



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 Results (April 1, 2022-March 31, 2023)

**May 9, 2023
TSE Securities Code: 7867**

FY2022 Financial Highlights (April 1, 2022-March 31, 2023)

May 9, 2023

Goshiro Ito
Senior Executive Officer, Head of Corporate
Administrations

Consolidated Income Statements

¥100 million

	FY2022		FY2021	Change
	Actual	Original Forecasts (May 10, 2022)	Actual	
Net sales	1,872	1,700	1,654	+218
Cost of sales	1,149	—	988	+161
Gross profit	723	—	666	+57
Operating profit	131	120	123	+8
Operating profit margin	7.0%	7.1%	7.5%	-0.5%
EBITDA	208	—	192	+16
Ordinary profit	120	118	126	-6
Profit attributable to owners of parent	83	75	91	-8
ROE	10.0%	—	12.3%	-2.3%

- ◆ Net sales
Shipments of toys were firm, and in addition to the continued popularity of amusement machines and GACHA capsule toys developed by 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. As a result of these factors, in addition to the exchange rate impact of the weak yen in our overseas business, net sales increased 13.2% year on year to ¥187.2 billion.
- ◆ Operating profit
Despite a decline in gross profit margin due to the weak yen and other factors, operating profit increased 6.3% year on year to ¥13.1 billion thanks to higher gross profit on higher sales and more efficient management of selling, general and administrative expenses.
- ◆ Ordinary profit
Ordinary profit decreased 4.9% year on year to ¥12.0 billion due to the recording of non-operating expenses mainly from 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 an 8.8% year on year decrease to ¥8.3 billion.

* Sum of amortization of goodwill and intangible assets associated with the acquisition of TOMY International (TI): ¥2.2 billion for the period under review; ¥1.8 billion for the same period of the previous FY

* EBITDA=Operating profit + depreciation + amortization of goodwill * Dollar conversion rate: ¥135.46 during the period under review; ¥112.37 during the same period of the previous FY

SG&A Breakdown

¥100 million

	FY2022	FY2021	Change
SG&A (total)	592	542	+50
Personnel expenses	192	179	+13
Advertising expenses	118	113	+5
R&D expenses	44	45	-1
Distribution expenses	88	78	+10
Amortization of goodwill and intangible assets associated with acquisition of TI	22	18	+4
	\$16 MM	\$16 MM	-\$ 0MM

* 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 advertising expenses due to increased promotion efforts at overseas subsidiaries, etc.
- Increase in distribution expenses at overseas subsidiaries

Operating Results by Segment

¥100 million

		FY2022	FY2021	Change
Net sales		1,872	1,654	+218
	Japan	1,482	1,302	+180
	Americas	295	270	+25
	Europe	66	72	-6
	Oceania	27	23	+4
	Asia	554	469	+85
	Eliminations and corporate	-553	-484	-69
Operating profit / (loss)		131	123	+8
	Japan	164	140	+24
	Americas	-7	4	-11
	Europe	-7	0	-7
	Oceania	0	1	-1
	Asia	18	12	+6
	Eliminations and corporate	-38	-36	-2

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

◆ Operating results by segment

In Japan and Asia, as mentioned earlier, shipments of toys remained strong, and amusement machines developed by T-ARTS Company, Ltd. performed well.

In Europe, U.S. and Australia, although sales grew mainly for agricultural machinery toys and the "Club Mocchi- Mocchi-" series, operating profit declined due to the impact of soaring logistics costs and increased promotion efforts, among other factors.

