



### 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 2023 1st Half (6 months)**  
**Results**  
**(April 1, 2023-September 30, 2023)**

**November 7, 2023**  
**TSE Securities Code: 7867**

# **Fiscal Year 2023 1st Half (6 months) Highlights (April 1, 2023-September 30, 2023)**

November 7, 2023

Goshiro Ito  
Senior Executive Officer, Head of Corporate  
Administrations

# Consolidated Income Statements FY2023 1st Half

¥100 million

	FY2023 1st Half (2023/4-9)			FY2022 1st Half (2022/4-9)	Change
	Actual	Revised Forecasts (Oct 27, 2023)	Original Forecasts (May 9, 2023)	Actual	
Net sales	960	960	920	890	+70
Cost of sales	580	—	—	550	+30
Gross profit	380	—	—	340	+40
Operating profit	80	80	60	60	+20
Operating profit Margin	8.3%	8.3%	6.5%	6.7%	+1.6%
EBITDA	119	—	—	97	+22
Ordinary profit	73	73	56	48	+25
Profit attributable to owners of parent	56	56	40	31	+25

## ◆ Net sales

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

The toys and toy-related businesses is performing well in Japan and Asia. Specifically, sales grew in the KIDDY LAND retail business due to the recovery in the flow of people, including foreign tourists visiting Japan, while in China there was a recovery in sales due in part to the reaction to lockdowns imposed in the first quarter of the previous fiscal year.

## ◆ Profit

Profit saw significant growth on the back of increased gross profit following improvements to the cost rate from an increase in net sales and a tapering off of transportation expenses, as well as reduced distribution expenses as an SG&A expense.

\* Sum of amortization of goodwill and intangible assets associated with the acquisition of TOMY International (TI): ¥1.1 billion for the period under review; ¥1.0 billion for the same period of the previous FY

\* EBITDA=Operating profit + depreciation + amortization of goodwill \* Dollar conversion rate: ¥140.99 during the period under review; ¥133.97 during the same period of the previous FY



# SG&A Breakdown FY2023 1st Half

¥100 million

	FY2023 1st Half (2023/4-9)	FY2022 1st Half (2022/4-9)	Change
SG&A (total)	300	279	+21
Personnel expenses	106	95	+11
Advertising expenses	53	52	+1
R&D expenses	20	19	+1
Distribution expenses	36	39	-3
Amortization of goodwill and intangible assets associated with acquisition of TI	11	10	+1
	\$ 8MM	\$ 8MM	\$ 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.
  - Settling of burgeoning distribution expenses at overseas bases.

# Operating Results by Segment FY2023 1st Half

¥100 million

		FY2023 1st Half (2023/4-9)	FY2022 1st Half (2022/4-9)	Change
Net sales		960	890	+70
	Japan	798	725	+73
	Americas	135	140	-5
	Europe	28	31	-3
	Oceania	12	14	-2
	Asia	293	321	-28
	Eliminations and corporate	-308	-343	+35
Operating profit / (loss)		80	60	+20
	Japan	101	77	+24
	Americas	-4	-4	0
	Europe	-3	-1	-2
	Oceania	1	0	+1
	Asia	9	13	-4
	Eliminations and corporate	-23	-25	+2

◆ Operating results by segment

- As mentioned previously, the toys and toy-related business performed strongly in Japan and Asia, and KIDDY LAND sales saw particularly strong growth.

- Challenging market conditions persist in the Americas, Europe, and Oceania on the back of high interest rates and inflation.

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

# Net Sales by Region FY2023 1st Half

¥100 million

Region	FY2023 1st Half (2023/4-9)	FY2022 1st Half (2022/4-9)	Change
Japan	614	535	+79
North America	189	197	-8
Europe	40	42	-2
Oceania	13	19	-6
Asia	99	89	+10
Others	3	5	-2
Total:	960	890	+70
Ratio of overseas sales	36.1%	39.9%	-3.8%

\* 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.

(Strong toy sales, GACHA capsule toys business, retail business, etc.)

◆ Europe, U.S. and Australia

The toy market continues to face challenges from the impact of inflation, and retail inventory is building up.

◆ Asia

TOMICA and Pokémon performed well, and amusement machines by T-ARTS Company, Ltd. were also well received.

