



Founding Philosophy

Let's excite the world's markets with our outstanding products.

**Our sincerity and diligence will contribute to society
and lead to our own success and happiness.**

TOMY Company, Ltd.
Fiscal Year 2022 1st Half (6 months)
Results
(April 1, 2022-September 30, 2022)

Nov 8, 2022
TSE Securities Code: 7867

Fiscal Year 2022 1st Half (6 months) Highlights (April 1, 2022-September 30, 2022)

Nov 8, 2022

Goshiro Ito
Executive Officer, Head of Corporate
Administrations

Consolidated Income Statements FY2022 1st Half

¥100 million

	FY2022 1st Half (2022/4-9)			FY2021 1st Half (2021/4-9)	Change
	Actual	Revised Forecasts (Oct 28, 2022)	Original Forecasts (May 10, 2022)	Actual	
Net sales	890	890	800	770	+120
Cost of Sales	550	—	—	459	+91
Gross Profit	340	—	—	310	+30
Operating Profit	60	60	55	59	+1
Operating Profit Margin	6.7%	6.7%	6.9%	7.7%	-1.0%
EBITDA	97	—	—	93	+4
Ordinary Profit	48	48	54	59	-11
Profit Attributable to Owners of Parent	31	31	35	52	-21

◆ Net sales

Sales of long-standing products remained strong, and exports of "TRANSFORMERS" to overseas markets increased. Amusement machines developed by T-ARTS Company, Ltd. continued to enjoy favorable sales, and sales in GACHA capsule toys business also continued to be popular. In addition, sales of KIDDY LAND, a retail business, increased by 15.6% year-on-year to ¥89 billion.

◆ Operating Profit

Despite higher logistics costs and the impact of foreign exchange rates, gross profit increased 1.3% year-on-year to ¥6.0 billion due to higher gross profit on higher sales and more efficient management of selling, general, and administrative expenses.

◆ Ordinary Profit

Non-operating expenses decreased 17.6% year-on-year to ¥4.8 billion, mainly due to foreign exchange losses.

◆ Profit Attributable to Owners of Parent

Due to the transfer of fixed office real estate assets in 1Q of previous year, an extraordinary income was recorded as a gain on the transfer, resulting in a 39.2% year-on-year decrease to ¥3.1 billion.

* Sum of amortization of goodwill and intangible assets associated with the acquisition of TOMY International (TI): ¥1.0 billion for the period under review; 0.9 billion for the same period of the previous FY

* EBITDA=Operating profit + depreciation + amortization of goodwill * Dollar conversion rate: ¥133.97 during the period under review; ¥109.80 during the same period of the previous FY

SG&A Breakdown FY2022 1st Half

¥100 million

	FY2022 1st Half (2022/4-9)	FY2021 1st Half (2021/4-9)	Change
SG&A (total)	279	251	+28
Personnel expenses	95	84	+11
Advertising expenses	52	51	+1
R&D expenses	19	21	-2
Distribution expenses	39	33	+6
Amortization of goodwill and intangible assets associated with acquisition of TI	10	9	+1
	\$8 MM	\$8 MM	-\$0 MM

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

◆ SG&A (total)

- Increase in personnel costs due to the normalization of socio-economic activities and an increase in the yen-equivalent amount of personnel costs at overseas subsidiaries
- Increase in logistics costs due to rising logistics costs at overseas bases

Operating Results by Segment FY2022 1st Half

¥100 million

		FY2022 1st Half (2022/4-9)	FY2021 1st Half (2021/4-9)	Change
Net sales		890	770	+120
	Japan	725	635	+90
	Americas	140	114	+26
	Europe	31	29	+2
	Oceania	14	11	+3
	Asia	321	242	+79
	Eliminations and Corporate	-343	-261	-82
Operating profit / (loss)		60	59	+1
	Japan	77	68	+9
	Americas	-4	-0	-4
	Europe	-1	1	-2
	Oceania	0	1	-1
	Asia	13	6	+7
	Eliminations and Corporate	-25	-17	-8

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

◆ Operating results by segment

In Japan and Asia, as mentioned earlier, sales of long-standing products remained strong, while amusement machines developed by T-ARTS Company, Ltd. performed well.