Net Sales by Region

¥100 million

Region	FY2022	FY2021	Change
Japan	1,151	1,004	+147
North America	395	386	+9
Europe	85	94	-9
Oceania	35	32	+3
Asia	193	131	+62
Others	11	5	+6
Total	1,872	1,654	+218
Ratio of overseas sales	38.5%	39.3%	-0.8%

* 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.
(Toy shipments, amusement machine business, GACHA capsule toys business, retail business, etc.)
- ◆ Europe, U.S. and Australia
Agricultural machinery toys and "Club Mocchi- Mocchi-" series performed well, and foreign exchange had a positive contribution.
- ◆ Asia
In addition to strong sales of "TOMICA" and "DIACLONE," among other 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

■ Key year-on-year items changed

¥100 million

Account	FY2022	FY2021	Change
Inventories	185	180	+5
Japan	90	86	+4
Overseas	110	106	+4
Elimination of unrealized profits	-16	-13	-3

Long-term/short-term total borrowings	291	353	-62
Net cash (Cash and deposits less borrowings)	373	300	+73
Equity ratio	54.5%	50.5%	+4.0%

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

<US\$ FX rate at end of period> the period under review: ¥133.53, the same period of the previous FY: ¥122.39

		FY2022	FY2021	Change
Goodwill balance of TI	\$MM	116	130	-14
	¥100 million	156	159	-3
Intangible assets balance of TI	\$MM	63	65	-2
	¥100 million	84	80	+4

[Reference] Notice Regarding Acquisition of Treasury Shares and Tender Offer for Treasury Shares



In response to the intention of Tsukasa Realty Co., Ltd., our second largest shareholder, to sell 1 million shares (ownership ratio: about 1%) of the Company, the Board of Directors resolved at its meeting held on May 9, 2023 to acquire treasury shares through a tender offer.

The Company plans to cancel the treasury shares obtained in the acquisition.

■ Details of the resolution

Types of stock certificates, etc.	Total number	Total acquisition price
Common stock	1,000,100 shares (maximum)	¥1,264,126,400 (maximum)

Notes: 1. Total number of issued shares 94,616,650 shares (as of May 9, 2023)
2. Percentage of total number of issued shares 1.06% (rounded to the second decimal place)
3. Period of acquisition From May 10, 2023 to June 30, 2023

■ Outline of tender offer, etc.

Date of resolution of the Board of Directors	Tuesday, May 9, 2023
Date of public notice of commencement of tender offer	Wednesday, May 10, 2023 An electronic public notice will be made, and a notice to that effect will be published in the <i>Nihon Keizai Shimbun</i> . (Electronic public notice address: https://disclosure2.edinet-fsa.go.jp/ (in Japanese))
Date of submission of tender offer notification	Wednesday, May 10, 2023
Period of tender offer, etc.	From Wednesday, May 10, 2023 to Tuesday, June 6, 2023 (20 business days)
Price of tender offer, etc.	¥1,264 per share of common stock (10% discount from the average closing price for the past 3 months)

Business Review for FY2022

May 9, 2023

Kazuhiro Kojima

Representative Director, President & COO

Akio Tomiyama

Board Director, Executive Vice President

Significance of the Group



*become friends with children
around the world*

Sustainability Vision

**Become friends
with children
around the world**





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.**

FY2023: Final Year



COVID-19 has brought big changes to business

■ Changes in the environment due to the COVID-19 pandemic

- Restrictions on movement, reduced flow of people, demand for stay-at-home
- Decrease in inbound tourism
- Large-scale economic support and monetary easing to protect livelihoods
- Shortage of human resources in logistics, stores, etc.
- Inflation due to insufficient supply to meet demand

■ After the COVID-19 pandemic

Consumer behavior:

Increased flow of people, revenge consumption, continued use of the Internet

Work style:

Work style tailored to each person's lifestyle

Success of Medium-Term Management Plan in FY2022



Example of successful region expansion (Japan, Asia): Amusement business

Expanded “*asobi*” by utilizing popular character toy trends. In addition to Japan, this also achieved success in Asia

→ **Expansion of sales area, utilization of digital technology**



Example of successful region and customer base expansion (Japan, U.S., Europe, Australia): Club Mocchi- Mocchi-

Global expansion of T-ARTS Company's popular Japanese toys in Europe, U.S. and Australia

→ **Expansion of sales area and customer base**

= **Having a new perspective greatly expands the possibilities**



Example of successful age group expansion: TOMICA Premium

Sales growth centered on adults with new line “TOMICA Premium Unlimited,” etc.