# Consolidated Balance Sheets Breakdown FY2023 1st Half

## ■ Key year-on-year items changed

¥100 million

Account	FY2023 1st Half (2023/4-9)	FY2022 1st Half (2022/4-9)	Change
Inventories	228	283	-55
Japan	115	124	-9
Overseas	131	179	-48
Elimination of unrealized profits	-18	-20	+2

Long-term/short-term total Borrowings	267	337	-70
Net cash (Cash and deposits less borrowings)	363	232	+131
Equity ratio	55.8%	51.9%	+3.9%

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

<US\$ FX rate at end of period> the period under review: ¥149.58, the same period of the previous FY: ¥144.81

		FY2023 1st Half (2023/4-9)	FY2022 1st Half (2022/4-9)	Change
Goodwill balance of TI	\$MM	110	123	-13
	¥100 million	164	179	-15
Intangible assets balance of TI	\$MM	62	64	-2
	¥100 million	92	93	-1

# Business Review for FY2023 1H

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**

# Details of 1<sup>st</sup> half performance growth

## Achieved record high net sales and profit since the merger

**Net sales ¥96.0 billion: Greatly increased from the same period of the previous year (+ ¥7.0 billion)**

### KIDDY LAND

- Recovery in attendance + inbound growth following the COVID-19 pandemic
- Strong sales of popular character toys

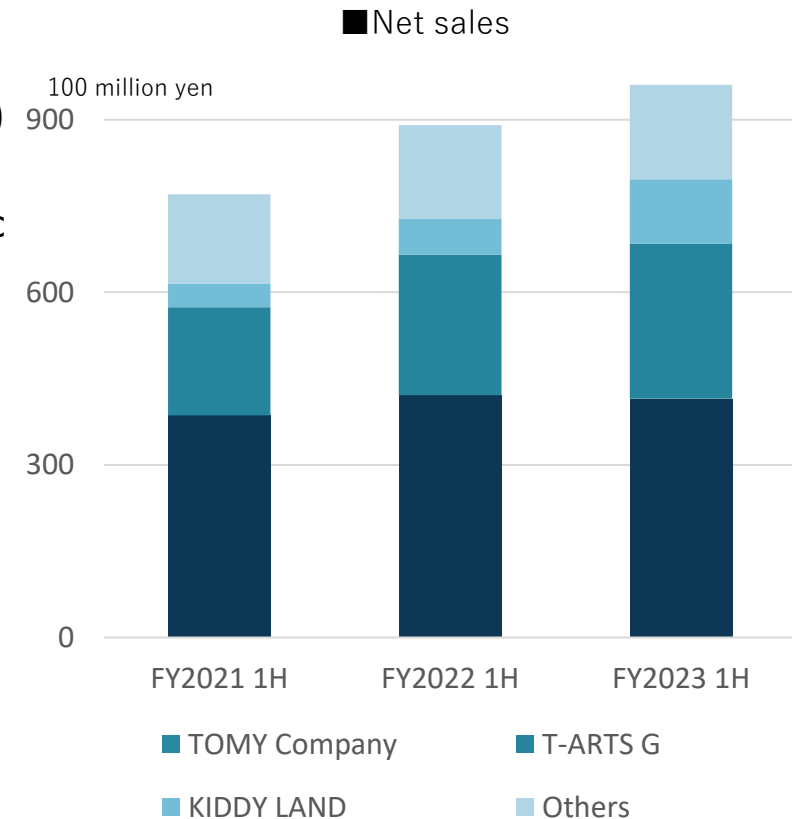
### T-ARTS Group\*

- Capsule toys: Continuing popularity of capsule toys.  
Business growth through increased purchases from adults
- Amusement machines: Pokémon remains popular in Japan and in Asia

### TOMY Company

- Toy business remained strong
- Increase in adult purchases, pokémon toys performed well

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



**Operating profit ¥8.0 billion:**  
**Exceeded the same period of the previous fiscal year (+¥2.0 billion)**

- Gross profit increased due to higher net sales
- Improved cost of goods ratio primarily following reduced sea freight costs
- Distribution expenses were also reduced in SG&A expenses



