	88	+26
	Europe	29	25	+4
	Oceania	11	9	+2
	Asia	242	222	+20
	Eliminations and corporate	-261	-247	-14
Operating profit / (loss)		59	18	+41
	Japan	68	27	+41
	Americas	-0	-0	±0
	Europe	1	0	+1
	Oceania	1	0	+1
	Asia	6	5	+1
	Eliminations and corporate	-17	-15	-2

◆ Operating results by segment

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

- As mentioned earlier, sales of core toy brands were strong in Japan and Asia, and sales of "DUEL MASTERS," "Pokémon Mezastar," "PAW Patrol," and "Punirunes," which was released in July, etc., were strong in Japan, with operating profit also increasing due to the increase in sales.
- The Americas, Europe, and Oceania remained strong despite the impact of disruption in international logistics.

Net Sales by Region FY2021 1st Half

¥100 million

Region	FY2021 1st Half (2021/4-9)	FY2020 1st Half (2020/4-9)	Change
Japan	472	389	+83
North America	174	141	+33
Europe	39	31	+8
Oceania	16	12	+4
Asia	64	51	+13
Others	2	4	-2
Total	770	631	+139
Ratio of overseas sales	38.7%	38.3%	+0.4%

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

* Net sales are categorized into a country or region based on the customer's location.

- ◆ Japan
 - The sales increase in Japan is as described in previous slides (core toy brands, "DUEL MASTERS," "Pokémon Mezastar," "PAW Patrol," "Punirunes," etc.).
- ◆ Europe, U.S. and Australia
 - Sales increased year on year due to strong sales of baby products and agricultural toys, as well as the impact of the acquisition of independent U.S. toy company the Fat Brain group last October.
- ◆ Asia
 - Growth mainly in core toy brands, especially in China.

Consolidated Balance Sheets Breakdown FY2021 1st Half

■ Key year-on-year items changed

¥100 million

Account	FY2021 1st Half (2021/4-9)	FY2020 1st Half (2020/4-9)	Change
Inventories	192	169	+23
Japan	94	92	+2
Overseas	112	91	+21
Elimination of unrealized profits	-13	-13	±0

Total interest bearing debt	395	450	-55
Net cash (Cash and deposits less borrowings)	204	119	+85

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

- Inventory increased due to the impact of disruption of international logistics mainly in the Americas

<US\$ FX rate at end of period> the period under review: ¥111.92,
the same period of the previous FY: ¥105.80

		FY2021 1st Half (2021/4-9)	FY2020 1st Half (2020/4-9)	Change
Goodwill balance of TI	\$MM	137	129	+8
	¥100 million	153	137	+16
Intangible assets balance of TI	\$MM	67	56	+11
	¥100 million	75	59	+16

- With the acquisition of independent U.S. toy company the Fat Brain group last October, and it becoming a subsidiary of TOMY International, Inc., goodwill and intangible assets increased

Business Review for FY 2021 1H

Kazuhiro Kojima
Representative Director, President & COO

Akio Tomiyama
Board Director, Senior Executive Officer

Market Environment

Japan

FY2021 1H ¥63.5 bil

FY2020 1H ¥53.4 bil

Change

+18.9 %

+¥10.1 bil

- The market as a whole increased slightly year on year*¹
- Although our POS have remained at the same level as the market, we were able to fully ship to stores due to sales growth in the first half
- Since September, our POS have significantly exceeded the market, and we expect to continue to see an increase in our shipments

Americas

FY2021 1H ¥11.4 bil

FY2020 1H ¥8.8 bil

Change

+29.3 %

+¥2.6 bil

- The market as a whole grew by more than 10% year on year*²
- The Fat Brain group became a subsidiary of TOMY International from October 2020, resulting in an increase in sales
- Due to the shortage of containers in the first half, shipment growth was sluggish due to lack of inventory, but it is scheduled to receive deliveries in turn from November onward, and sales for the Christmas sales season are expected to grow due to the elimination of inventory shortages going forward

