

## Translation

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May 11, 2021

# CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended March 31, 2021 <under Japanese GAAP>

Company name: TOMY COMPANY, LTD.  
 Listing: First Section of the Tokyo Stock Exchange  
 Securities identification code: 7867  
 URL: [www.takaratomy.co.jp](http://www.takaratomy.co.jp)  
 Representative: Kazuhiro Kojima, Representative Director, President & COO  
 Inquiries: Goshiro Ito,  
 Head of Corporate Administrations  
 TEL: +81-3-5654-1548 (from overseas)

Scheduled date of ordinary general meeting of shareholders: June 23, 2021  
 Scheduled date to commence dividend payments: June 24, 2021  
 Scheduled date to file securities report: June 24, 2021  
 Supplementary material on financial results: Yes  
 Financial results presentation meeting: Yes (for institutional investors and analysts)

(in millions of yen with fractional amounts discarded, unless otherwise noted)

## 1. Consolidated performance for the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

### (1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	141,218	(14.3)	7,079	(33.7)	7,170	(29.7)	5,374	19.2
March 31, 2020	164,837	(6.8)	10,683	(25.8)	10,204	(28.7)	4,507	(51.5)

(Note) Comprehensive income  
 Fiscal year ended March 31, 2021: 6,029 million yen [57.0%]  
 Fiscal year ended March 31, 2020: 3,840 million yen [(67.0)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
	yen	yen	%	%	%
March 31, 2021	57.07	57.04	7.9	5.2	5.0
March 31, 2020	47.30	47.25	6.8	7.5	6.5

Reference: Reference: Equity in earnings (losses) of affiliates  
 Fiscal year ended March 31, 2021: (7) million yen  
 Fiscal year ended March 31, 2020: 1 million yen

### (2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2021	147,614	69,928	47.1	742.45
March 31, 2020	129,253	67,410	51.6	703.07

Reference: Equity

As of March 31, 2021:	69,534 million yen
As of March 31, 2020:	66,649 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	18,064	(8,606)	6,817	63,548
March 31, 2020	9,006	(3,381)	(12,274)	46,904

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
March 31, 2020	–	15.00	–	15.00	30.00	2,852	63.4	4.3
March 31, 2021	–	7.50	–	10.00	17.50	1,642	30.7	2.4
March 31, 2022 (Forecast)	–	10.00	–	10.00	20.00		29.0	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022

(From April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Six months ending September 30, 2021 (cumulative)	72,000	14.0	2,500	35.9	2,300	41.8	2,800	442.2	29.73
Fiscal year ending March 31, 2022	155,000	9.8	8,000	13.0	7,600	6.0	6,500	20.9	69.02

\* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (company name: Fat Brain Holdings, LLC) Excluded: –

- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- A. Changes in accounting policies due to revisions to accounting standards: None
  - B. Changes in accounting policies due to other reasons: None
  - C. Changes in accounting estimates: None
  - D. Restatement: None

- (3) Number of issued shares (common shares)

- A. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	96,290,850 shares
As of March 31, 2020	96,290,850 shares

- B. Number of treasury shares at the end of the period

As of March 31, 2021	2,634,292 shares
As of March 31, 2020	1,493,222 shares

- C. Average number of shares during the period

Fiscal year ended March 31, 2021	94,170,195 shares
Fiscal year ended March 31, 2020	95,305,889 shares

\* Financial results reports are exempt from audit conducted by certified public accountants or audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of “(4) Outlook for the Fiscal Year Ending March 31, 2022” of “1. Qualitative Information Regarding Consolidated Operating Results” on page 12 of [Attached Material] for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

A financial results presentation meeting for institutional investors and analysts will be held online on May 11, 2021. Materials for the financial results presentation meeting will be available on our website on the same day.

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## 1. Qualitative Information Regarding Consolidated Operating Results

### (1) Explanation of Operating Results

(Highlights Full year of the Fiscal Year Ended March 31, 2021)

(Impacts etc. of the novel coronavirus disease (COVID-19))

#### • Production side

While some products' roll-out was delayed at the beginning of the fiscal year, resulting in the loss of sales opportunities, then factories in China, Vietnam, and Thailand operated as normal.