# Performance by Segments

• Figures are sales by segment  
• Changes calculated in billions of yen



## Japan

Change  
FY2023 1H **¥79.8** bil +10.1 %  
FY2022 1H ¥72.5 bil **+¥7.3 bil**

- Significant contributions from KIDDY LAND and T-ARTS Company. Further growth expected for the future
- Launch the BEYBLADE X anime in October as part of aims for a hit show of the New Year period

## Americas

Change  
FY2023 1H **¥13.5** bil -3.6 %  
FY2022 1H 14.0 bil **-¥0.5 bil**

- Challenging market environment persisted under the impact of high interest rates and inflation
- Issues with overstocking at warehouses in the U.S./Europe have not been resolved
- Reprieve in burgeoning transportation costs

- Baby products and Japan originated brand "Club Mocchi- Mocchi-" grew
- Decline in sales primarily due to a slump in sales for Fat Brain Group
- Cost management will be pursued in accordance with sales results

## Europe

Change  
FY2023 1H **¥2.8** bil -9.7 %  
FY2022 1H 3.1 bil **-¥0.3 bil**

- While sales of the Japan-launched long seller "Pop-Up Pirate" and other game toys remained strong, baby products saw a decline in sales
- Cost management will be pursued in accordance with sales results

## Oceania

Change  
FY2023 1H **¥1.2** bil -14.3 %  
FY2022 1H 1.4 bil **-¥0.2 bil**

- Although sales grew mainly for agricultural machinery toys and the "Club Mocchi Mocchi" series, sales declined for baby products and other products
- Maintain profit with a slimmed-down operating structure

## Asia

Change  
FY2023 1H **¥29.3** bil -8.7 %  
FY2022 1H 32.1 bil **-¥2.8 bil**

- Reduced shipments to Europe and the U.S. from our production subsidiary, TOMY (Hong Kong) Ltd.
- Strong growth in sales to external customers propelled by a rebound in sales following the Shanghai lockdown and growth in the TOMICA and Pokémon lines over the first quarter of the previous year.\*  
Expectation for BEYBLADE X from the third quarter  
(\*FY2023 1H ¥6.6 billion, FY2022 1H ¥5.9 billion See P13 of the Consolidated Financial Results)

# Progress on Medium-Term Management Plan Final 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

**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

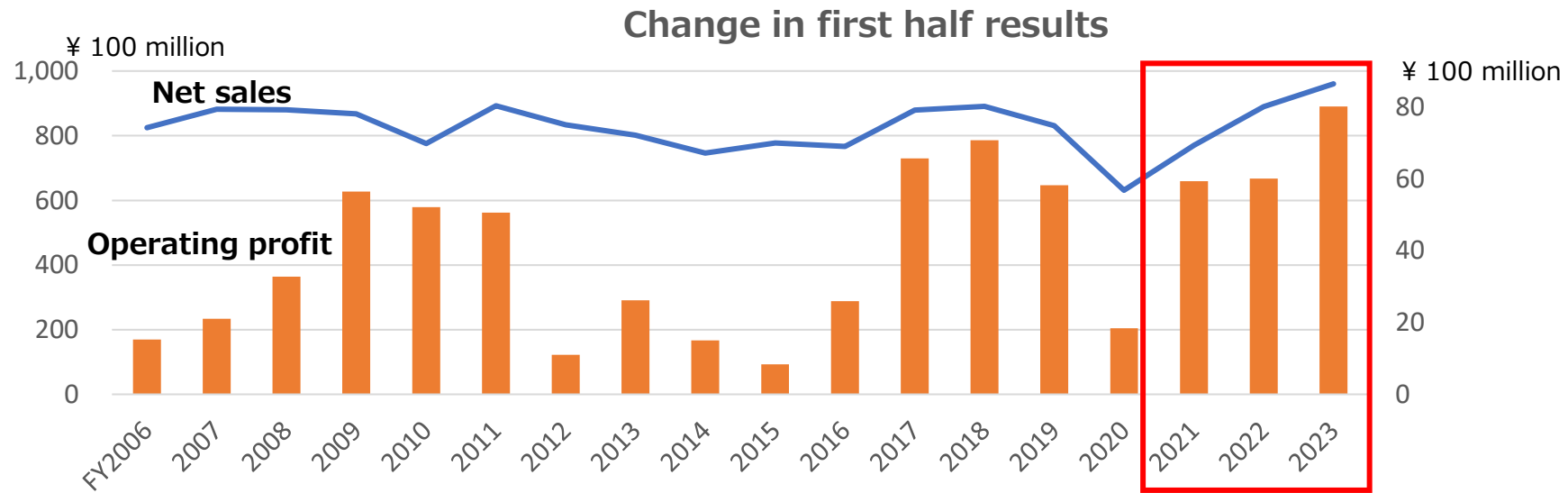
**Functional strategies which support sustainable business growth**