→ **Wider age range and further expansion of long-standing products that are our strength**

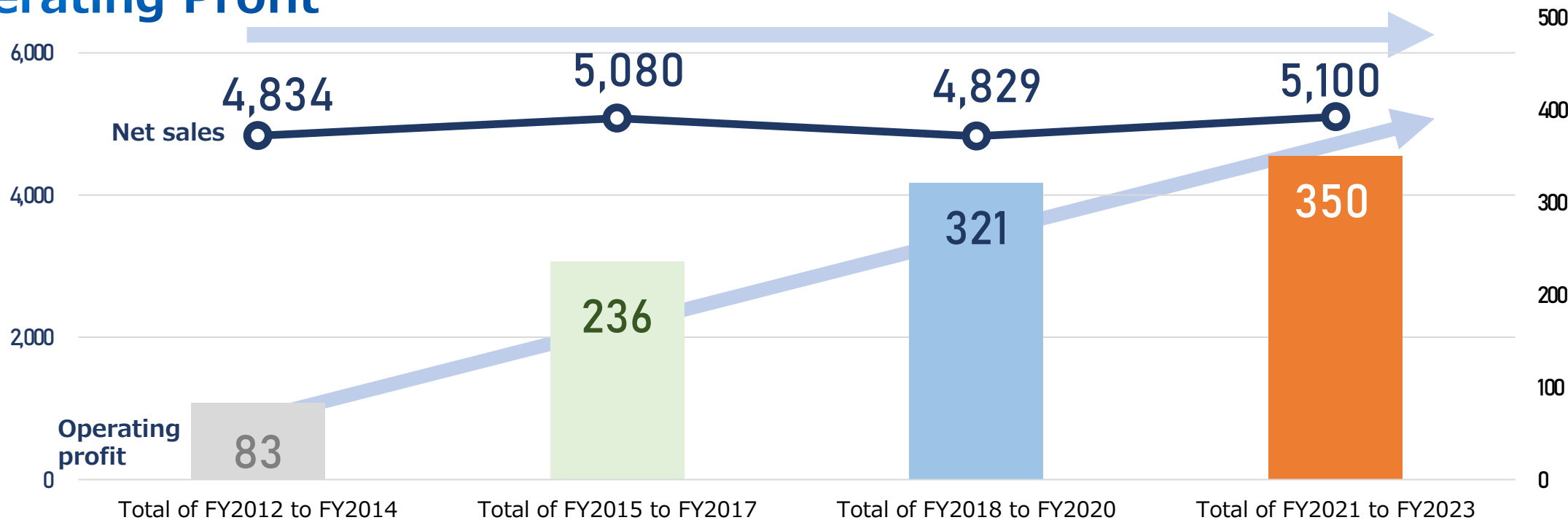
= **“Asobi,” which already has a large revenue base, has further potential thanks to wider age range**



Medium-Term Plan (Published May 11, 2021)