In the Americas, Europe and Oceania, profits declined due to an increase in logistics costs, although sales were strong, mainly in agricultural machinery toys.

Net Sales by Region FY2022 1st Half

¥100 million

Area	FY2022 1st Half (2022/4-9)	FY2021 1st Half (2021/4-9)	Change
Japan	535	472	+63
North America	197	174	+23
Europe	42	39	+3
Oceania	19	16	+3
Asia	89	64	+25
Others	5	2	+3
Total	890	770	+120
Ratio of overseas sales	39.9%	38.7%	+1.2%

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

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

- ◆ Japan
Japan's net sales are as mentioned above.
(long-standing products, TRANSFORMERS, amusement machine business, GACHA capsule toys business, retail business, etc.)
- ◆ Europe, U.S. and Australia
Agricultural machinery toys performed well and foreign exchange had a positive contribution.
- ◆ Asia
In addition to strong sales of "TOMICA" products, the Company rolled out "Punirunes," a new tactile LCD toy that has become popular in Japan, and amusement machines by T-ARTS Company, Ltd. were also well received.

Consolidated Balance Sheets Breakdown FY2022 1st Half

■ Key year-on-year items changed

¥100 million

Account	FY2022 1st Half (2022/4-9)	FY2021 1st Half (2021/4-9)	Change
Inventories	283	192	+91
Japan	124	94	+30
Overseas	179	112	+67
Elimination of unrealized profits	-20	-13	-7

Long-term/short-term total borrowings	337	395	-58
Net cash (Cash and deposits less borrowings)	232	204	+28
Equity ratio	51.9%	47.4%	+4.5%

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

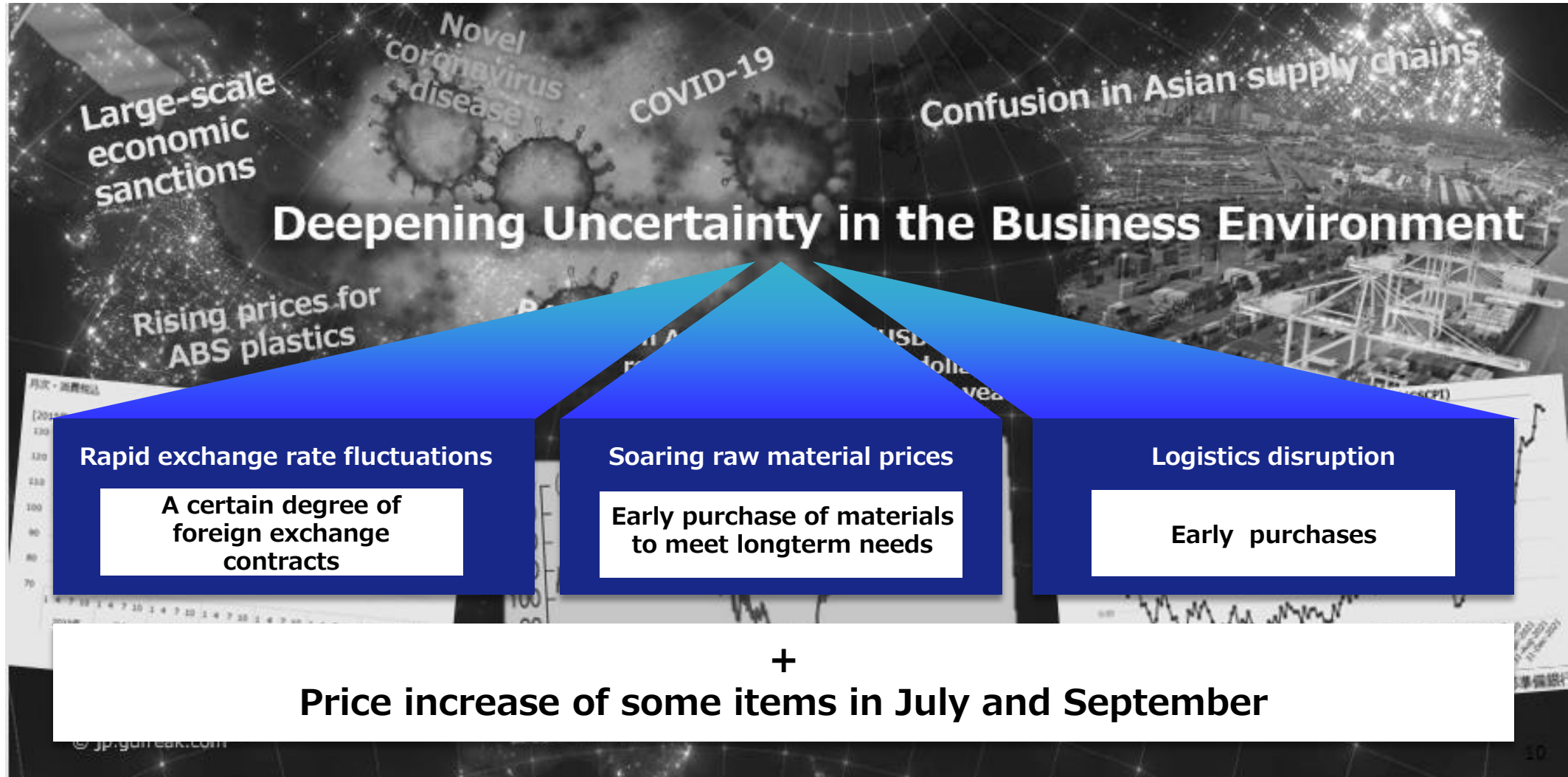
<US\$ FX rate at end of period> the period under review: ¥144.81, the same period of the previous FY: ¥111.92