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

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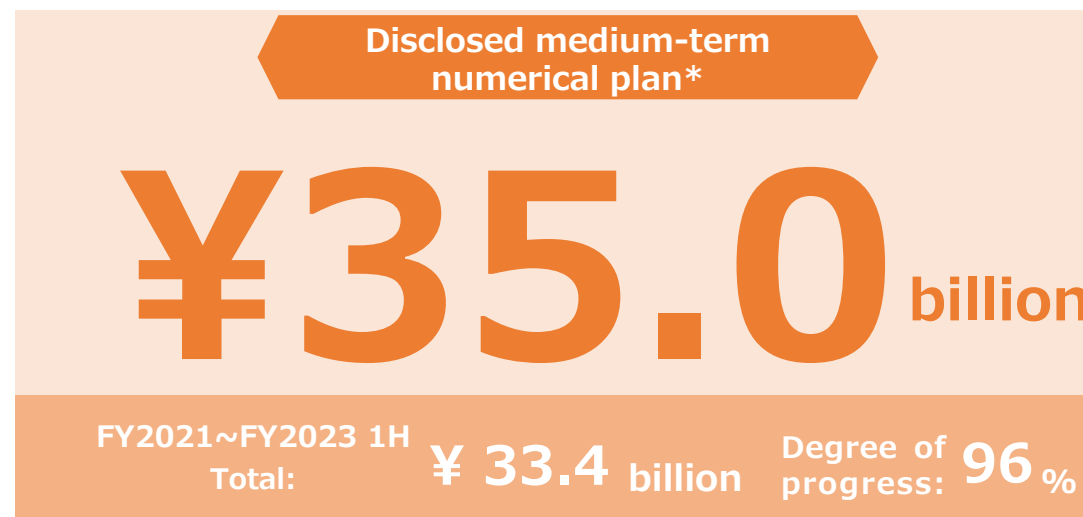