Europe

FY2021 1H ¥2.9 bil

FY2020 1H ¥2.5 bil

Change

+16.6 %

+¥0.4 bil

- The UK market size was largely unchanged year on year*²
- We expect a favorable increase in sales mainly for core toy brands (games, agricultural toy, preschool)

Oceania

FY2021 1H ¥1.1 bil

FY2020 1H ¥0.9 bil

Change

+26.0 %

+¥0.2 bil

- The Australian market was lower year on year*²
- Sales increased due to shipments to a wide range of distribution channels amid ongoing retail closures due to the significant impact of the COVID-19 pandemic

Asia

FY2021 1H ¥24.2 bil

FY2020 1H ¥22.2 bil

Change

+8.6 %

+¥2.0 bil

- Repeated lockdowns and tightening policies on going out are prolonged in the Southeast Asian market
- East Asia, where the pandemic is relatively under control, is seeing more shipments than the same period last year

Figures are sales by segment

*1 April-September

*2 January-September

Preschool Toys

**1st Half
Net Sales
(¥100 million)**

FY2018 Actual

102

FY2019 Actual

111

FY2020 Actual

89

FY2021 Actual

105

+16

TOMICA

- “Transform! Deluxe Police Station,” with sounds and voices, which is a police station playset that automatically transforms with the press of a button, gained popularity. This item was awarded 1st prize in the Vehicle/Animal toys category in the “2021 Christmas toys selected by toy stores”.
- Launched “TOMICA Speedway Play-by-Play Sound! Digital Accel Circuit,” a new product that integrates analogue and digital technologies.



1位

Second half



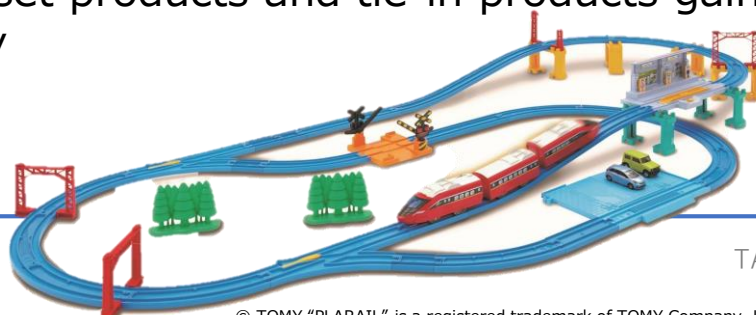
Introducing new products with the theme of “DIY” that makes time at home fun



Launching new series “TOMICA Premium unlimited” for adults

PLARAIL

- Toys related to “SHINKALION Z,” TV animation which started in April 2021, were well received
- PLARAIL set products and tie-in products gained popularity



Second half



PLARAIL’s first* launch of a new vehicle that runs electrically without batteries



Expanding new products in the “SHINKALION Z” series

Fashion Toys

**1st Half
Net Sales
(¥100 million)**

FY2018 Actual

65

FY2019 Actual

60

FY2020 Actual

36

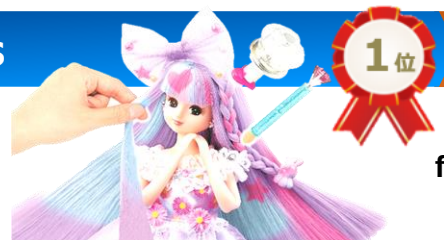
FY2021 Actual

39

+3

Fashion Dolls

- Yumeiro Licca-chan Colorful Change
Awarded 1st prize in the Dolls/Roleplay category in the "2021 Christmas toys selected by toy stores"



Launching new products for the year-end and New Year sales season



Second half



Extending the target age groups.

Character Toys

- May: Theatrical movie release of the 4th season of the Girls x Warrior Series "Police×Heroine Lovepatrina!".
- July: Began TV broadcast of 5th season of the Girls x Warrior Series, "Bitfriends×Heroine Kiramekipowers!".

Expanding sales of Girls x Warrior Series "Bitfriends×Heroine Kiramekipowers!"

