

November 15, 2019

TOMY Company, Ltd.

**Financial Results Presentation Meeting
for the First Six Months of the Fiscal Year Ending March 31, 2020**

Questions and Answers (Summary)

Q. Japanese toy market showed weakness during the Obon week (one of Japan's major holiday seasons) shopping season, and new game software is scheduled to be released by other companies. Considering those recent trends, what is your outlook for the overall toy market's year-end shopping season?

A. (Representative Director, President & COO: Kojima) As for the market trends, we assume the year-end shopping season will have a slow start, with shoppers purchasing just before Christmas. At this point, it is quite difficult to foresee a significant upward or downward trends.

Q. I have seen some cases where online retailers have already started to sell Rizmo below the manufacturer's suggested retail price. May I know your view on this situation?

A. (Representative Director, President & COO: Kojima) As Rizmo is a relatively high-priced product (JPY 7,980/ tax not included), customers are likely to make their final purchase decision just before Christmas. Based on this assumption, some retailers may have started their price promotion early.

Q. How was the response to and what issues were there in your recent beta release of card game app "DUEL MASTERS PLACE"? Could you also advise what schedule will you follow before releasing the product?

A. (Representative Director, President & COO: Kojima) We are currently fine tuning the app based on the response and issues that were reported during the beta test, and we are making necessary adjustments before the release in line with our original plans. We will be ready to announce the release date soon.

Q. Do you have plans of appointing non-Japanese outside directors?

A. (Representative Director, President & COO: Kojima) I personally believe, as the international sales ratio increase in our progress towards globalization, there would be increased importance of making management decisions on our strategies from a global perspective, and that would naturally lead to heightened need to appoint non-Japanese directors. In this sense, we would appoint the right person in the right place on an as-needed basis.

Q. Would you consider describing your cross-shareholdings in your Corporate Governance Report in more detail?

A. (Senior Managing Officer, CFO: Kutsuzawa) Our disclosure of cross-shareholdings is in accordance with the applicable standards. We do not plan to disclose further at this point, but we regard it as one of our future agenda.

Q. You have disclosed the actual value of environmental data (CO₂ and waste) since FY2018. Do you have plans of disclosing your target value too?

A. (Senior Managing Officer, CFO: Kutsuzawa) Regarding the actual value we disclose, its scope is limited to eight group companies in Japan. We are currently deliberating how we could broaden the scope and include data of our international companies in our future actual value disclosures.

Q. Your “Promotion of Women’s Participation and Advancement in the Workplace Plan” targets ratio of women in management roles to be 15% or more. Would this target be a challenge to achieve?

A. (Senior Managing Officer, CFO: Kutsuzawa) Our plan was to increase the ratio of women in management roles to be 15% or more by end of March, 2021. Achieving this goal is likely to be quite difficult. We are planning to have internal meetings to discuss this agenda and consider how we could develop human resources who are qualified for manager positions.

Q. Occupational health management is listed as a highly important item in the Sustainability Accounting Standards Board. I hope you will refer to this material when considering the disclosure in the future.

A. (Senior Managing Officer, CFO: Kutsuzawa) We have established the Code of Conduct for Manufacturing Companies in TOMY Group Code of Conduct. Those rules are being promoted by TOMY (Hong Kong) Ltd. As part of the measures, we provide support to ensure the continued management and operation of manufacturing sites, including health and environment controls.

Q. The employment rate for people with disabilities is below the statutory rate. What future measures are you planning to take?

A. (Senior Managing Officer, CFO: Kutsuzawa) The employment rate for people with disabilities is 1.6%, which falls below the statutory rate. Discussions for improvements are being made focusing on related departments.

Q. You mentioned that TOMY International has strength in MIT* products. How do you intend to expand this business in the future? (*Mother, Infant & Toddler: business category which includes juvenile categories such as feeding bottles and plates for babies, toys for babies, and parenting items).

A. (Representative Director, President & COO: Kojima) For MIT, we will grow brands from products targeting mothers, including THE FIRST YEARS, JJCole and Boon, and increase the recognition that TOMY International is a company that handles reliable and safe products. We will also disseminate the recognition that toys sold by TOMY International are so reliable that children can actually pick them up and play with them. Hopefully, it will lead to the enhancement of the sale of toys.

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