

**Financial Results Presentation Meeting for the Fiscal Year Ended March 31, 2023**

**Outline of Questions and Answers**

Q. What is your plan for selling, general, and administrative expenses for this fiscal year (FY2023)?

A. (Ito, Senior Executive Officer and Head of Corporate Administrations) We do not disclose specific details regarding our selling, general, and administrative expenses, so I hope you will understand, but we expect these expenses to increase compared to FY2022. In particular, we expect advertising expenses to go back to the level that they were in FY2017-FY2019, about 14-15 billion yen. We are also expecting a slight increase in personnel expenses. In addition, logistics costs will increase in terms of amount, but they are expected to decrease as a percentage of sales.

Q. How do you expect logistics costs to affect the cost of sales this year?

A. (Ito, Senior Executive Officer and Head of Corporate Administrations) In the previous fiscal year, costs were mainly affected by a steep increase in transportation costs in Europe and North America. But things were settling down in the second half of the previous fiscal year, and we expect that trend to continue this fiscal year as well. Due to exchange rate fluctuations with the weak yen and a steep increase in material prices, we expect the cost ratio to deteriorate slightly.

Q. When do you think BEYBLADE X will launch in Japan and overseas?

A. (Tomiyama, Board Director, Executive Vice President) In Japan, the BEYBLADE X product launch is scheduled for summer this year. In North America, Europe, and Australia, we expect the product launch to be a year after Japan, so we expect to have launched the product in Japan and overseas in the fall of next year (around October).

Q. I don't think the information about BEYBLADE X has been updated since it was announced in March of this year. When do you expect there to be more information?

A. (Tomiyama, Board Director, Executive Vice President) New information about BEYBLADE X is scheduled to come out in mid-May.

Q. Are you expecting BEYBLADE X to have about the same sales volume level as the previous BEYBLADE?

A. (Tomiyama, Board Director, Executive Vice President) We aim to have a sales volume level that is higher than the previous BEYBLADE. Also, we will take the initiative and use a structure in which we are directly involved in launching media content and licenses for BEYBLADE X in the global market.

Q. With the recovery in inbound demand, your retail business and things like GACHA capsule toys are expected to be popular. How do you think this will affect business performance?

A. (Tomiya, Board Director, Executive Vice President) With regard to the recovery in inbound demand, demand at KIDDY LAND has recovered to about 70% of the level it was before the pandemic, and we expect it to recover more in the future. An increase in foreign tourists visiting Japan is predicted, so we expect that to have a positive effect on GACHA capsule toys as well.

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