#### • Demand side

The number of infection cases surged nationwide in and after October 2020 and a declaration of the state of emergency was reissued in some regions including Tokyo in January 2021, while the state of emergency issued in the spring of 2020 was lifted to relax the restrictions on consumers' outings and temporary closures and shortened operating hours at stores. For the TOMY Group, the recovery was delayed more than expected in the retail business, such as KIDDY LAND and TOMICA Shop and PLARAIL Shop, and event business including TOMICA EXPO and PLARAIL EXPO, due to factors such as the postponement of movie releases, and the cancellation, postponement, and the scaling-down of various events, and sales opportunities for some-long standing products in resorts, transportation facilities and others decreased, because of the continuing situation where the end of the infection of the novel coronavirus disease (COVID-19) could not be foreseen. On the other hand, the toy business enjoyed growing popularity among products catering to stay-at-home demand and further rise in e-commerce purchases.

#### • Response of the TOMY Group

The TOMY Group implemented measures to prevent the spread of infections, including promoting remote working to drastically reduce instances of employees leaving their homes and attending workplaces, as well as prohibiting external business meal meetings and both overseas and domestic business trips in principle.

(Consolidated performance)

#### • Net sales

Net sales were ¥141,218 million (down 14.3% year on year), compared with the Company's initial forecast of ¥145,000 million.

With regard to TOMICA celebrating its 50th anniversary in 2020, we further promoted various activities, such as the commencement of broadcasting TV animation, TOMICA EARTH GRANNER, from April 2020, the introduction of the related products to the market, and TOMICA 50th anniversary collaboration project with automakers. Overseas-bound exports of BEYBLADE BURST trended robust due in part to the continued broadcasting of the TV animation in North America, while domestic sales were on the decline. Family games such as THE GAME OF LIFE and POP-UP PIRATE trended favorably due to a rise in the stay-at-home demand amid the COVID-19 pandemic. In addition, the Group launched a number of products during the year-end shopping spree, such as TOMICA Double action Building, SEW COOL Sumikkogurashi, and THE GAME OF LIFE Jumbo Dream. Furthermore, we began the advance operation of "neltip" dedicated printing machines for nail tips targeting adults and teens in some stores in March 2021 to expand new business domains. On the other hand, sales recovery was delayed in the retail business, the event business, etc. In October, the Fat Brain Group, an independent U.S. toy company, became a subsidiary of TOMY International, Inc. and was included in the scope of consolidation.

#### • Profit

Operating profit was ¥7,079 million (down 33.7% year on year) compared with the Company's initial forecast of ¥5,500 million, and ordinary profit was ¥7,170 million (down 29.7% year on year) compared with the Company's initial forecast of ¥5,500 million due partly to recording of foreign exchange gains. Although net sales decreased, the sluggish retail business and event business were made up for by the growth in the toy business with high gross margin for the first nine months of the fiscal year, and in addition, there were also effects of continued decreasing cost amid the COVID-19 pandemic. In addition, profit attributable to owners of parent was ¥5,374 million (up 19.2% year on year) compared with the Company's initial forecast of ¥3,000 million, due in part to posting ¥1,619 million of extraordinary income including gain on sales of cross-shareholdings, despite the

recognition of ¥729 million of extraordinary loss on COVID19, including fixed expenses (personnel expense and depreciation expense) incurred at retail stores etc. that had temporary closures following the declaration of the state of emergency.

(Organization Change)

- In November 2020, the TOMY Group implemented an organization change to the headquarters structure as an organization to swiftly respond to improvement of the corporate value and the drastically changing environment. In addition, the TOMY Group set up the CSR Promotion Division in February 2021 as a new system aimed to ensure corporate ethics and enhance the education, in light of the issue about posting containing infelicitous expressions on TOMY Company's official Twitter page (@takaratomytoys).