		FY2022 1st Half (2022/4-9)	FY2021 1st Half (2021/4-9)	Change
Goodwill balance of TI	\$MM	123	137	-14
	¥100million	179	153	+26
Intangible assets balance of TI	\$MM	64	67	-3
	¥100 million	93	75	+18

Business Review for FY 2022 1H

Kazuhiro Kojima
Representative Director, President & COO

Akio Tomiyama
Managing Director



Details of 1st half performance growth

Net sales: Greatly increased from the same period of the previous year (+ ¥12.0 billion)

T-ARTS Group*

- Arcade gaming machines: Popular in Asian including Japan, driven by popularity of Pokémon license.
- Capsule toys: Expanding business in non-toy retail locations, upside from purchase by adults

*T-ARTS Company, Penny, T-ARTS Korea

KIDDY LAND

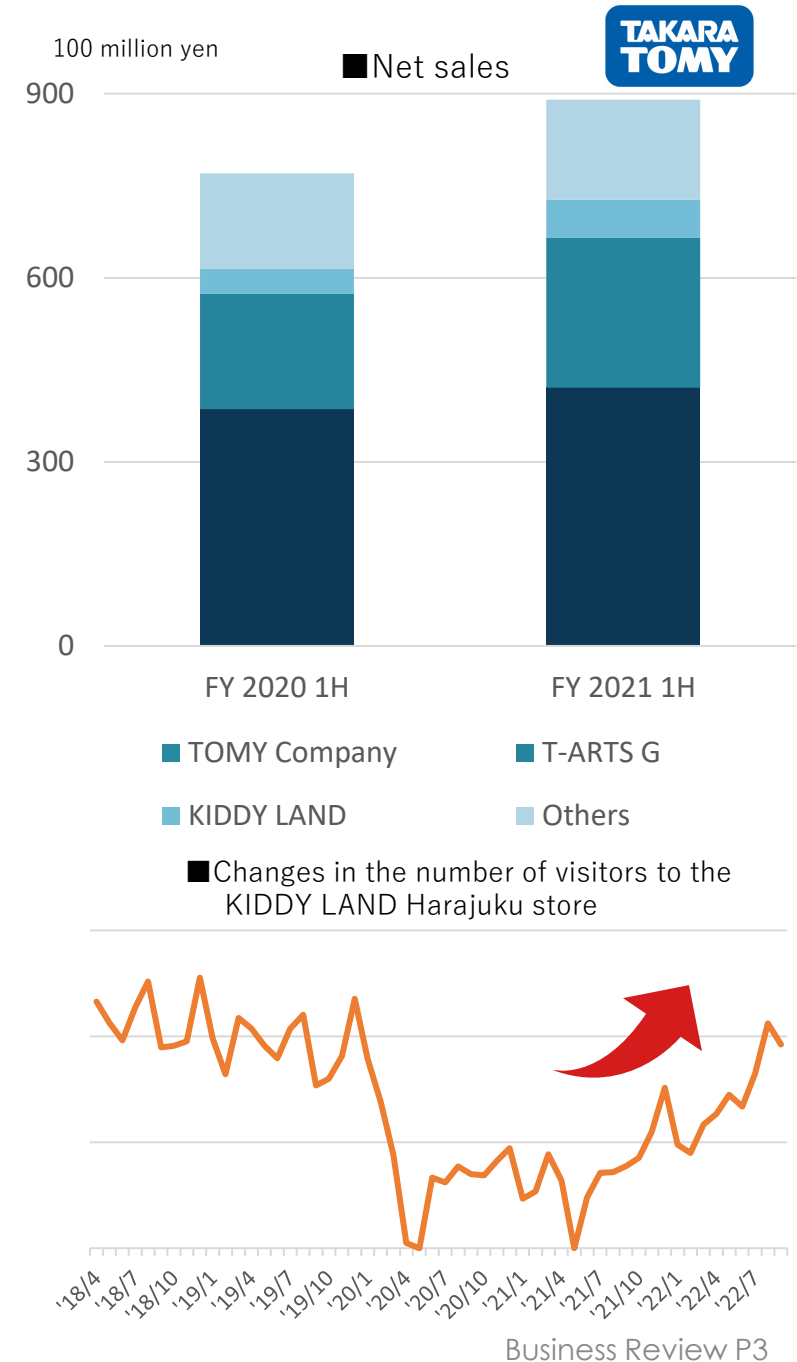
- People flow has returned with the lifting of movement restrictions.
- Met the demands of adults, such as the growing popularity of the "Chiikawa" character.

TOMY Company

- Toy business remained strong

Operating profit: Exceeded the same period of the previous fiscal year (+¥0.07 billion)

- Cost of goods ratio deteriorated due to rising logistics costs at overseas bases and the impact of foreign exchange rates
- Gross profit increased due to higher net sales
- Efficient management of selling, general and administrative expenses



Performance by Segments

Figures are sales by segment



Japan

Change
FY2022 1H **¥72.5**_{bil} **+14.3%**
FY2021 1H **¥63.5**_{bil} **+¥9.0 bil**

- T-ARTS and KIDDY LAND businesses are growing and this trend is expected to continue.
- Many Many TOMY Group products received toy awards at both Tokyo Toy Show in June and Christmas Toy Exhibition in September and are expected to meet the demands of consumers in the holiday season.

Americas

Change
FY2022 1H **¥14.0**_{bil} **+22.8%**
FY2021 1H **¥11.4**_{bil} **+¥2.6 bil**

- Costs continue to increase due to logistics disruptions
- Sales of farm themed vehicle toys and Japan originated brand "Club Mocchi- Mocchi-" grew.
- Sales to some major retailers are difficult due to excessive inventory of juvenile products at stores and uncertainties in relation to the inventory issues remain.

