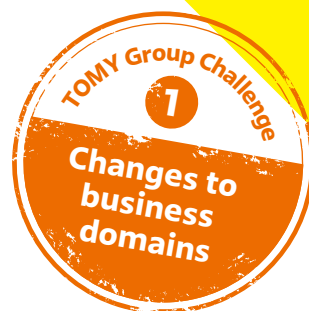


Challenges Taken on by the TOMY Group for New Growth

The TOMY Group changed the basic focus of its business from toys to *asobi* in the Medium-Term Management Plan established in fiscal 2021. By making the creation of value into *asobi*, we expand our target to all people around the world who love *asobi* and extend our business domains.

The TOMY Group
will change?!

CHANGE



Existing targets

Mainly children 3–6 years
and their parents



Toys



From the concept of
basing the business
on toys as products

What is *asobi*?
How is it different
from toys?

Keyword for change /

asobi



Toward creating products
and services based
on the values of *asobi*

\\ Keyword for change /

asobi



New targets

All people around the world who love *asobi*

The ways in which people have fun and their values have changed, and this has caused a certain market segment to be fostered by kidults, or adults with a playful spirit. The TOMY Group will expand its target to all people around the world who love *asobi* and through the power of *asobi*, we will help to create a better world overflowing with excitement, surprise, emotion and smiles.



A driving force for value creation to meet diverse needs



Based on the brand power of our products and a rich brand palette, the ability to turn diverse ideas into reality will become a new driving force for the TOMY Group.

Innovation

Combining partners,
intellectual property and
technology to develop products and
services for people of all ages

Diversity

Securing and
training human resources
with diverse ideas
and diverse values

Developing global brands and
cooperating with
local Group companies
that understand regional needs

Global

Seniors

Kidults

Teens

Tweens

Having extensive core brands and
expanding these to every generation
allows us to

Offer *asobi* to all people around the world

We will expand our business domains
by changing our basic focus from toys
to *asobi* and showcase our diverse
ideas and creative thinking. In doing
so, the TOMY Group will create value
for the diverse needs and uses of
diverse consumers around the globe.
The innovation born from *asobi* will
become a driving force that also leads
to the resolution of social issues.

Kids

Preschoolers

Baby
Toddlers

The DUEL MASTERS case is on the next page 

Expanding worldviews and preparing output for various generations

PICK UP

DUEL MASTERS PLAY'S

DUEL MASTERS PLAY'S expands one worldview that is created from the analog trading card game DUEL MASTERS to a digital smartphone app, and it is enjoyed by a wide range of players across generations, from children to adults.



What is DUEL MASTERS?

A one-on-one battle trading card game that has enjoyed long-lasting popularity since it first went on sale in 2002. Players prepare a deck of 40 cards and use accumulated *mana* (energy) to win by breaking the opponent's shield with summoned creatures (monsters) or chanted curses.



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INTERVIEW

From a card game to a smartphone game app

Creating a place where different people can enjoy various DUEL MASTERS battles in a variety of playing styles



Kenichi Sado,
Head of the Digital Business Division



Genki Matsuura,
Senior staff of the Planning Team,
Digital Business Division

The role of DUEL MASTERS PLAY'S

The idea to expand DUEL MASTERS into a smartphone app came from a survey of card game users. To solve the problem of one-on-one card games where players lose their playing partners or do not have time to meet up and play with friends, we developed the smartphone app DUEL MASTERS PLAY'S as an online game where anyone can play anywhere, anytime. While appreciating the worldview of the original, we expanded *asobi* unique to DUEL MASTERS PLAY'S by adding characters not found in the original along with distinct stories. At the same time, we have focused on the fast pace necessary for an online game, which is not a game played with friends in front of you.

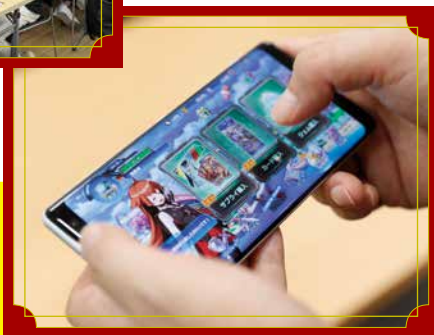


Developing new digital fields through cooperation with external partners

In pursuing the development of a game app as a toy manufacturer, initially we were not given the go ahead internally or from the copyright source. We therefore approached DeNA Co., Ltd., a major game company, suggesting cooperation with us, and began jointly developing the app along with a development company. As the three companies with different company cultures progressed with long-term game development from the same perspective, there were mutual misunderstandings and it was hard work, but we began distributing DUEL MASTERS PLAY'S in December 2019 by mobilizing the particular expertise of each company. Many customers have enjoyed the app in the two and a half years since its release. We would like to build on this experience to further expand *asobi* utilizing the strengths of the TOMY Group.



Event venue



Co-creation with diverse stakeholders

Holding various events and catching up with player needs in real time

The operations team is working to improve the game by continually gathering and analyzing battle data as KPIs*. The team conducts regular user surveys to analyze card evaluations and monitors comments on the official YouTube channel and Twitter. Through these efforts, the team works to understand player needs in real time. Under the policy of being an operations team that is close to the customer, we value the contact points between players and between players and the operations team by, for example, setting up an opportunity for conversations using a Discord server (a communication tool) with nearly 3,000 players who assembled for an official online event during the pandemic when it was difficult to hold in-person events.

