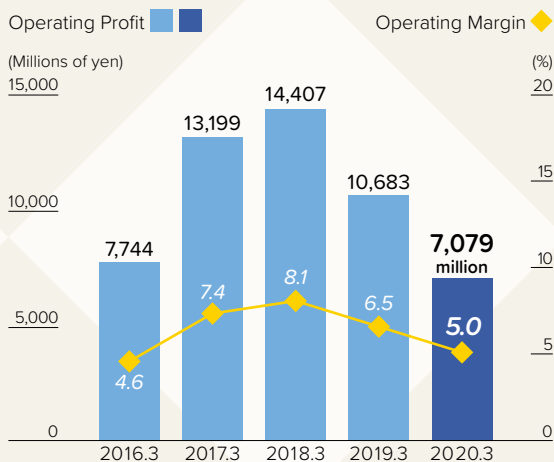
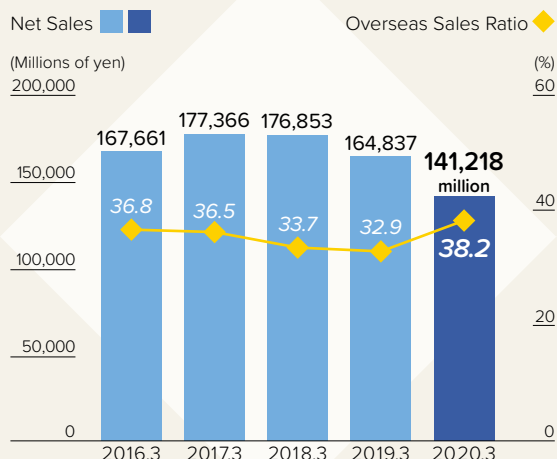


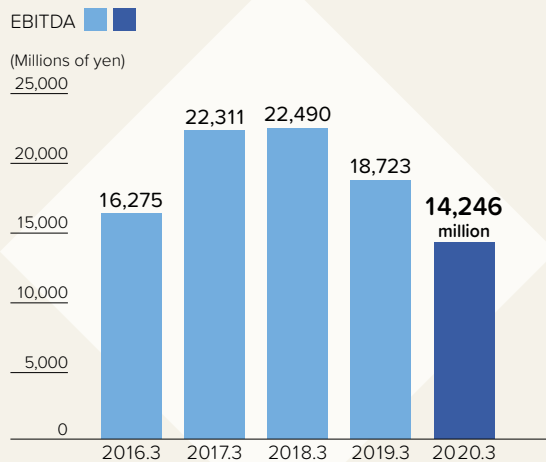
**Net Sales**  
**¥141.2**  
billion



**Operating Profit**  
**¥7.0**  
billion

**EBITDA\***  
**¥14.2**  
billion

\*EBITDA =  
Operating profit + Depreciation  
+ Amortization of goodwill



## Review of Fiscal 2020 (the fiscal year ended March 31, 2021)

### Toy Market

The size of the Japanese toy market in fiscal 2020 grew 1.5% year on year to ¥826.8 billion on a recommended retail price basis. This figure is the third largest in the past two decades of tracking, and we believe it suggests that even under the

emergency situation of the COVID-19 pandemic and a declining birthrate that has become increasingly evident in recent years, the demand for toys is solid and even has great potential for future growth. (Source: The Japan Toy Association website)

### Performance Highlights

**Despite a lagging recovery in the retail and event businesses, the TOMY Group beat its initial forecasts for operating profit, ordinary profit and net profit.**

With the end of the COVID-19 pandemic still uncertain, the recovery of the Group's retail and event businesses has been delayed more than expected due to the postponement of movie releases and the cancellation, postponement or downsizing of various events. In addition, sales of some of the Group's staple products have declined due to fewer sales opportunities at recreation spots and public transportation. However, in the toy business, products catering to the demand to stay at home became popular, and e-commerce purchases saw further growth.

The TOMICA brand of die-cast miniature cars celebrated its 50th anniversary in 2020, coinciding with TOMICA EARTH GRANNER, an animated television series based on the brand that began airing in April. Related merchandise also went on sale, and we promoted the TOMICA 50th Anniversary Auto Maker Collaboration Project, among other activities. While domestic sales of BEYBLADE BURST are on a declining trend, overseas exports were solid due to factors including the ongoing broadcast of the animated television series in North America. Family-oriented games such as GAME OF LIFE and POP-UP PIRATE enjoyed healthy sales due to the heightened demand from people staying at home due to the COVID-19 pandemic. In addition, many products were launched on the market to coincide with the busy year-end shopping season, including TOMICA Double action building, Sew Cool Sumikko Gurashi and GAME OF LIFE Jumbo Dream. To expand a

new business domain, Nail Tip laboratory NELTIP, the dedicated nail tip printers targeting the teen to adult demographic, began operating at select stores from March 2021. On the other hand, sales from the retail and event businesses recovered later than expected. Given the factors described above, net sales declined 14.3% year on year to ¥141,218 million, below the initial forecast of ¥145,000 million. In October, the independent U.S.-based toy company Fat Brain Group became a subsidiary of TOMY International, Inc., and was added to the Group's consolidated performance figures.