(Qualitative Information Regarding Consolidated Operating Results)  
 <Overview of operating results by segment>

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change	Rate of change (%)
Net sales	164,837	141,218	(23,619)	(14.3)
Japan	138,948	113,328	(25,619)	(18.4)
Americas	17,214	21,845	4,631	26.9
Europe	5,507	5,998	490	8.9
Oceania	1,442	1,917	474	32.9
Asia (excl. Japan)	51,491	41,458	(10,032)	(19.5)
Eliminations and corporate	(49,767)	(43,330)	6,436	–
Operating profit/(loss)	10,683	7,079	(3,603)	(33.7)
Japan	13,615	9,048	(4,566)	(33.5)
Americas	(23)	222	245	–
Europe	(916)	(75)	841	–
Oceania	(166)	113	279	–
Asia (excl. Japan)	1,248	724	(524)	(42.0)
Eliminations and corporate	(3,074)	(2,953)	120	–

Japan

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change
Net sales	138,948	113,328	(25,619)
Operating profit	13,615	9,048	(4,566)

Net sales were ¥113,328 million (down 18.4% year on year) and operating profit was ¥9,048 million (down 33.5% year on year). These results reflected the product life cycle of some products coming full circle and effects of the spread of COVID-19.

There was a significant decline in inbound consumption, etc. in addition to the postponement of movie releases, the cancellation, postponement, and the scaling-down of various events through the year. Behind this, the number of infection cases surged nationwide in and after October 2020 and a declaration of the state of emergency was reissued in some regions including Tokyo in January 2021, while the state of emergency issued in spring 2020 was lifted to relax the restrictions on consumers' outings and temporary closures and shortened operating hours at stores. For the TOMY Group, the recovery was delayed more than expected in the retail business, such as KIDDY LAND and TOMICA Shop and PLARAIL Shop, and the event business including TOMICA EXPO and PLARAIL EXPO, and sales opportunities for some long standing products in resorts, transportation facilities and others decreased. On the other hand, products catering to stay-at-home demand gained popularity and e-commerce purchases further increased.

As for TOMICA celebrating its 50th anniversary in 2020, we continued to roll out products related to TOMICA EARTH GRANNER whose TV animation began its broadcasting in April 2020 and also further promoted various activities, such as the TOMICA 50th anniversary collaboration project with automakers and collaboration with apparel companies and others. Overseas-bound exports of BEYBLADE BURST launched in the summer of 2015 trended robust due in part to the continued broadcasting of the TV animation in North America, and the worldwide cumulative shipment volume up to the third series has reached 500 million units since the launch of the first series in 1999, while domestic sales were on the decline. The LCD toy, Sumikkogurashi Sumikko Catch, became available on sale in July and boasted great popularity. Also, LICCA dolls such as LICCA Yumeiro Colorful Change gained popularity and remained robust. On the other hand, a momentum calmed down in the surprise toys category. Products related to the popular TV animation, PAW Patrol, which gained great popularity overseas, remained strong. Also,



products that can be enjoyed at home attracted attention due to consumers voluntarily staying at home, and sales of family games such as the board game, THE GAME OF LIFE, and the party game, POP-UP PIRATE, increased. Pokémon related toys such as the LCD toy, SMAPHO ROTOM, remained strong, and Pokémon Mezastar, a new amusement machine, was launched in September, enjoying a surge in popularity. DUEL MASTERS PLAY'S, a card game app, whose distribution launched in December 2019, offered the periodic release of the new card packs. We stepped up our efforts to strengthen the promotion to roll out the products continuously. The Group launched a number of products during the year-end shopping spree, such as TOMICA Double action Building, SEW COOL Sumikkogurashi, and THE GAME OF LIFE Jumbo Dream. Pre-orders of LICCA dolls and TOMICA as collaboration products with the TV animation "Demon Slayer: Kimetsu no Yaiba," which has been drawing attention in Japan and overseas, gained popularity, and sales of related products, such as stuffed toys, GACHA capsule toys and toys with snacks, developed by T-ARTS Company, Ltd. were also strong. Also, we began the advance operation of "neltip" dedicated printing machines for nail tips targeting adults and teens in some stores in March 2021 to expand new business domains.

#### Americas

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change
Net sales	17,214	21,845	4,631
Operating profit/ (loss)	(23)	222	245

Net sales were ¥21,845 million (up 26.9% year on year) and operating profit was ¥222 million (operating loss of ¥23 million in the same period of the previous year).

The enforcement of lockdowns in spring 2020 and the additional outing restrictions following it due to the spread of COVID-19 boosted stay-at-home demand and e-commerce purchases. Baby products remained strong on the back of increasing demand for baby tableware, chamber pots for toilet training, and bath-related products categorized as essential daily goods because of customers spending long hours at home. Agricultural machinery toys recorded brisk sales due in part to growing popularity of ride-on toys that can be played in the consumer's front/backyard during the lockdown.