Europe

Change
FY2022 1H **¥3.1**_{bil} **+8.4%**
FY2021 1H **¥2.9**_{bil} **+¥0.2 bil**

- Costs continue to increase due to logistics disruptions
- Sales of preschool toys softened but farm themed vehicle toys and Japan originated brand "Club Mocchi- Mocchi-" are showing growth.

Oceania

Change
FY2022 1H **¥1.4**_{bil} **+27.3%**
FY2021 1H **¥1.1**_{bil} **+¥0.3 bil**

- Sales of farm themed toys and infant and preschool toys grew.

Asia

Change
FY2022 1H **¥32.1**_{bil} **+33.0%**
FY2021 1H **¥24.2**_{bil} **+¥7.9 bil**

- Some cities in China continue to be in lockdown, and some of the effects of COVID-19 still remain.
- Focusd on distribution of core brands like TOMICA and PLARAIL.
Further sales expansion of "Pokémon" and "Punirunes" is planned.

3 Key Categories: 1H Results and Full Year Forecast

Preschool

1st Half
Net Sales
(¥100 million)

FY 2019 Actual

111

FY 2020 Actual

89

FY 2021 Actual

105

FY 2022 Actual

112

+7

First half

Second half

TOMICA sales were strong, driven by launch of large-sized playsets like "TOMICA Big Fire Truck & Transforming Command Station" as well as an array of new items for adult collectors product ranges including "TOMICA Premium" which has realistic designs.

The company will continue to develop products for a wide range of ages for children and adults.

Fashion Toys

1st Half
Net Sales
(¥100 million)

FY 2019 Actual

60

FY 2020 Actual

36

FY 2021 Actual

39

FY 2022 Actual

37

-02

First half

Second half

The new dance-themed TV series "RizSta - Top of Artists!" began airing in April, and products based on the program were also launched. Sales of LICCA-doll declined.

The new tactile LCD toy "Punirunes", which is highly popular due to the many attractive characters, will begin broadcasting in October of the second half of the year as an original TV animation based from the toy. The company will promote sales expansion in Japan and Asia.

Action Toys

1st Half
Net Sales
(¥100 million)

FY 2019 Actual

193

FY 2020 Actual

140

FY 2021 Actual

167

FY 2022 Actual

162

-05

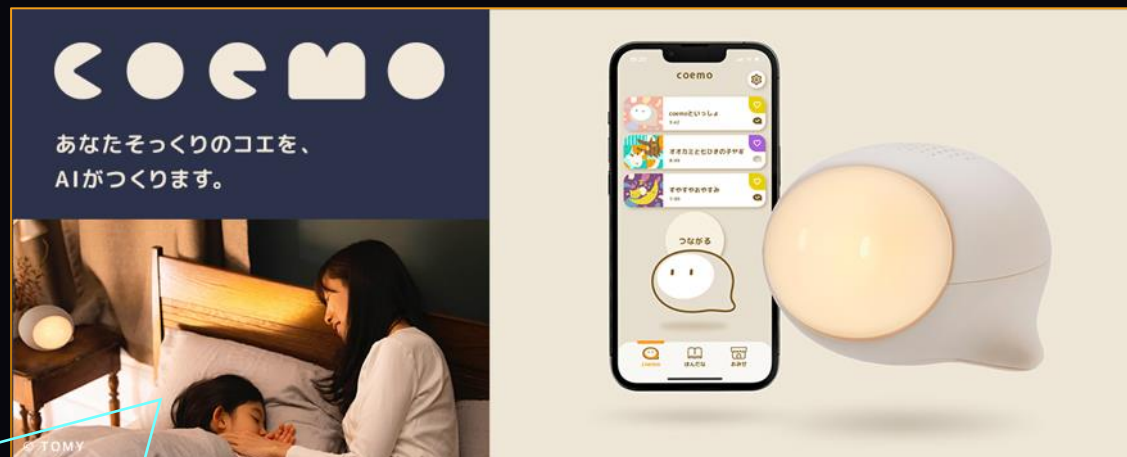
First half

Second half

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 will continue to strengthen the marketing through the launch of related products and so forth. Export of "TRANSFORMERS" products to international markets like the North America and Asia are increasing and the company expects the popularity to further grow. On the other hand, BEYBLADE is trending down.