Three-Year Total Trend of Consolidated Net Sales and Operating Profit

¥100 million

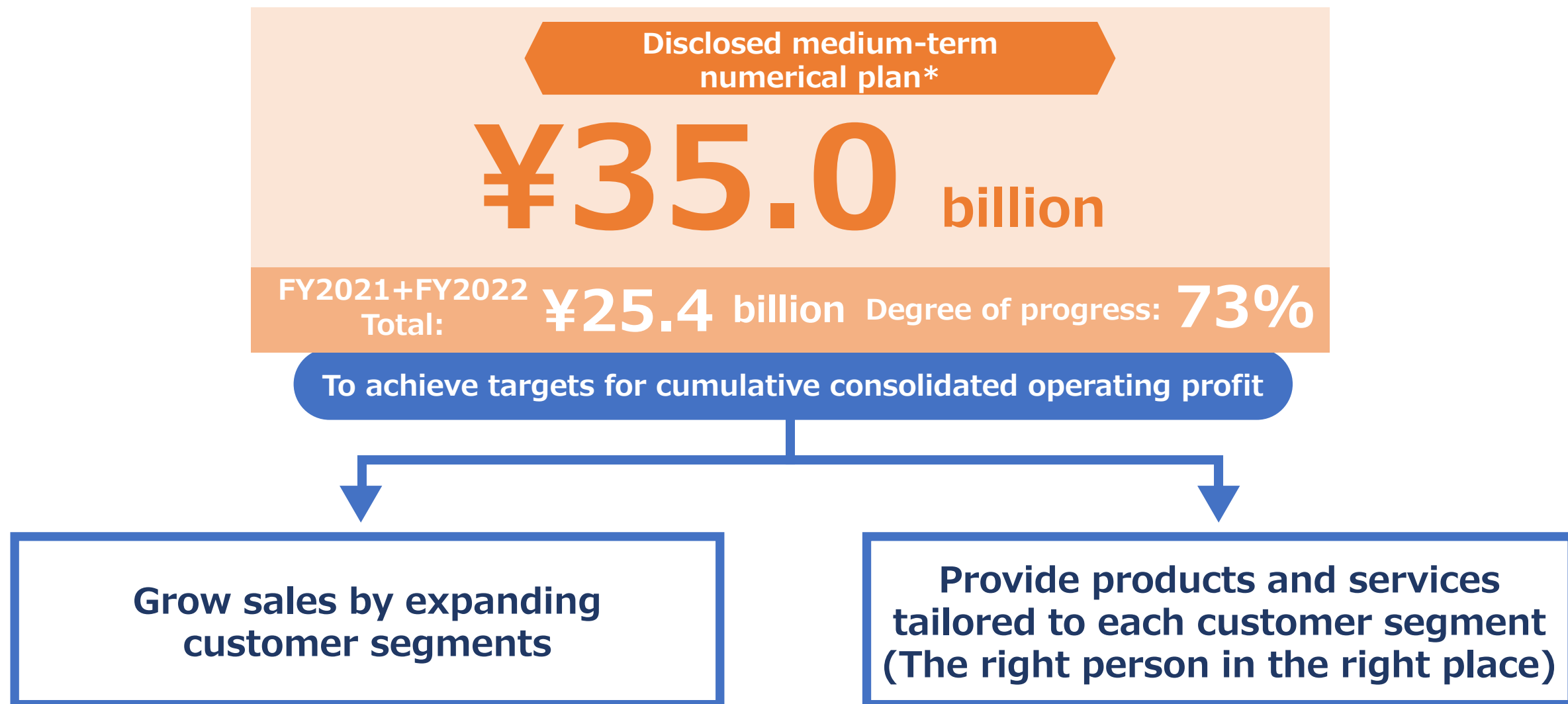


	FY2015			FY2018			FY2021		FY2022		FY2023	
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Plan	Actual	Plan	Actual	Plan	Revised plan
Net sales	1,630	1,676	1,773	1,768	1,648	1,412	1,550	1,654	1,700	1,872	1,850	1,950
Operating profit	26	77	132	144	106	70	80	123	120	131	150	135
Ordinary profit	14	78	124	143	102	71	76	126	118	120	148	130
Profit	-67	53	79	93	45	53	65	91	75	83	95	90



Approaches to New Customers to Grow the Company (1)

Three-Year Total Consolidated Operating Profit (FY2021 to FY2023):
Prospect of Achieving Planned Values



Approaches to New Customers to Grow the Company (2)