The Fat Brain Group became a subsidiary of TOMY International, Inc. in October, which also contributed to these results.

#### Europe

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change
Net sales	5,507	5,998	490
Operating loss	(916)	(75)	841

Net sales were ¥5,998 million (up 8.9% year on year), and operating loss was ¥75 million (operating loss of ¥916 million in the same period of the previous year).

The enforcement of lockdowns and other related factors due to the continuous spread of COVID-19 stimulated stay-at-home demand and e-commerce purchases. Family games attracted attention owing to the COVID-19 pandemic, and board games and an action game, DRUMOND PARK Brand Product, trended favorably. Sales of preschool-related products, including TOOMIES, remained steady, and agricultural machinery toys of our core brands recorded robust sales.

Further, we have continued the roll-out of products related to the TV animation *Ricky Zoom* since March 2020.

## Oceania

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change
Net sales	1,442	1,917	474
Operating profit/ (loss)	(166)	113	279

Net sales were ¥1,917 million (up 32.9% year on year), and operating profit was ¥113 million (operating loss of ¥166 million in the same period of the previous year), with successfully gaining the popularity of some preschool products, such as Animal Sounds Hay Ride, which trended robustly in agricultural machinery toys line-up.

Oceania saw the stronger stay-home-demand following the continued outing restrictions imposed from July in some parts of the regions following the lockdown measures enforced in spring due to the spread of COVID-19. Sales of preschool related products along with baby products treated as essential daily products remained strong.

## Asia (excl. Japan)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change
Net sales	51,491	41,458	(10,032)
Operating profit	1,248	724	(524)

Net sales were ¥41,458 million (down 19.5% year on year), and operating profit was ¥724 million (down 42.0% year on year) due to a drop in the sales of BEYBLADE BURST and because the sale of movie-related products rolled out in the previous fiscal year has come full circle.

On the production side, amid the spread of COVID-19, the operation was normal in China, Vietnam, and Thailand. On the demand side, the lockdowns enforced in the spring of 2020 in various countries and regions and additional restrictions imposed on outings issued in some countries and regions have significantly affected the purchasing trends. On the other hand, in Taiwan where the number of COVID-19 infection cases is small, “TOMICA EXPO in TAIWAN,” the first “TOMICA EXPO” held overseas, took place to commemorate the marking of the 50th anniversary of TOMICA.

## (2) Overview of Financial Position

### Assets, Liabilities and Net Assets

#### <Assets>

At the end of the fiscal year ended March 31, 2021, current assets stood at ¥101,879 million, up ¥14,725 million from the end of the previous fiscal year ended March 31, 2020. This is mainly attributable to increases in cash and deposits and notes and accounts receivable - trade.

Non-current assets stood at ¥45,734 million, up ¥3,634 million from the end of the previous fiscal year. This is mainly attributable to increases in leased assets, net, goodwill and deferred tax assets.

#### <Liabilities>

At the end of the fiscal year ended March 31, 2021, current liabilities stood at ¥42,295 million, up ¥5,957 million from the end of the previous fiscal year. This is mainly attributable to increases in current portion of long-term borrowings, accrued expenses, and short-term borrowings.

Non-current liabilities stood at ¥35,390 million, up ¥9,885 million from the end of the previous fiscal year. This is mainly attributable to an increase in long-term loans payable.

#### <Net assets>

At the end of the fiscal year ended March 31, 2021, total net assets were ¥69,928 million, up ¥2,517 million from the end of the previous fiscal year. This is mainly attributable to increases in retained earnings and remeasurements of defined benefit plans, despite purchase of treasury shares.

## (3) Cash flows

Cash and cash equivalents (hereafter “cash”) at the end of the fiscal year ended March 31, 2021 was ¥63,548 million, an increase of ¥16,643 million compared with the end of the previous fiscal year ended March 31, 2020.

Net cash provided by operating activities was ¥18,064 million, compared with ¥9,006 million provided in the previous fiscal year. The main factors are profit before income taxes of ¥7,462 million, depreciation of ¥6,069 million, a decrease in inventories of ¥1,608 million and amortization of goodwill of 1,362 million, despite income taxes paid of ¥2,301 million.

