

**Telephone Conference for the First Three Months of the Fiscal Year Ending March 31,
2023: Questions and Answers Section**

Q. What impact are foreign exchange fluctuations having on sales and profit?

A. (Ito, Executive Officer and Head of Corporate Administrations) Yen depreciation has had a positive impact on net sales, and foreign exchange has had a negative impact on cost ratio.

Q. Regarding soaring logistical expenses, is there any discrepancy between actual results and the figures planned at the start of the period?

A. (Ito, Executive Officer and Head of Corporate Administrations) Logistical expenses increased more than expected.

Q. Please tell us about the status of selling, general, and administrative expenses (other expenses) in the first quarter.

A. (Ito, Executive Officer and Head of Corporate Administrations) Other expenses progressed according to plan. Advertising expenses, logistical expenses, research and development expenses, and personnel expenses increased.

Q. What products are the focus in your future campaign?

A. (Ito, Executive Officer and Head of Corporate Administrations) ChoroQ, movie-related products, and coemo.

Q. Please tell us about the impact of the price increases implemented for certain products starting in July and about your approach to price setting. Also, were the recent price increases included in the company's earnings forecast at the start of the period?

A. (Ito, Executive Officer and Head of Corporate Administrations) The price increases were not included in the earnings forecast at the start of the period. We held various internal discussions on price setting and decided to update prices for certain products. The price increases were implemented to increase the likelihood of us achieving our earnings forecast at the start of the period.

Q. Please tell us about your sales by customer location.

A. (Ito, Executive Officer and Head of Corporate Administrations) We do not disclose sales by customer location. In terms of domestic market changes, retail sales are recovering.

Q. In terms of the impact of the price increases starting in July, was there rush demand prior to the price increases?

A. (Ito, Executive Officer and Head of Corporate Administrations) We have no notable data pointing to rush demand.

Q. In terms of selling, general and administrative expenses from the second quarter onward, please tell us about any large events that are factors of increase compared to the previous period.

A. (Ito, Executive Officer and Head of Corporate Administrations) Since the events are mainly for children, we consider whether to hold them carefully. However, if events can be held in the future, they will be factors of increase compared to the previous fiscal year.

Q. Net sales by major category do not appear to have changed significantly compared to the same period of the previous fiscal year, so why have consolidated net sales increased by 4.5 billion yen?

A. (Ito, Executive Officer and Head of Corporate Administrations) Net sales by major category are disclosed on a non-consolidated basis for TOMY Company, Ltd. On a consolidated basis, net sales for T-ARTS Company, Ltd. and KIDDY LAND increased, and some overseas sales increased partly due to the impact of foreign exchange from yen depreciation.

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