“The 2022 Japan Toy Awards” The TOMY Group receives the Grand Prize!



Educational Toys category Grand Prize



Action Toys category Grand Prize

About The Japan Toy Awards

Japan Toy Awards were established in 2008 with the hope of creating and spreading more quality toys that everyone can enjoy comfortably.

1H Topics (2) The 2022 Japan Toy Awards



Excellence Award



2H Topics (1) In Japan 2022 Christmas toys selected by toy stores

Awarded 1st place in 5 out of 8 categories! Ranked 20 in the entire group

"Toys for infants and
mental training toys"
category



PAW Patrol Word Book

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1位

"Arts & crafts category"



Trimming Pet Salon

© TOMY

1位

Vehicle/Animal toys category



TOMICA Big Fire Truck &
Transforming Command Station

© TOMY

1位

"Games & puzzles"
category



Screwball Scramble

© TOMY

1位

"Variety" category



Punirunes Puniplus

© TOMY/Punirunes ■■■Puni-ject■■■, Television Osaka Inc.

1位

Christmas toys
selected by toy
stores
2022

2H Topics (2) In Japan 2022 Christmas toys selected by toy stores

"Character-related toys" category

2位



Pokémon Mecha-Nage! Poké ball

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

"Arts & crafts" category

2位



Real Sewing Machine Fashion Studio

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"Vehicle/Animal toys" category

2位



Make you excited! PLARAIL BEST SELECTION SET

© TOMY

"Games & puzzles" category

2位



The Game of LIFE Golden Dream

© 1968, 2022 Hasbro. All Rights Reserved. © TOMY

"Educational toys" category

3位



Pokémon Pikatto Academy Kids PC Plus

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

- Other prize-winning products
9 products including Coemo, Talking Pigeon Clock (T-ARTS Company)

★ Out of a total of 180 entries from 53 companies,
20 entries from the TOMY Group were awarded prizes.

"Dolls/Playing house" category

3位



LICCA "Yumedecko Pâtissier"

© TOMY

Christmas toys
selected by toy
stores
2022



Pop-Up Pirate
Strong sales in global markets

Screwball Scramble, a classic game in the international market, was launched in Japan with success.



John Deere's products under license with Deere & Company

North America

Introduction of John Deere Approximately **140%** year-on-year

Began selling trading card game WIXOSS.



WIXOSS



Asia

(Toy)
TOMICA and Pokémon Toys

Approximately
135% year-on-year

Diaclone

Approximately
160% year-on-year

Introduced Neltip and Punirunes in Korea



© TOMY



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Progress on midterm management plan Second year

Confirm New Medium-Term Management Plan (Excerpts from the announcement on May 11, 2021)

People with a Playful Experience, from Children to Adults

Increase the Life Time Value
Enter as children and return as adults = expanding the segment

Create new forms of value for people with a playful experience throughout the world and provide "excitement, amazement, enthusiasm, and smiles."

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Our Vision

Shifting from "toys" to "playful experiences" as the basis for everything.
Improving the world through a playful experience.
Therefore,
a playful experience will significantly contribute
to the global society of the future.