In addition to growth in the high gross margin toy business in the third quarter offsetting the sluggish retail and event businesses despite declining sales, due to ongoing cost-cutting efforts amid the COVID-19 pandemic, we recorded operating profit of ¥7,079 million (down 33.7% year on year), beating the initial forecast of ¥5,500 million. Ordinary profit was ¥7,170 million (down 29.7% year on year), beating the initial forecast of ¥5,500 million in part due to foreign exchange gains. In addition, we recorded extraordinary losses of ¥729 million due to COVID-19, including fixed costs (personnel costs and depreciation) incurred by retail stores and other sites that temporarily closed due to state of emergency declarations. However, in part due to the posting of extraordinary income of ¥1,619 million, including a gain on sale of cross-shareholdings, profit attributable to owners of parent was ¥5,374 million (up 19.2% year on year), beating our initial forecast of ¥3,000 million.

## Overview by Regional Segment

### Japan

**Performance in Japan declined from the previous fiscal year because of the effects of the COVID-19 pandemic and some product life cycles running their course.**

Effects due to the COVID-19 pandemic were felt throughout the year, including postponed movie releases and the cancellation, postponement or downsizing of various events, as well as a sharp drop in inbound consumption. Domestic sales of BEYBLADE BURST toys that went on sale in the summer of 2015 have been on the decline, but overseas exports have been solid, in part reflecting the ongoing airing of the animated television series in North America. From the first BEYBLADE series release in 1999 to the third release, a cumulative 500 million pieces of merchandise have shipped worldwide. In July, Sumikko Gurashi Sumikko Catch was released and enjoyed a popular reception. Dolls such as LICCA Colorful Change were also popular and achieved solid sales. However, the Surprise toys faced slowing momentum. Sales of merchandise related to the PAW PATROL animated television series that is popular worldwide remained strong. There was also growth in the sales of family-oriented games that can be enjoyed at home while people refrain from going out due to the pandemic, including GAME

OF LIFE and POP-UP PIRATE. In the Pokémon line, related merchandise including SMAPHO ROTOM LCD toys performed strongly. In addition, from September the new Pokémon MEZASTAR amusement machine was rolled out to a popular reception.

DUEL MASTERS PLAY'S, which was first released in December 2019, has continued to expand with the periodic release of new card packs and strengthened promotional efforts. In addition, pre-orders for LICCA and TOMICA merchandise developed in collaboration with *the Demon Slayer: Kimetsu no Yaiba* franchise that has become a hit in Japan and overseas were strong, while plush toys, capsule toys and the Candy toys developed by T-ARTS also performed well.

As a result of the above factors, we posted net sales of ¥113,328 million (down 18.4% year on year) and operating profit of ¥9,048 million (down 33.5%), with some products reaching the end of their life cycles and the spread of COVID-19 infections each having an impact.

(Millions of yen)

	2020.3	2021.3	Change	Change (%)
<b>Net sales</b>	<b>¥164,837</b>	<b>¥141,218</b>	<b>¥(23,619)</b>	<b>(14.3)</b>
Japan	138,948	113,328	(25,619)	(18.4)
Americas	17,214	21,845	4,631	26.9
Europe	5,507	5,998	490	8.9
Oceania	1,442	1,917	474	32.9
Asia (other than Japan)	51,491	41,458	(10,032)	(19.5)
Eliminations and corporate	(49,767)	(43,330)	6,436	—
<b>Operating profit (loss)</b>	<b>10,683</b>	<b>7,079</b>	<b>(3,603)</b>	<b>(33.7)</b>
Japan	13,615	9,048	(4,566)	(33.5)
Americas	(23)	222	245	—
Europe	(916)	(75)	841	—
Oceania	(166)	113	279	—
Asia (other than Japan)	1,248	724	(524)	(42.0)
Eliminations and corporate	(3,074)	(2,953)	120	—

## Overseas

**Rising demand for stay-at-home related products and growing e-commerce volume. With people spending more time at home, baby care products, preschool-related products and Farm toy products that children can play with all performed strongly.**

### Americas

Due to the spread of COVID-19 infections, people began to spend longer periods of time at home, and baby care products enjoyed strong sales as a result. Among Farm toy, ride-on toys children can play with at home were popular and drove strong sales. The addition of Fat Brain Group as a subsidiary of TOMY International, Inc., in October also contributed, with net sales reaching ¥21,845 million (up 26.9% year on year), along with operating profit of ¥222 million (up from an operating loss of ¥23 million the previous fiscal year).

### Europe

Family-oriented games attracted attention due to the COVID-19 pandemic, with DRUMOND PARK Games performing strongly. Sales of preschool-related products such as TOOMIES were also solid. Combined with healthy results for the core brand Farm toy, we posted net sales of ¥5,998 million (an 8.9% year-on-year increase) and an operating loss of ¥75 million (compared with an operating loss of ¥916 million a year prior).

### Oceania

In addition to baby care products that constitute daily necessities, sales of preschool-related products were brisk. Among Farm toy, preschool products such as ANIMAL SOUNDS HAYRIDE proved popular and drove strong sales. As a result, net sales were ¥1,917 million (up 32.9% year on year), with operating profit of ¥113 million (up from an operating loss of ¥166 million the previous year).

### Asia (excluding Japan)

On the production front, operations continued as usual in China, Vietnam and Thailand. In terms of demand, there was a significant impact on purchasing behavior due to restrictions on going out being implemented in some countries and regions. However, in Taiwan, which had few COVID-19 infections, TOMICA EXPO in TAIWAN was held as the first overseas TOMICA EXPO. Net sales were ¥41,458 million (down 19.5% year on year), with operating profit of ¥724 million (down 42.0%).

