

## Message from the Chairman

The COVID-19 pandemic upended our lives, but with its transition to Class V infectious disease classification, I feel our daily lives are gradually returning to normal. But turning attention to events around the world, the situation in Ukraine shows no signs of ending, and the unstable global situation has continued to have a significant impact on our corporate activities. I believe we need to fully think through how to approach the waves of change we face daily and act accordingly.

When I assumed the post of president in 1986, we were amid a management crisis that threatened the very survival of the Company due to the rapidly appreciating yen in response to the Plaza Accord the year before. As an export-driven company, the domestic plants that were the source of profit generation became a burden putting pressure on management overnight. We no longer had any path forward but to shutter our domestic plants, and that choice was not without conflict, such as whether doing so would destroy the traditions our founder and predecessors had continued to preserve. Even so, we were able to make this decision out of a strong sense that what we needed to preserve was not tradition but rather the trust of children. The toys we create and forms of *asobi* we facilitate put smiles on children's faces, and that sentiment spills over to the adults around them. We were unwilling to give up on our calling of creating the source of those smiles. What we gained by closing our domestic plants was an extensive product line not biased toward plastics. Rather than being swallowed up by the winds of change, it is my belief that opportunities will present themselves if we put in hard work and sincerity after looking hard at what we need to preserve, and that is something I want to convey to younger generations who will lead us from now into the next century, as a belief that will transcend time.

Today's world is changing with astounding speed, and the environment surrounding children is also undergoing a significant transformation. We will likely see further progress on DX initiatives that enrich people's lives with cutting-edge technologies. However, I think we have always been professionals at enriching people's lives with the spirit of play and ingenuity. The idea that we do not lose out to people in any advanced field is part of our pride as toymakers. That is why I believe that in these times of rapid change, we are uniquely positioned to create new value in *asobi* with the power of innovation.

*Asobi* has the power to develop the future into something better. We have declared "becoming friends with children around the world" as our sustainability vision and strived to solve social issues, but the road will not be easy, and there are no shortcuts to getting there. I believe it is important to not only produce results but also continue to do so. We will work to fulfill our sustainability vision by steadily advancing a step at a time while carefully building upon small successes.

Amid the turmoil of these times, we at the TOMY Group will view change as opportunity and continue to take on challenges without fear of failure with the aim of achieving personal growth and a sustainable society, continuing to be a corporate group that makes broad contributions to society.

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