Promoting agelessness
Invigorate not only the previous infant and child-centered market but also the market of all people around the world with a playful experience according to people's diversifying lifestyles

Expanding business regions
Realize cutting-edge technologies and collaborations with different industries to create businesses with high value-added information and merchandise

Problem-solving ability
Do not think of problem-solving, innovation and ingenuity as an extension of past efforts

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Changing the Driving Force Behind Sustainable Growth from "Toys" to "Playful Experiences"

Until now
Target: Children between 3 and 6 years old and their parents

From now
Target: People with a playful experience throughout the world

Playful Experience
CREATIVE MIND

Consumer segments
Regional segments: Global, Asia, local (Japan, U.S., Europe)
Diverse needs and uses: Culture, fashion, entertainment and hobby, education, child rearing

IP and exit brands
Company IP, partner IP, exit brands, corporate brands

Exit configuration
PRODUCT: Hardware (toys, etc.), software (digital contents and games)

Digital technologies
VR, IoT, AI, SNS

Collaboration with platforms

Collaboration with co-creation partners

Create businesses based on a playful experience through the optimal combinations

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Strategy for the Entire Company

- 1 Strengthen our target centered on exits, ages, and areas with a key of "right person in the right place"
- 2 Create hit products based in Japan
- 3 Prepare for global growth through the continuation of IP investment
- 4 Launch a new business with a key of "playful experiences"
- 5 Create new value by utilizing DX for value chain
- 6 Sustainability and CSR initiatives

Functional strategies which support sustainable business growth

Planning and Development	Production	Marketing	Finance
<ul style="list-style-type: none"> Product development directed at global markets Business research directed at new markets 	<ul style="list-style-type: none"> Promotion of automation Further promotion of "China plus one" 	<ul style="list-style-type: none"> Feed market information which strongly reflects consumer opinions back to Planning and Development Active D2C expansion 	<ul style="list-style-type: none"> Secure investment resources directed at the next generation through stable cash creation

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Second year in Medium-Term Management Plan making steady achievement



**Baby
Toddlers**



Preschoolers



Kids



Tweens



Teens



Kidults



Seniors

All people who love "asobi", from children to adults

Expand Lifetime Value

Enter as children and return as adults = expanding the segment



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Baby
Toddlers



Preschoolers



Kids



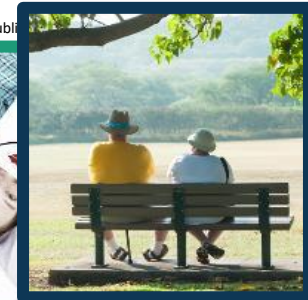
Tweens



Teens



Kidults



Seniors



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Shifting our core driver towards sustainable growth from "Toys" to "*asobi*"



Expansion and establishment of the Kidults market



Continue preschool IP creation



Strengthen cooperation with each automakers



Consumer segments

Region Segments

Diverse needs and uses

IP and exit brands

Exit configuration

Collaboration with platformers

Digital technology

Collaboration with co-creation partners



Penetration of brand propositions



Strengthen licensing business


Creating products with the Asian market in mind



Sustainable co-creation linkage



Acquisition of infant segment = expansion of entry points

[Character category market for infants]	FY2019 1H	FY2020 1H	FY2021 1H	(Research by TOMY Company)
year-on-year change in store sales in the overall market		110%	105%	
PAWPATROL store sales year-on-year		197%	133%	
PAWPATROL Percentage of store sales in our character category for infants	13%	23%	29%	



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Our market share
Is
steadily rising!



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Grow core brands based on their strenghts

Enticing and expanding Kidult fan base



©Studio Ghibli

Porco Rosso



Spirited Away

©Studio Ghibli



Catbus

©Studio Ghibli

Capsule toys

tomica PREMIUM



© TOMY

tomica PREMIUM unlimited

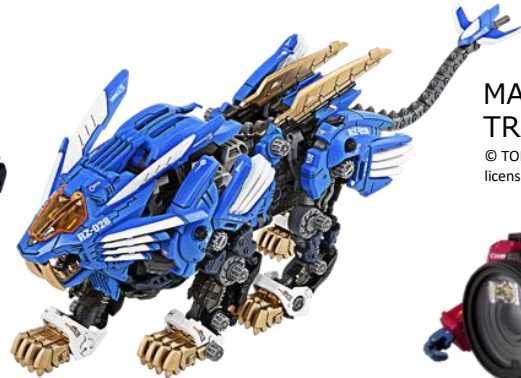


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DIALCLONE DA-95
ROBOT BASE<GROUND DION>

© TOMY



ZOIDS
AZ-01 BLADE LIGER

© TOMY © ShoPro

MASTERPIECE
TRAINBOT SHOUKI

© TOMY Approved by JR Central Product commercialization
licensed by JR West



Canon/TRANSFORMERS
OPTIMUS PRIME R5

© TOMY
In cooperation with: Canon Inc.