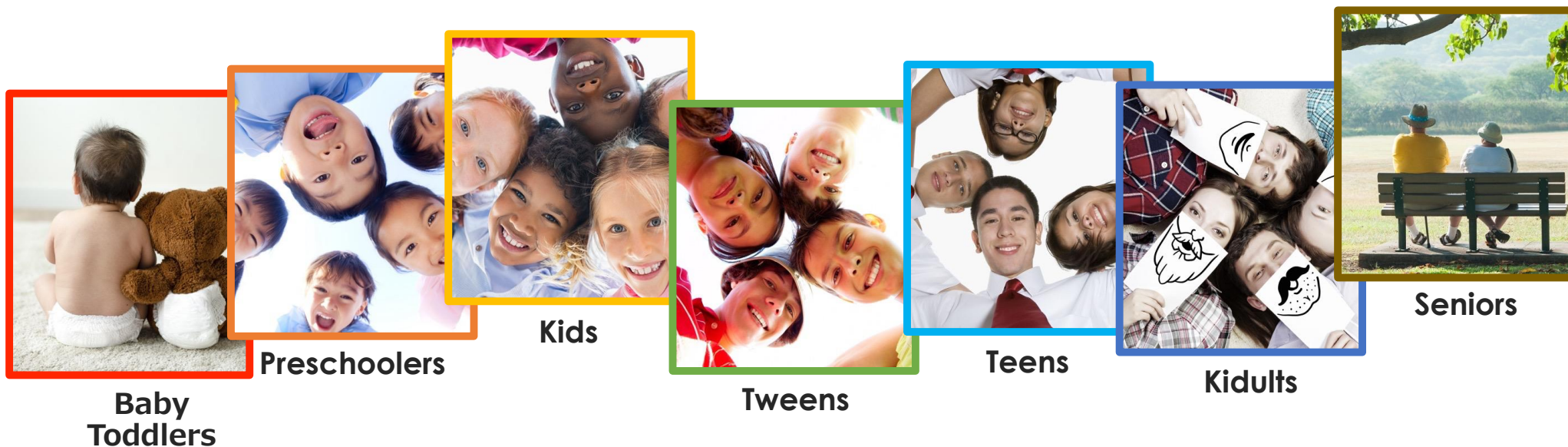
Acceleration of Japan's Birthrate Decline