Net cash used in investing activities was ¥8,606 million, compared with ¥3,381 million used in the previous fiscal year. The main factors are purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥4,317 million, purchase of property, plant and equipment of ¥4,240 million and purchase of intangible assets of ¥1,360 million.

Net cash provided by financing activities was ¥6,817 million, compared with ¥12,274 million used in the previous fiscal year. The main factors are proceeds from long-term loans payable of ¥17,133 million, despite repayments of long-term loans payable of ¥5,456 million and repayments of finance lease obligations of ¥4,337 million.

### (Reference) Trends in Cash Flow Indicators

	FY2021	FY2020	FY2019
Equity ratio (%)	47.1	51.6	46.5
Market value equity ratio (%)	65.6	56.8	76.7
Cash flow to interest-bearing liabilities ratio (years)	2.3	3.3	1.7
Interest coverage ratio (times)	76.0	31.7	60.0

\* Equity ratio: equity / total assets

\* Market value equity ratio: market capitalization / total assets

\* Cash flow to interest-bearing liabilities ratio: interest-bearing liabilities / operating cash flow

\* Interest coverage ratio: operating cash flow / interest expenses paid

\*1.All of the figures in the table were calculated based on consolidated financial data.

\*2.Market capitalization was calculated by multiplying the closing stock price at the end of the period

by the total number of issued and outstanding shares at the end of the period.

\*3. Cash flow means cash flows from operating activities.

(4) Outlook for the Fiscal Year Ending March 31, 2022

The spread of COVID-19 has had an impact on a number of economic activities, including daily living, and people's lifestyles and behavior have changed significantly during this one year. Although progress is being made on COVID-19 vaccinations globally, the future is still likely to be difficult to predict because of the continuous threat of infection, including the spread of COVID-19 variants. Even after fiscal 2021, factors such as consumers voluntarily staying at home, temporary closures and shortened operating hours at stores, and the cancellation and postponement of various events are expected to continue.

We will respond swiftly and flexibly to these changes to the business environment resulting from the COVID-19 pandemic based on the following policies.

- ✓ Respond to COVID-19 with the health and safety of customers, business partners, and TOMY Group employees as our top priority.
- ✓ Respond to changes in consumer behavior
- ✓ Restructure our business in response to changes in the external environment
- ✓ Practice business that leverages TOMY COMPANY's strengths (product appeal, branding, customer base)
- ✓ Ensure cost controls and liquidity in line with the business environment

As the external environment is changing significantly, altering consumer buying behavior, we will allocate management resources flexibly.

Based on our Founding Philosophy of "let's excite the world's markets with our outstanding products" and "our sincerity and diligence will contribute to society and lead to our own success and happiness," and our Corporate Mission of "in order to fulfill the dreams of all," we have established the vision "asobi\* will make the world better. So TOMY will greatly respond to the future global society by creating asobi," and by shifting the origin point that is the center of our business from "toys" to "asobi," we will transform into a truly outstanding global company. We have formulated a new medium-term management plan for the period from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024, the period leading up to the "100th anniversary of the Company's founding" in 2024, and we have positioned "TOMY will develop a base for achieving sustainable growth making use of the strengths globally" as our medium-term basic policy.

\* "asobi" is a Japanese word for "play," "amusement," "diversion," "pastime" and more.

[Medium-Term Management Plan]

In the market environment around the Group, factors such as

- ✓ A declining birthrate in Japan, our main market
- ✓ Stagnation in the market for traditional physical toys following the expansion of the markets for video games and smartphones
- ✓ A reduction in sales opportunities amid the recent spread of the prolonged COVID-19 pandemic

have made the situation in existing markets and areas more severe, so we are advancing our next Companywide strategy that considers

- ✓ New ways of playing driven by DX and changes in values, particularly the global cultivation of "adults' desire for asobi"
- ✓ Growth of the senior market, including in Japan
- ✓ Expansion of markets in Asia, especially the Chinese market

as business opportunities.

