

Sustainability

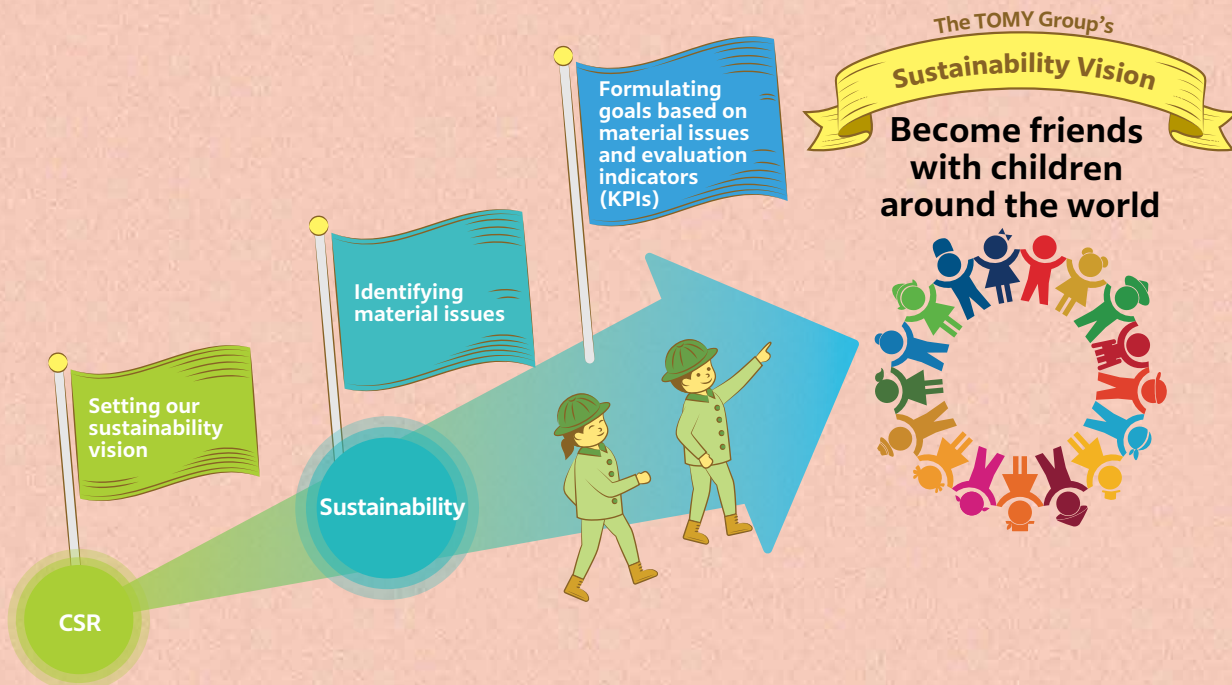
How to Achieve Our Sustainability?

— TOMY Group's Sustainability

To create new value for all people around the world who love *asobi* and continue to deliver excitement, surprise, emotion and smiles, we promote sustainable business activities. We are pleased to share some of the initiatives we are pursuing in the areas of environment, society and governance to achieve our sustainability vision of “becoming friends with children around the world.”

“asobi” is a Japanese word for “play,” “amusement,” “diversion,” “pastime” and more.





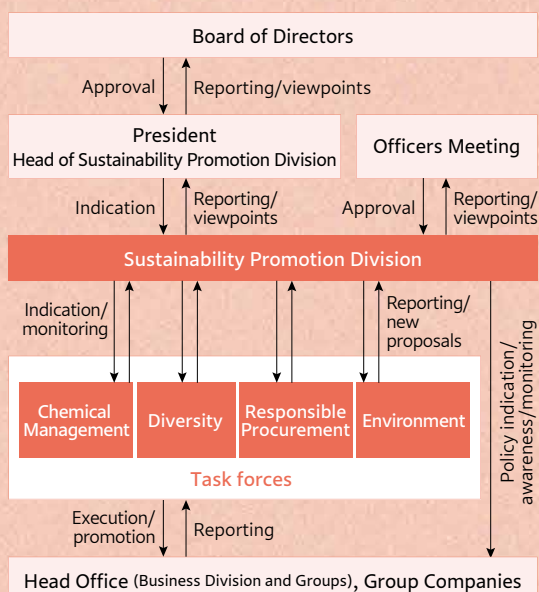
What the TOMY Group values in balancing the achievement of a sustainable society with the Group's growth

To achieve our sustainability vision of “becoming friends with children around the world,” the TOMY Group pursues initiatives that aim to strike a balance between achieving a sustainable society and the growth of the Group.

We will continue to promote sustainability and CSR initiatives so that the TOMY Group's businesses themselves can continue to create new value and deliver excitement, surprise, emotion and smiles to all people around the world who love *asobi*.