November: Online event held



Second half

Collectible Feature Plush

- PRESENT PETS**
New products launched on the market in the first half



Launching new products for the year-end and New Year sales season



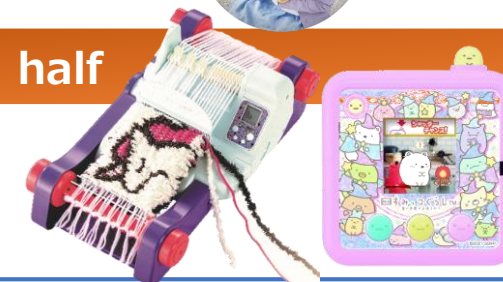
Second half

Hobby and others

- Punirunes**
Awarded 1st prize in the Variety category in the "2021 Christmas toys selected by toy stores"



Launching new products for the year-end and New Year sales season



Second half

**1st Half
Net Sales
(¥100 million)**

FY2018 Actual

256

FY2019 Actual

193

FY2020 Actual

140

FY2021 Actual

167

+27

Battle toys (multiplayer)

• BEYBLADE BURST

Overseas exports were lower than in the same period of the previous fiscal year, but domestic sales remained strong as new products rolled out in April became popular with new targets

• DUEL MASTERS

As pre-celebration of the upcoming 20th anniversary of the launch, products including highly rare cards, which made them increasingly collectible, were released and performing well.



The Nintendo Switch™ version of "Let's play DUEL MASTERS!" was released on August 5th.



Launching battle RC series new products

Worldview play

• TRANSFORMERS

Overseas exports grew in North America and Europe



Continuing overseas exports, which grew in the first half



Launching tie-in products



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©Nintendo Creatures GAME FREAK TV Tokyo ShoPro JR Kikaku
©Pokémon



©Koyoharu Gotoge / SHUEISHA, Aniplex, ufotable

We got off to a good start in the 1st half!

Arcade Game Machines (T-ARTS Company, Ltd.)



Pokémon Mezastar

Launched in September 2020,
the game's popularity has been
on the rise.

©2021 Pokémon.
©1995-2021 Nintendo/Creatures Inc. /GAME FREAK inc. Developed by T-ARTS and MARV

Waccha Primagi!

Arcade game machines based on the TV
animated series "Waccha PriMagi",
which commemorates the 10th
anniversary of the Pretty anime
franchise, is rolling out since Oct. 1st.

© T-ARTS / syn Sophia / TV TOKYO / PM Production Committee



Arcade Game of DRAGON QUEST:
the Adventure of Dai

Newly launched in October
2021.

©SR,IK/ S,D,T ©SQEX ©T-ARTS

Apps

DUEL MASTERS PLAY'S

August: 10th wave of card packs were launched.
September: "Nijisanji" tie-in started.
October: 11th wave of card packs were launched.
November: 2nd anniversary event is planned.



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Fat Brain Toy Co.



Fat Brain business:
Sales synergies with European
and Australian businesses.

Europe Business:
Games category sales are strong.

Mocchi Mocchi:
Brand originated in Japan,
achieving sales synergies
especially in North America.

Australia Business:
Broad distribution base kept the business
resilient during long lock-downs.

**Some impact of global
supply-chain issues**

Chosen as the “Best” in 4 categories!

(Up from “Best in 3 categories the previous year)

Dolls/Roleplay category



**Yumeiro Licca-chan
Colorful Change**

Vehicle/Animal toys category



**Transform! Deluxe
Police Station**

Games & puzzles category



**The Game of Life
Pinch and Chance**

Variety category



Punirunes

18 nominations across ALL 8 categories.