Expansion into mature
group segments

Expansion into global
markets

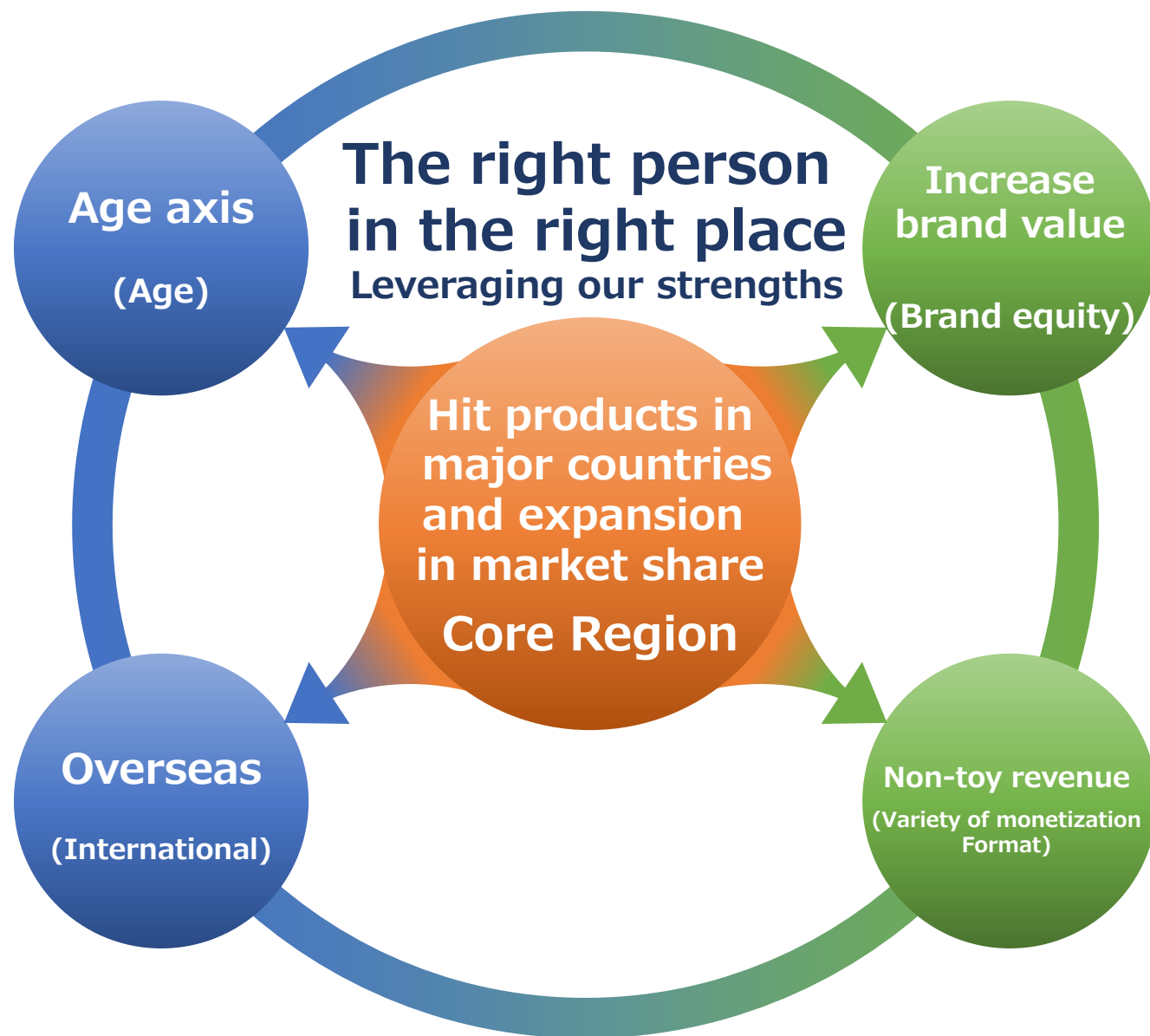
Increase Life Time Value

Join as a child and return as an adult = segment expansion





Challenge of Expanding Growth Axes for Individual Brands



Keywords in consumption

Kidults

Fan Economy

Narrative (empathy)

Digital Natives

Facebook → **Tiktok** / Instagram

Group Companies' Breakthroughs in FY2022

**TAKARA
TOMY**

**TAKARA
TOMY
A.R.T.S**

T-ARTS Company Record-high sales and profits

Amusement business

GACHA capsule toys business

Candy toy business

FV business

KIDDY LAND®

**Recovery from
COVID-19 Return
of store traffic**



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©Haruichi Furudate/Shueisha, Haikyuu!! Production Committee, MBS



©TOMY "TOMICA" is a registered trademark of TOMY Company, Ltd.



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©Disney ©Disney/Pixar ©Disney. Based on the "Winnie the Pooh" works by A.A. Milne and E.H. Shepard.



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Further Gain and Expand Kidult Fans / Continue to Build on Strengths



Kidults

FY2022 Success in Creation of Hit Products



©2023 Pokémon. ©1995-2023 Nintendo/Creatures Inc./GAME FREAK inc. Developed by T-ARTS and MARV

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FY2023 Worldwide Launch of BEYBLADE and TRANSFORMERS

BEYBLADE X
ベイブレードエックス



COMING
SOON

©TOMY/Shogakukan ©TOMY

トランスフォーマー
ビースト覚醒



Animation
premiered
April 2, 2023



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7th Hollywood movie
"TRANSFORMERS: Rise of the Beasts"
nationwide release on Friday, August 4,
2023

ZOIDS



Premiered
April 3, 2023

40th
Zoids



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イラスト:野田康行 ©タカラトミー／カブトボーグ製作委員会

Right: Animation collaboration image depicting what the main characters will look like 16 years later



**Premiered
April 2, 2023**



**Premiered
April 2, 2023**



Measures With *Asobi* as the Key Theme

TAKARA
TOMY

Asobi makes the world better.