Grow core brands based on their strenghts

Pokémon arcade game business expansion in Japan and international markets.

Accumulated number of cards dispensed by Pokémon Ga-Olé in Asia exceeded 100 million!

April 2020 - September 2022



Sales in Asia in the 1H
of 2022 was 142%
year-on-year

Grow core brands based on their strenghts



Expansion of touch-points with customers

Large retail space expansion in cooperation with partners



Expansion of products targeting adults

T-ARTS Company's capsule toys sales in Japan grew to **119%** year-on-year.
Sales of capsule toys targeting Kidults grew to **122%** year-on-year.

In line with the expansion of the Kidults capsule toy market, we have boosted the number of our Kidults items.



Create big hits in Japan/The continuation of IP investment



Create hit toys → Produce TV anime series →
Expand product lines → Expand business in other Asian countries



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Launch new business with "asobi" as key

Pop-Up Pirate, a global IP, enters the world of Metaverse

TOMY in collaboration with the metaverse platform "cluster" debuted "Metaverse Pop-Up Pirate", a new world where people can play with toys in the virtual space, opened on Thursday, September 15th!



"Pop-Up Pirate" game is distributed globally in markets including Europe, North America and Australia.



TOMY GROUP

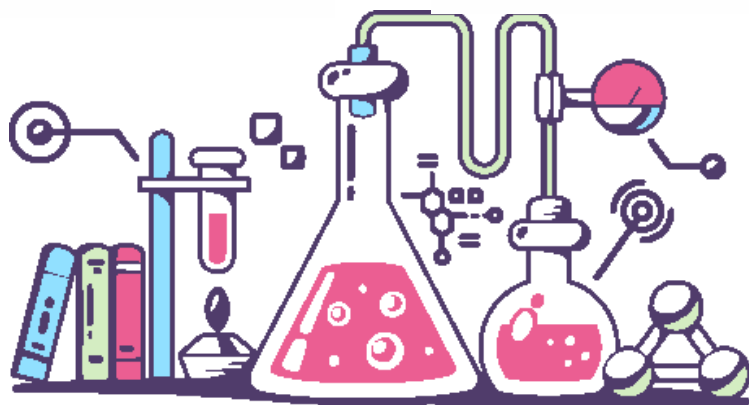


Products & Services

3 GOOD HEALTH
AND WELL-BEING



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Chemicals Management Policy

Environment

13 CLIMATE
ACTION



Climate Change

Disclosure based on
TCFD recommendations

Summary: Road to achievement of the Medium-term Management Plan

From sowing seeds → to sprouting

In the Medium-Term Management Plan, we will leverage our strengths globally, and build the foundation towards Sustainable Growth

Creation of new *asobi* value



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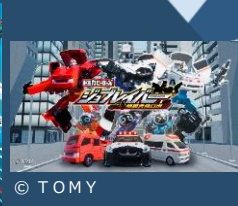
Expansion of output and age strategies



Invincible hit makers



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Digital monetization



© TOMY



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Large-scale access to overseas markets

TRANSFORMERS

黒ひげ危機一発

BEYBLADE
METEOR

Mocchi-Mocchi-

We want to be at the top of your wish list.
We make our creations look so **attractive**.
Furthermore they give you **superior fresh surprise and sensation**
when you access our *asobi*, **move your emotions** and uplift your
feelings as you engage with our *asobi*,
and light up your face with **a big, big smile!**

throughout the world.





Corporate Mission

We will create new value from play
to fulfill the **dreams** of our stakeholders.

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