## Final year in Medium-Term Management Plan making steady achievement



## Three-year total (FY2021 to FY2023)

\* Figures published May 11, 2021



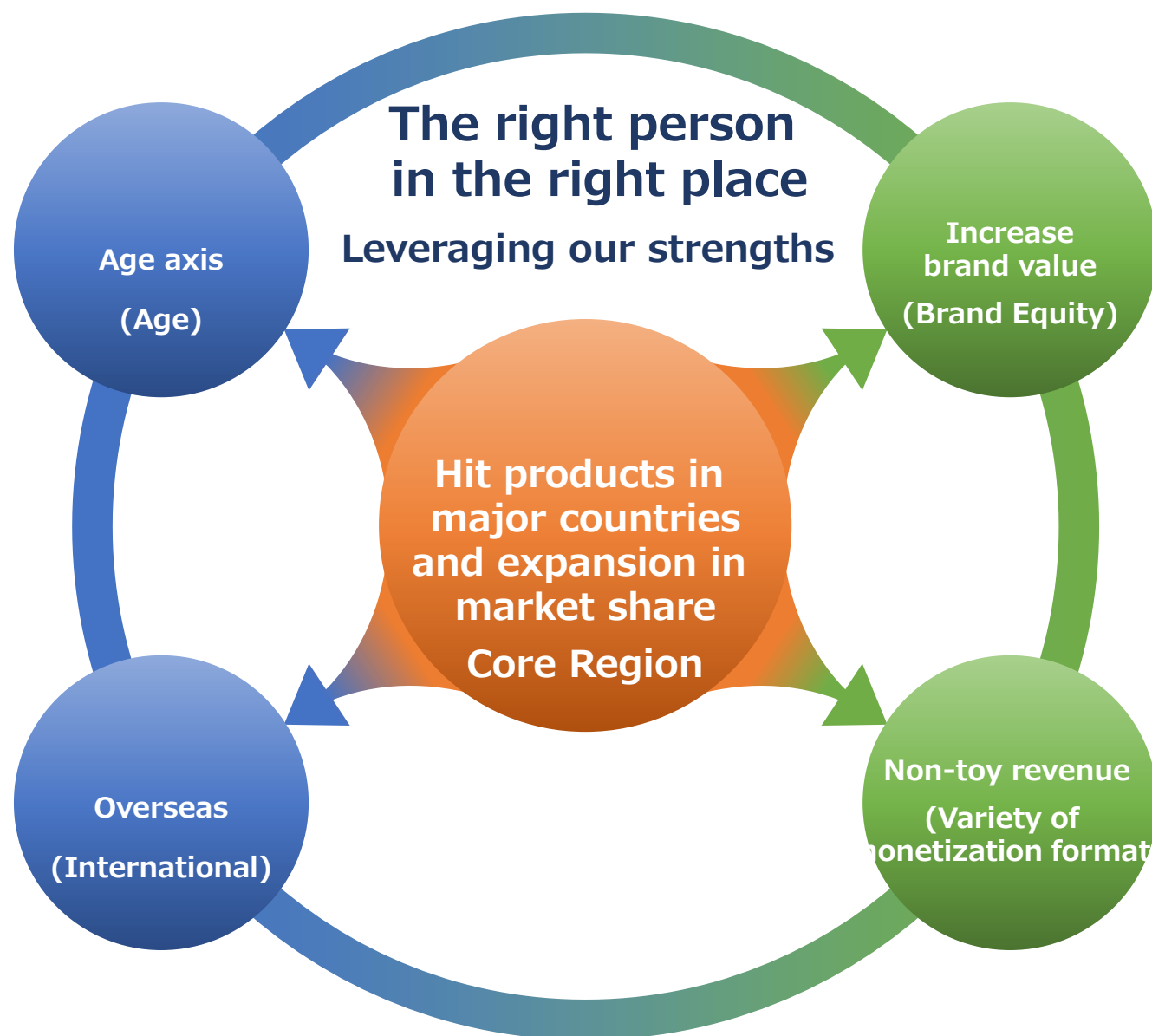
To achieve targets for cumulative consolidated operating profit

**Grow sales by expanding customer segments**

**Provision of products and services tailored to each customer segment  
(The right person in the right place)**



# Challenge of Expanding Growth Axes for Individual Brands



## Keywords in consumption

Kidults

Fan Economy

Narrative (empathy)

Digital Natives

Facebook→Tiktok/Instagram



New stage

ベイブレードは、スポーツへ。

**BEYBLADE X**  
ベイブレードエックス





# Grow core brands based on their strengths



Renewed push for BEYBLADE X  
Expansion within Japan and overseas + age axis expansion  
+ digital



もう、遊びじゃない。  
**GEAR SPORTS**  
BEYBLADE X  
ベイブレードエックス





# 40th anniversary of our major IP, TRANSFORMERS Increase brand value

October 2023

2024

# 40th TRANSFORMERS

August 2023 (Japan)



April 2023





## T-ARTS Company: Amusement business

- **Total Pokémon Mezastar tag shipments passed 200 million**  
(June 2023)  
New series performing well, achieving record sales

Over 10,000 visitors to an event held in Yokohama in August went hands-on with Mezastar



- **Pretty Series IP shows continued growth**  
Roll out arcade game, apps, virtual live shows, etc.



- **Asia Pokémon Ga-Olé**  
Resumption in hosting major events  
Strong performance with over 10% growth in first half year-on-year



Taiwan (April)



Singapore (June)



Malaysia (June)



South Korea (September)



