

November 16, 2018

TOMY COMPANY, LTD.

Financial Results Presentation Meeting for the First Six Months of the Fiscal Year Ending March 31, 2019

Outline of Questions and Answers

Q. How will you make use of the advertising expenses budgeted for the second half?

A. (Kutsuzawa, Senior Executive Officer & CFO) Having considered efficiency and cost-benefit issues, we will basically execute these expenditures in accordance with plans. However, please bear in mind that we are right in the middle of deciding whether to invest in the drivers for the next fiscal year in February or March 2019.

Q. Please tell us a little more about the growth drivers for the next fiscal year.

A. (Kojima, Representative Director, President & COO) We will work on our original IP initiatives, such as work on television series, and investments aimed at developing the ZOIDS globally.

In long-standing products, PLARAIL celebrates its 60th anniversary next year, so we are investigating various measures for 2019. I would like to be able to say what will turn out to be a hit product as a growth driver, but our approach comes down to pursuing all possibilities.

Q. Will there be any adjustments to the Medium-Term Management Plan?

A. (Kojima, Representative Director, President & COO) The toy market is a highly volatile business, so we will seek to lock in the performance figures in the base plan by capturing trends to secure higher profits. Currently, we have no intention of revising the Medium-Term Management Plan that constitutes the base plan.

Q. I would like to know more about the measures you intend to take to revitalize the overseas business going forward.

A. (Kojima, Representative Director, President & COO) We have not yet hit the bottom and started to rise again, but, looking at our own history, even in Japan it takes at least three years to get into a virtuous cycle, and I believe it will take time for the overseas business as well.

In North America, the new management structure, which was put in place in FY2018, has reset the direction of the business, so we expect those measures to blossom in FY2019. We see Europe as being about a year and a half behind North America in terms of timing. As for the UK, we will be watching carefully to ascertain how the situation develops regarding its relations with the EU.

Q. I would like you to consider disclosing your achievements and targets in relation to reducing your CO₂ emissions.

A. (Kutsuzawa, Senior Executive Officer & CFO) We are currently in the process of an investigation on the premise that we will disclose this information.

Q. Given that the level of approval for anti-takeover measures is low, do you aim to continue it going forward?

A. (Kutsuzawa, Senior Executive Officer & CFO) The pros and cons of the issue are under consideration. When the organization has come to a decision, it will be announced.

Q. On the subject of CSR, do you not think it would be easier for investors to understand if the details of the improvements made every fiscal year were disclosed and summarized in a sustainability report?

A. (Kutsuzawa, Senior Executive Officer & CFO) We have just launched initiatives in the areas where we are able to respond. We are also taking a proactive approach to using disclosure to gain the understanding of investors, but I would appreciate your patience for just a little longer.

Q. Please update us on current progress with regard to the ratio of women in management roles, and your plans going forward.

A. (Kutsuzawa, Senior Executive Officer & CFO) I believe it is certainly possible that we will achieve our targets by the end of March 2021 (a ratio of women in management roles of at least 15%).

(Kojima, Representative Director, President & COO) We have various aspiring individuals among our female employees, with some wishing to pursue a career as specialist employees, and others being interested as managers in wide-ranging job categories, such as personnel management. Basically, our view is that it is important to create a workplace in which female employees find it easy to work, and to allocate them within the workplace so as to align with their desires.

It is not our intention to intervene in the individual choices of female employees by assigning them to certain job categories they didn't aspire to just to achieve the target.

Q. Do you intend to disclose your cost of capital in future?

A. (Kutsuzawa, Senior Executive Officer & CFO) We would like to disclose the cost of capital going forward, but we would ask you to wait a little longer.

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