(Up from 16 nominations in all 8 categories in the previous year)

Play Creators Awards 2021 Winners

“Play Creators Award” sponsored by Mojo Nation in the UK

R&D TEAM OF THE YEAR

TOMY



INVENTOR RELATIONS EXEC OF THE YEAR

**Erik Quam
(Fat Brain Toys)**



TOY DESIGNER OF THE YEAR (LICENSED PRODUCT)

Developer

- Matt Bland
- Matt Jordan
- Tom Yamazaki (TOMY)

**Eligible product series
Toomies Jurassic World
(TOMY)**



RISING STAR

**Adam Carson
(Fat Brain Toys)**



HERO Items



Launch'N Haul PAW Patroller

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SHINKALION Z
SHINKALION Z Dr. YELLOW

© TOMY, ©PJ-S,J/SZ,TX



Pokémon Pikatto Academy Kids PC

©Nintendo Creatures GAME FREAK TV Tokyo ShoPro JR Kikaku
©Pokémon



No holds barred!
All-out Tank Laser
Battle Set

© TOMY



MAZICA Pack

©MAZICA PARTY PROJECT TWO © TOMY



TOMICA Transform! Deluxe Police
Station

© TOMY



SMAPHO ROTOM+ (plus)

©Nintendo Creatures GAME FREAK TV Tokyo ShoPro JR Kikaku ©Pokémon



Punirunes

© TOMY



Orina Stylish + (Plus) © TOMY



Kirapawa Phone

© TOMY OLM/KP Project, TV TOKYO



Yumeiro Licca-chan Colorful
Change

© TOMY



Sumikkogurashi Sumikko Mikke DX
(The Little Wizard in the Blue Moonlight ver.)

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Association Movie Club

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Business Review P11

Progress on midterm strategy

Review: Ideal Vision for the TOMY Company

All-people who love “*asobi*”, from children to adults

Expand Lifetime Value.

Changing the Methods of Monetization

Expanding beyond our starting point, toys and children

Driving Force Behind Sustainable Growth

Shifting from “toys” to “*asobi*”.

Our Vision

We believe “*asobi*” makes the world better, therefore, we will contribute to the future global society through “*asobi*”.

Midterm
Policies

**We will leverage our strengths globally,
and build the foundation towards Sustainable Growth.**

Change in organization (announced on October 21, 2021)

Midterm
Policies

**Optimize our business base to better leverage our strengths globally,
and build the foundation towards Sustainable Growth.**

Promote smooth and swift execution of the Medium-term Management Plan by
transferring authority to each Head (Executive Officer)



Expanding domains, markets and target age groups

Gaining Kidult fans



©T-ARTS



© TOMY



Examples of Licca doll making appearances on advertisements of household brands.



*The campaign ended on July 31, 2021.



*The campaign ended on July 19, 2021.

Expanding domains, markets and target age groups

Sales in Asia (excluding Japan) grew by 8.6%*.
Expanding our business in China.

Business growth in China

● TOMICA



*Sales by segment

Expanding domains, markets and target age groups

Making BEYBLADE evergreen brand globally

Japan → overseas

Europe and
U.S. roll out

The first generation
BEYBLADE
2002 – 2004 (3 years)



第1世代
1999年



第2世代
2008年

The second generation
METAL FIGHT BEYBLADE
2010 – 2013 (4 years)



第3世代 2015年

The third generation
BEYBLADE BURST
2017 – 2023 (7 years)



New customer segments

Kids

Education

Shogakukan no Zukan NEO Pad DX

Covers 700 types of creatures from 6 popular illustrated books



© TOMY ©Shogakukan Inc.



© TOMY

Cardboard craft programming education service
"embot"

Teens

Fashion

neltip

Installed nationwide in amusement centers, commercial facilities, cosmetics and accessories shops, etc.



© TOMY



Since
April
2021

Seniors

Healing communication

My baby Ami-chan

The doll provides personalized communications, such as calling a person by the name, by identifying the person through image recognition AI technology.



© TOMY



Since
August
2021

Flexible response to changes in the external environment under the COVID-19 pandemic

In the first half of the year, results exceeded the same period of the previous fiscal year as well as initial earnings forecasts, off to a good start

Steady start of the new Medium-term Management Plan and organizational changes to further evolve and deepen efforts

Rolling out a wide variety of products for the Christmas sales season



This report contains forward-looking statements, targets, plans and strategies for the future. However, these are based on current information and will not guarantee nor warrant any financial estimates or any figures. Therefore, actual results could differ from this report. This is translation on original text in Japanese.