**Ga-Olé Studio**  
**Second store opens in China**  
Changsha (July)



## T-ARTS Company: GACHA capsule toys business

- Continued growth in capsule toys chain stores

Expansion of contact with customers at capsule toys chain stores



- Expansion and business growth in the North America

Expansion in products



- Roll out of a broad product lineup

Broad product roll out targeting kidults, kids and families



# Group Companies' Breakthroughs ③

- Strong sales of popular character toys



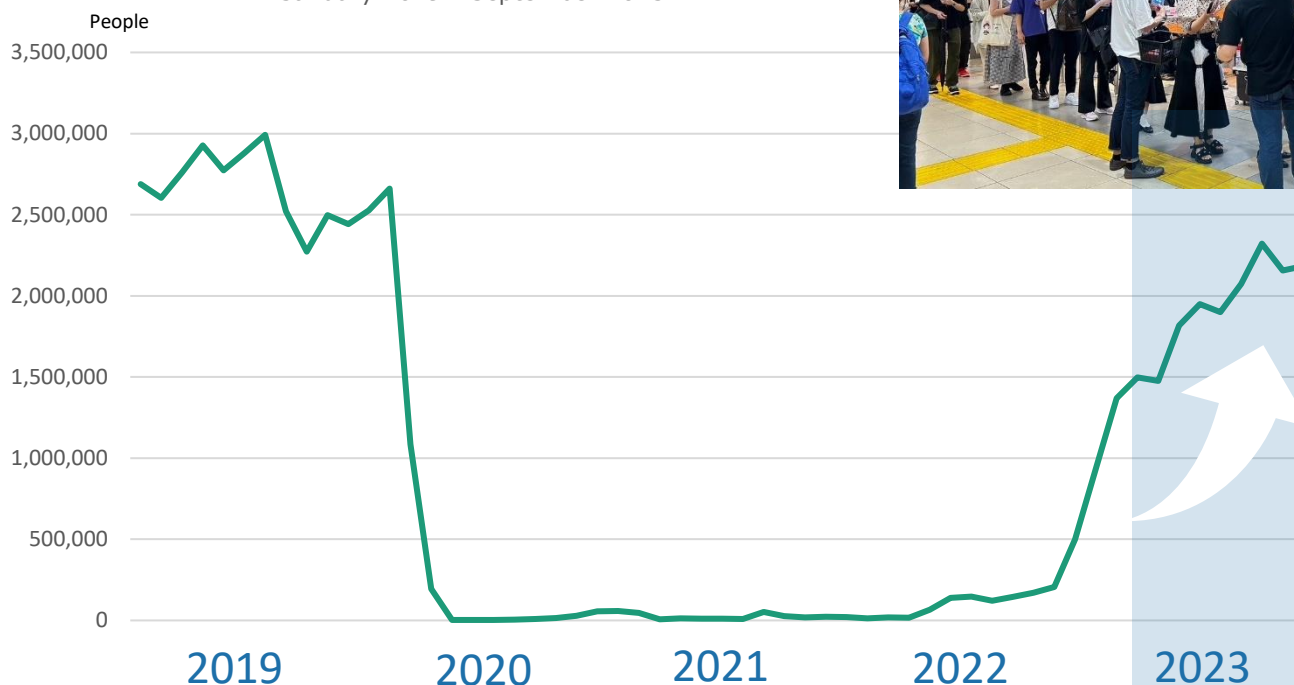
## KIDDY LAND®



- Dramatic recovery in inbound travel demand  
Particularly significant growth seen in metropolitan stores



Change in overseas visitors to Japan  
(Total published by Ministry of Internal Affairs and Communications)  
January 2019 ~ September 2023





# Resumption in Real Events Following the COVID-19 Pandemic

## TOMICA and PLARAIL Expo

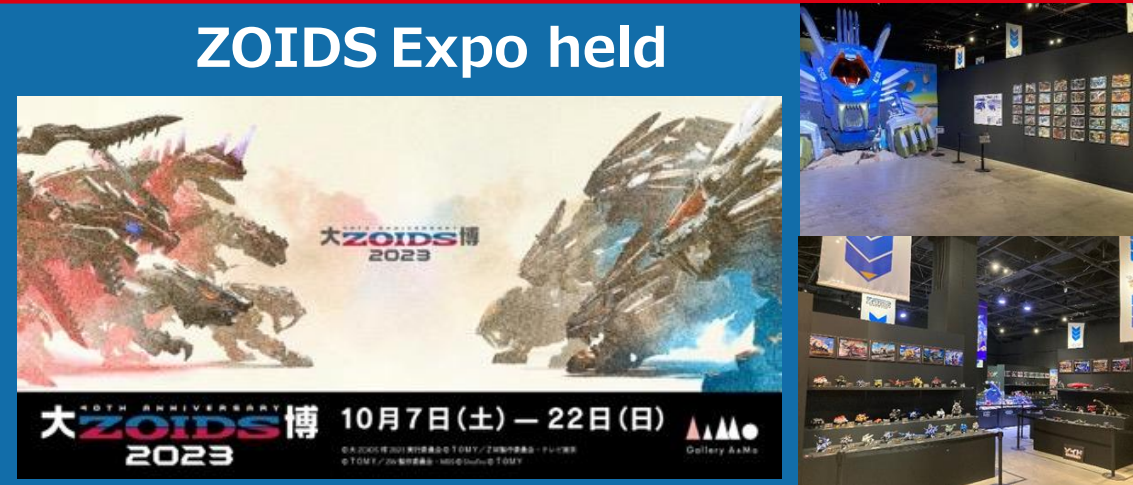
Broad resumption in events starting in Golden Week