Asobi spirit makes society better.😊



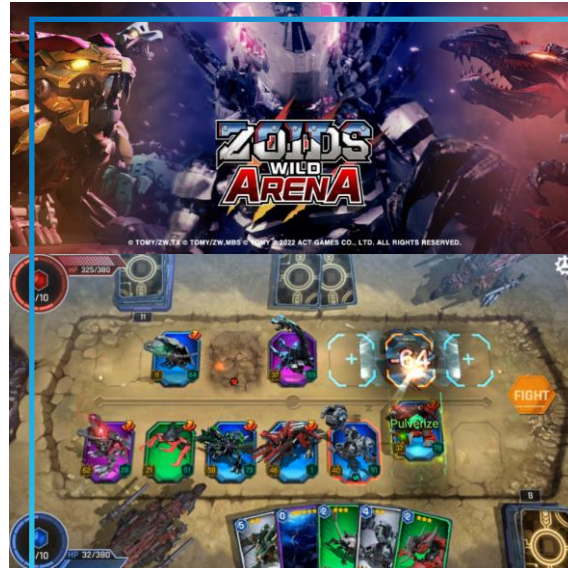
SORA-Q

"SORA-Q," super-miniature transforming moon robot developed in collaboration with JAXA and others



メタバース
Metaverse Pop-Up Pirate
黒ひげ船長

A new world where you can play with toys in a virtual space deployed on the "cluster" metaverse platform



ZOIDS
WILD
ARENA

ZOIDS series' first NFT project. TOMY Company, the original author, granted a license to ACT Game to enter the NFT business

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Showy
Gacha

A bag with the motif of "Gacha 2EZ" capsule toy vending machines popular with children and adults alike finally reaches the market

©T-ARTS

Europe, U.S. and Australia

- U.S./Europe: Distribution inventory problem is decreasing
- High sea shipping costs have past the peak
- Further promote the expansion of domestically produced products in Europe, U.S. and Australia
- FY2023: Growth expected for “TRANSFORMERS”



Asia

- Amusement business continues to expand
- Successful rollout of hit products in Japan including “TOMICA” and the “Punirunes” LCD toy
- After COVID-19 pandemic, in-store toy sales are also recovering
- FY2023: Growth expected for “TRANSFORMERS” and “BEYBLADE”





Digital Transformation

Expand LTV by utilizing customer clustering

Life Time Value

Customer analysis using CDP

CRM tailored to
customer behavior

Send e-mail newsletters
with MA tools

Segmented distribution
using LINE

Ad delivery based on
web data

タカラトミーモール

LTV

LTV

D2C

CDP: Customer Database Platform
CRM: Customer Relationship Management
MA: Marketing Automation



Accelerate D&I Initiatives



Ratio of female managers

12.7%

(as of April 1, 2023)

Of which, general managers and above

FY2020: 1

FY2021: 2

FY2022: 4

Ratio of childcare leave takers who return to work (Male)

80.0%

(FY2022)

4 out of 5

Expand systems to promote diverse work styles

Telework, full flextime, etc.

Revival of Demand for Events and Theme Parks in the Era of COVID-19



Recovery of flow of people, resumption of events,
and increase in inbound visitors expected