We will continue to offer exciting experiences where users can slip back in time to when they were kids with their smartphones and open the door to new experiences they did not know at the time.

*Key Performance Indicators

With this game app, children and adults alike can enjoy sharing the same worldview

Education



Kids



Preschoolers



Fashion



Teens

Not limited to the expansion of target age groups
through the expansion of existing brands

Also

**We will develop new businesses
through new ideas from the
perspective of *asobi*.**

Utilizing Digital
Technologies



Kids



Kids



Healing
Communication



Senior

Tomiyama: We announced a change to the basic focus of our business from toys to *asobi* in the Medium-Term Management Plan. With toys, you are limited to a specific segment, but making our value creation abstract with *asobi* reflects our desire to expand our business domains to target people of all ages and to help address a range of issues within society.

Iyoku: When I heard this idea at a Board of Directors meeting, I thought it was good. The TOMY Group has established a track record based on toys, and we have expanded our business domains by making our value abstract with *asobi*. To further expand this potential, I think it is necessary to both be aware that our value is in producing lifestyles based on *asobi* and to communicate this value.

Tomiyama: Thank you. Just as you said, with TOMICA, PLARAIL and LICCA dolls, for example, children create the society and lifestyle that they dream of while playing, and they learn about the microcosm of a society. In this way, the production of society and lifestyles through *asobi* is in our origin. By expanding

this way of thinking to a wider target, we want to not only develop existing content for adults but also propose *asobi* that makes use of the TOMY Group's unique creative abilities to meet various needs with a completely new approach. Examples include Ami-chan, a talking doll with facial recognition aimed at seniors seeking comfort in their life, and NELTIP, a dedicated nail chip printing machine aimed at teens who want to be fashionable at a low price.

Iyoku: Originally, toys were a type of tool, and the true value of the TOMY Group is in our ability to develop *asobi*. Even when looking at the INTERNATIONAL TOKYO TOY SHOW, I feel that our abilities to develop and be creative stand out. I worked at NTT, and when I saw coemo, a storytelling speaker that creates a voice similar to a real person utilizing AI voice speech synthesis technology, I was impressed that elemental technologies such as voice recognition and speech synthesis could become a final product in this form. I thought that the TOMY Group's ability to develop *asobi* was amazing as the speaker not only has speech synthesis but also mechanisms to

Conversation Between Directors

Expand business domains with the ability to create *asobi* as a core and contribute to the creation of a prosperous society



I want to expand our business domains by utilizing our ideas and engage in areas where we can add higher value.

Akio Tomiyama
Managing Director
Chief Head of Business Headquarters
& Head of Global Business

reproduce sound effects. I have high hopes for more new *asobi* to be produced by combining even more elemental technologies in the future.

Tomiyaama: Yes, people from other industries are often surprised at the ideas we generate. I think that our business domains will be expanded by utilizing points from these ideas, as we are an organization that has always thought only of *asobi*. With the Moonshot Project, a new organization we recently launched, we are continuing our search for an answer to social issues with a long-term perspective, which is different from our existing businesses.

Iyoku: Using the Moonshot Project, we can create open innovation systems by incorporating lab-like elements, and we can expect new ideas to come if we keep our doors open. To achieve innovation that draws on a variety of knowledge, it would be good to make a departure from existing businesses that seek profit, and set the KPIs* for each project related to ideas or communication, including how many people the project reaches, how many new suggestions

*Key Performance Indicators

were received, and how much information was communicated.

Our product quality, which backs up our brand power, is also essential for *asobi*.

The globally accepted safety design that TOMY has pursued for children is a universal design that is safe and secure for everyone, including seniors, and I believe that it can contribute to a diverse society.

Tomiyaama: We have embodied safety and quality in our products by, for example, not attaching side mirrors to TOMIKA cars to keep children free from injury. With the abstract concept of *asobi*, I hope that we will seek quality from the perspective of whether the *asobi* addresses the health of society. Lastly, I hope we can prove that the *asobi* we create has more added value. By applying the ability to create *asobi* and our creative abilities to a variety of things, we will break free from the idea that we are just a toy manufacturer, and I hope we can move into areas where we can produce higher added value.

Iyoku: Yes. It would be a waste to limit the TOMY Group's expertise to just toys.



The true value of the TOMY Group is in our ability to develop *asobi*. I have high hopes for new *asobi* in the future.

Miwako Iyoku

Board Director (outside)

Profile She began working at Nippon Telegraph and Telephone Corporation (NTT) after graduating from International Christian University. There she worked as a corporate entrepreneur, developing new businesses in the media content domain. She was then appointed president and representative director of DOCOMO gacco, Inc., in 2015. In 2017, she was appointed as executive vice president and representative director at Tower Records Japan Inc., and subsequently was appointed Chief Innovation Officer at TEPCO Ventures, Inc. She was named an outside director at TOMY Company, Ltd., in June 2020.