## Japan Mobility Show



## ZOIDS Expo held





# Continued Investment in IPs and Content Expansion

TAKARA  
TOMY

FY2024



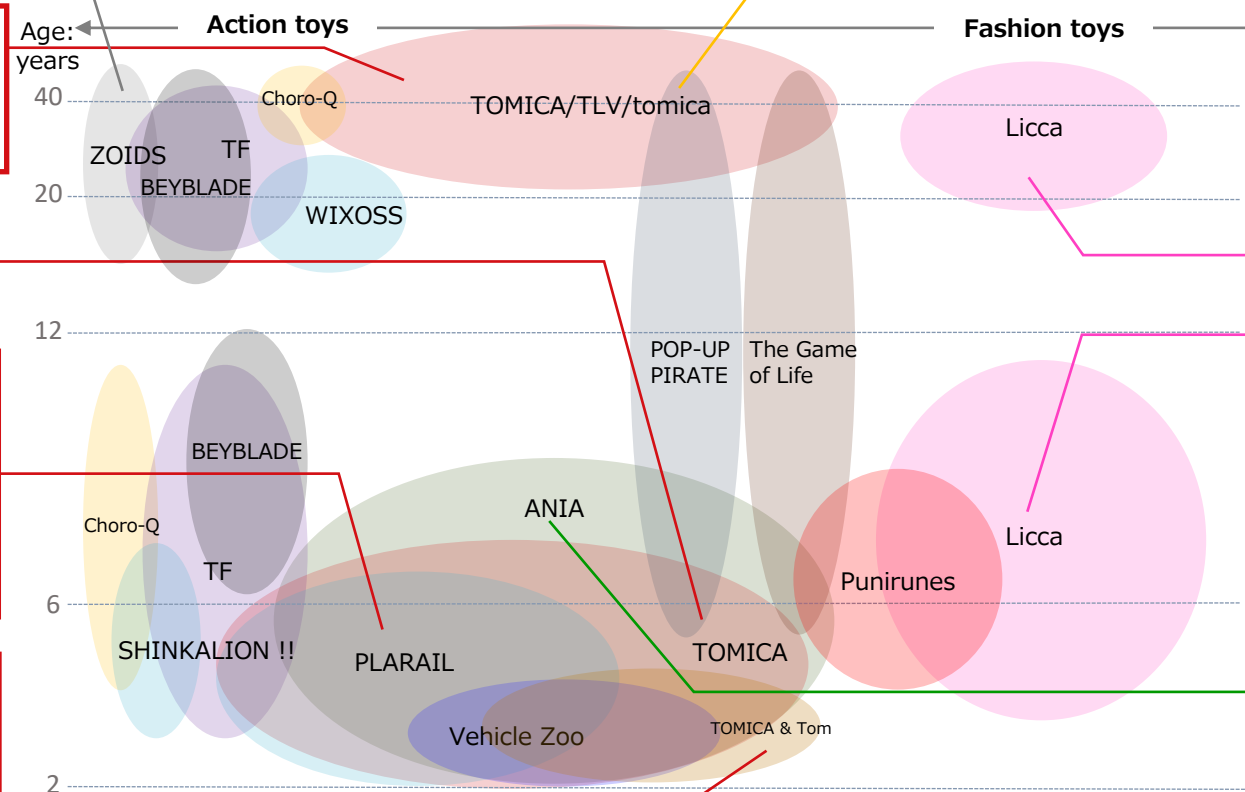
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# Initiatives to Improve Brand Value