Good attendance at events during April/May Golden Week holidays



Starting
April 28



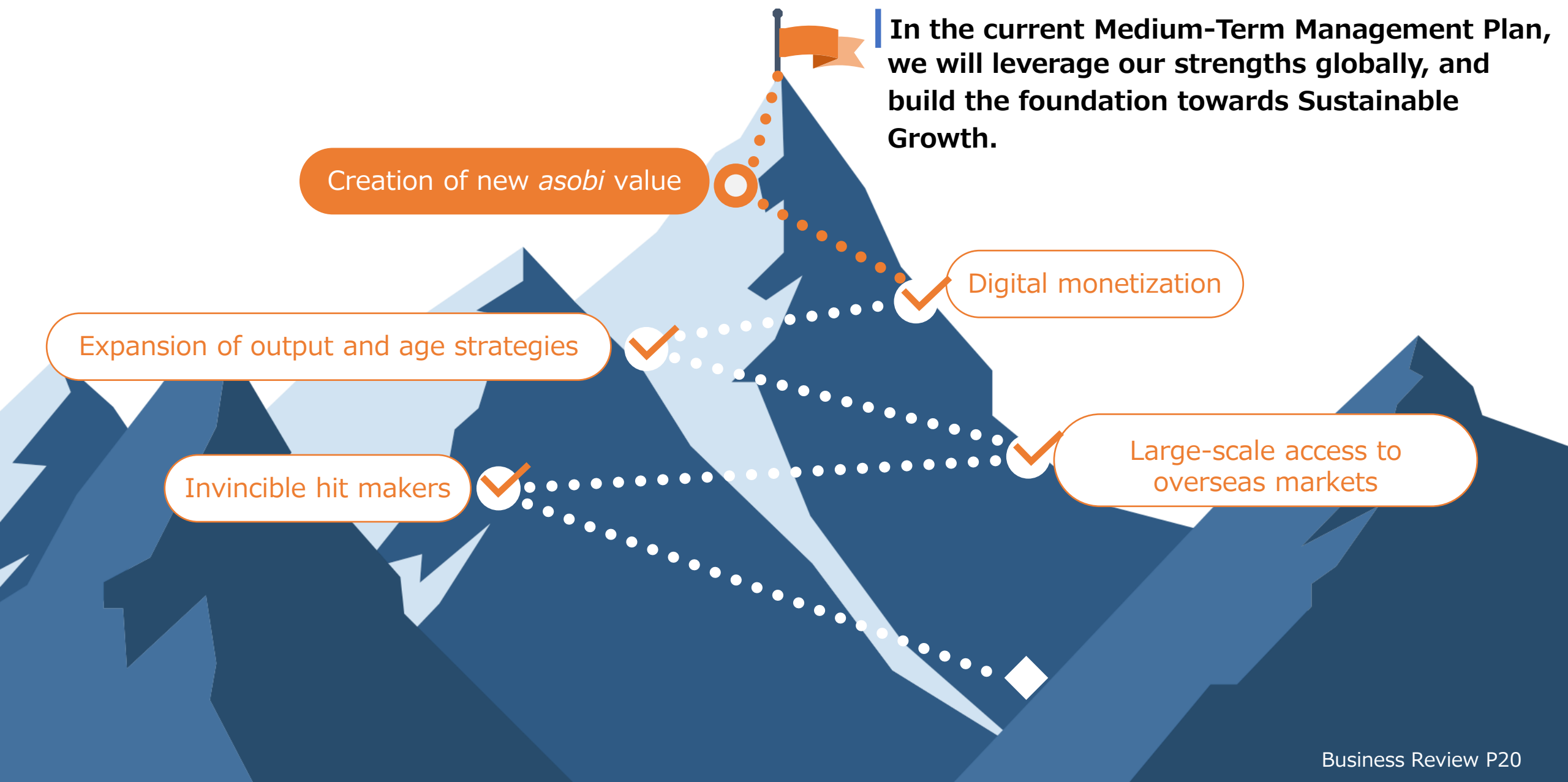
Starting
April 27



Starting
May 26



The Road to Achievement of the Medium-Term Management Plan



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

Creation of new *asobi* value

Digital monetization

Expansion of output and age strategies

Invincible hit makers

Large-scale access to overseas markets



Corporate Mission

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

This document contains forward looking statements, including statements about TOMY Company, Ltd.'s forecasts, targets, plans and strategies. These statements are based on judgements and hypotheses founded on information available at the time of writing. They do not constitute a promise or guarantee of any kind regarding actual future business results of the Company.