Sustainability and CSR Promotion System

As the chief executive, the President is responsible for TOMY Group sustainability. To promote sustainability management, under direct control of the President the Group has established the Sustainability Promotion Division, which creates policies and plans for sustainability and ESG issues, implements and monitors them, promotes them within the company, and discloses ESG-related information. For medium-term sustainability targets and KPIs requiring cross-departmental initiatives, the Sustainability Promotion Division establishes a relevant task force headed by an executive officer with diverse members from across the Group who execute, promote and offer new proposals for the initiatives. The progress of each task force is monitored at quarterly progress meetings, with reports and viewpoints provided regularly to representative directors, and submitted and discussed as necessary at board and officers meetings.



The TOMY Group has declared the sustainability vision of “becoming friends with children around the world,” and toward its realization, has begun taking action to achieve medium-term sustainability targets and KPIs (FY2021–2023) consistent with its eight material issues. In this section, we will share the progress and results we achieved in fiscal 2021 on these targets and the KPIs.

Details of progress toward and results of, the TOMY Group’s medium-term sustainability targets and KPIs are available on the website.

<https://www.takaratomy.co.jp/english/company/csr/story/2022/sustainabilityinitiatives2021.html>



Medium-Term Sustainability Targets and KPIs (FY2021–2023) Progress and Results

| Three pillars of social responsibility | Material issues | Medium-term sustainability targets and KPIs | |
|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Pillar ① Commitment to Quality Manufacturing Expand play for all to enjoy | ① Ensuring confidence, safety, and quality ② Creating new products, services, and IP ③ Promoting universal design | <ul style="list-style-type: none"> Restructure the framework and methods for managing toxic chemical substances including during manufacturing Internal SDGs training to create ethical products and services: 100% of employees by the end of March 2024 | |
| Pillar ② Sound Management Be proud role models | ④ Organizational governance and communication with stakeholders ⑤ Active participation of diverse personnel ⑥ Responsible procurement | <ul style="list-style-type: none"> Establish and operate a committee focusing on sustainability management Internal training on corporate ethics: 100% of employees by the end of March 2024 Internal training on diversity: 100% of employees by the end of March 2024 20% female manager ratio* <small>*We have set a deadline of the end of March 2026 to coincide with our action plan based on Japan’s Act on Promotion of Women’s Participation and Advancement in the Workplace</small> Achieve and maintain the mandatory 2.3% employment ratio of persons with disabilities Conduct an employee engagement survey and identify any issues affecting work fulfillment Implement three activities <ul style="list-style-type: none"> 1) Build awareness of responsible procurement policies 2) Systematize responsible procurement management 3) Identify issues and sites with high CSR-related risks | |
| Pillar ③ Coexisting with Society and the Environment Protect the environment so children can smile in play 100 years from now | ⑦ Environmental management ⑧ Encouraging education and culture through our business | <ul style="list-style-type: none"> Aim to reduce and recycle petroleum-derived plastics in packaging and products, begin demonstration verifications and disclose progress Formulate long-term CO2 reduction targets by March 2024 Restructure our group waste management framework | |

Co-Creation with Stakeholders



Customers

- Providing new value in play turning dreams into reality



Employees

- Providing a workplace environment in which employees can fully demonstrate their independence and creativity



**Partners
(Business Partners)**

- Building strong relationships of trust through fair and equitable transactions



Progress and Results of Fiscal 2021 Initiatives

Social responsibility through business

- Formulated the TOMY Group Chemicals Management Policy and disclosed it on the website. **P.28**
- Conducted sustainability and CSR training for all Group employees both inside and outside Japan.

- Established a promotion system and launched four theme-specific task forces. **P.25**
- Conducted ethics training for all Japan Group employees.

- Conducted diversity training for all Japan Group employees ranked general manager and higher.

- Percentage of female managers at TOMY in Japan
As of March 2021: 9.0% → As of April 2022: 12.9% **P.30**
- Measures for the employment of people with disabilities are being prepared for the next fiscal year.
- Conducted an employee engagement survey for the Japan Group. **P.31**

- 1) Currently being prepared ahead of dissemination of the responsible procurement policy **P.36**

- Conducted R&D into recycling and new materials with the aim of reducing the use of petroleum-derived plastics. TOMY International Group has released products that use eco-friendly materials. **P.33**
- Identified climate-related risks and opportunities and evaluated their financial impact (disclosures in line with the TCFD recommendations). **P.34**
- Established a dedicated department to manage Group waste.



Contribute to achieving all the SDGs both directly and indirectly



Shareholders

- High-quality growth and sound management
- Contributing to a sustainable society



Society and the Global Environment

- Achieving a sustainable society
- Revitalizing economies in local communities
- Contributing to education and culture
- Contributing to a sustainable global environment