## Cover a broad age range

Visual representing the breakdown of core content target groups



\*Licca Example of competitor advertising





# Measures With *Asobi* as the Key Theme/ Continued Growth in Kidults/Digital Business



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## Europe, U.S. and Australia

Challenging toy market persists  
due to high interest and inflation

On a shrinking trend while issues with  
distributor stock persist

Americas: Work to reduce costs by  
controlling SG&A expenses

Europe: Board games popular in Europe  
Drumond Park brand acquisition complete  
Work to reinforce business foundations

### BEYBLADE X

- Aim to license our IP in Europe and the U.S.  
Establish T-Licensing Inc. in New York in  
FY2023 and start business operations
- Start sales in Europe, U.S. beginning with  
North America in autumn '24  
(25th anniversary of launch)

## Asia

After COVID-19 pandemic, in-store  
toy sales are also recovering

Continued growth with TOMICA and Pokémon

Amusement business continues to expand

Full-fledged expansion of BEYBLADE X  
in Asia, expecting further expansions

TOMY GROUP



## Human Rights

### Human Rights Policy

August 2023 Established/disclosed



## Environment

### SCOPE 3 calculation/disclosure

August 2023 Third-party verified

13 CLIMATE ACTION



Climate Change



# Products Expected for the Christmas Period

Giving form to “I want to try that!”



**TOMICA  
Slider Parking 50**

© TOMY



**ANIA Kingdom  
Battle Volcano**

© TOMY



**TOMICA Jobraver  
DX Skybraver  
ANA Jet Passenger  
Plane**

© ANA © TOMY



**Kimiga Driving! Grip Mascon  
E5 Series Shinkansen Hayabusa DX Set**  
Copyright: TOMY, product commercialization licensed  
by JR East



**ESC-01 Spin Changer  
OPTIMUS PRIME with Robby**

© TOMY



\*Dolls, some furniture and accessories sold separately

**La Maizon with Swing and Slide**

© TOMY

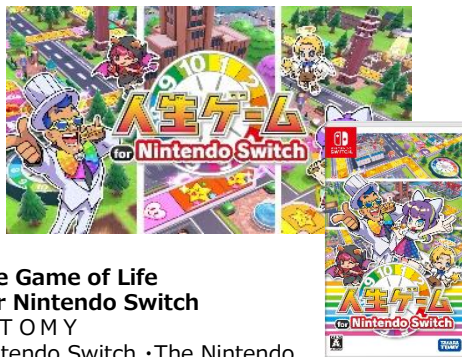
# Products Expected for the Christmas Period

All together now!



## The Game of Life

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© TOMY



## The Game of Life for Nintendo Switch

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Nintendo Switch • The Nintendo  
Switch logo is a trademark of Nintendo.



## Screwball Scramble Sea Adventure

© TOMY



## Fuwamochi Wow! Panbina Sweet Roll

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## ■ ■ TIROL CHOCOLATE CHALLENGE □ □

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## Smart gadgets just for you



## Link with Camera! SMAPHO ROTOM+

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



## Tobidase! Kyubitsu Mint

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## PAW PATROL

## ■ ■ Asobi Momanabimo Pow Kiketsu! □ □ Wonderful Paw Pad

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## Disney Princess Kirakira Tablet

© Disney



## Sumikkogurashi Osewa de Ippai App ga Plus Sumikko Smartphone

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# Products Expected for the Christmas Period

Something for adults with  
a sense of playfulness



**PLARAIL Real Class**

© TOMY

Product commercialization licensed by JR East Product  
commercialization licensed by JR West



**BX-17 Battle Entry Set**

©Homura Kawamoto, Hikaru Muno, Posuka  
Demizu, BBXProject, TV TOKYO © TOMY



**TOMIX Basic Set SD E5 Series Hayabusa**

Product commercialization licensed by JR East



Bringing a smile to babies



**Overnight Home Theater  
Soundly Melody & Light Disney Characters**

© Disney © Disney/Pixar



**Baby Style  
Honda SOUND SITTER**



**SORA-Q Flagship Model**

© TOMY

**#Licca  
#ASICS sports style**

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Hot news in 2023



# The Road to Achievement of the Medium-Term Management Plan

## ■ Medium-Term Management Plan making steady achievement

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



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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