- I. Strengthen our target centered on exits, ages, and areas with a key of "right person in the right place"  
Expand the target market globally by broadening the target age ranges and market regions for diverse brands and IP, including the core toys that are a big strength of TOMY COMPANY. Grow revenue by appropriately introducing the "right person," who appeals to a heart that enjoys diverse "asobi," in the "right place" in the finely segmented target

- market.
- II. Create hit products based in Japan  
Leverage another TOMY COMPANY strength, the capacity to design and develop products, which is in our organizational DNA, to develop new “asobi” that provide “excitement, amazement, enthusiasm, and smile,” rather than the toys we have been developing to date, so we can continuously launch new products onto the market and develop them globally without missing the buds that can become hits.
  - III. Prepare for global growth through the continuation of IP investment  
Regarding IP that can generate core products and mega hits, we will continue investment and development both inhouse and with partners that not only leverages existing IP but also creates new IP. By realizing global development that couples the new “asobi” created by this IP to the flow of DX, we will increase our number of pillars of revenue.
  - IV. Launch a new business with a key of “asobi”  
We will create “asobi” that go beyond previous ways of thinking by investing in human resources and building organizations for incubating new businesses aimed at realizing new “asobi” which can provide “excitement, amazement, enthusiasm, and smile.”
  - V. Create new value by utilizing DX for value chain  
We will use DX to pursue direct-to-consumer platforms that utilize digital technology, and to enhance marketing, planning and development, production and procurement, logistics, sales activities, the quality of staff departments, and efficiency, thereby enhancing the implementation of strategy in terms of both quality and quantity and further raising corporate value.
  - VI. Sustainability and CSR initiatives  
We will strive to realize “commitment to quality manufacturing,” “sound management” and “coexistence with society and the environment” by energetically and proactively implementing initiatives that realize environmentally-friendly materials, packaging, production logistics, and zero waste.

To achieve the overall strategy outlined above, we will establish a strong financial base, improve capital efficiency by utilizing the Group’s capital effectively, and secure and develop human resources by fostering a new corporate culture and creating environments that are easy to work in.

We will promote the Medium-Term Management Plan based on this overall strategy with the aim of achieving “net sales of ¥185.0 billion, operating profit of ¥15.0 billion, and return on equity (ROE) of over 12%” for the fiscal year ending March 31, 2024, the final fiscal year in the Medium-Term Management Plan.

Also, for the fiscal year ending March 31, 2022, the first fiscal year in the Medium-Term Management Plan, we will carry out business development as follows.

We have been developing “SHINKALION” toys as the “PLARAIL SHINKALION” series since 2015, and we will launch in April 2021 “SHINKALION Z,” TV animation series for the second season, for the first time after about a year and a half in combination with the development of related toys. Moreover, with regard to our live action TV drama series, which has boasted high popularity since it began four years ago, in spring 2017, we will expansively work on developing the fourth series of LOVEPATRINA!, including preparation for making it into a movie.

We will again strengthen products that form the basis of our business base, including long-selling products TOMICA, PLARAIL, and LICCA dolls; and the trading card game category with DUEL MASTERS. In addition, we are also focusing on the planning, development and marketing of products in other categories.

As a new initiative to expand business domains, we will engage in the full-scale development of “neltip” dedicated printing machines for nail tips targeting adults and teens, which have been operated in advance in some stores since March 2021. In addition, we are working to strengthen the digital business, including the card game app DUEL MASTERS PLAY’S, whose version will be regularly updated to improve its playability. Moreover, we are working on developing products and

businesses making use of the strengths that have been developed in the toy business, including a PC for kids providing a fun way to develop foundational PC skills and forward-looking thinking ability, “Skill-honing tablet PC Spica note” as a product related to STEM education that has attracted attention.

In the Asian market, we will promote character products and amusement machines along with sales expansion of long-selling products TOMICA and PLARAIL.

In Europe and the U.S., we will strengthen baby products and agricultural machinery toys, which are our core brands, in the TOMY International Group, and further create the business synergy with the Fat Brain Group, an independent U.S. toy company which became a subsidiary of TOMY International, Inc. in October 2020.

Through the above efforts, regarding full-year operating results for the fiscal year ending March 31, 2022, the TOMY Group forecasts net sales of ¥155,000 million (up 9.8% compared with the fiscal year ended March 31, 2021), operating profit of ¥8,000 million (up 13.0%), ordinary profit of ¥7,600 million (up 6.0%), and profit attributable to owners of parent of ¥6,500 million (up 20.9%).

(5) Policy on Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2021 and the Fiscal Year Ending March 31, 2022

The Company recognizes the stable return of profits to shareholders as an important priority for management. Our policy is to strengthen the management base and improve the profit margin while deciding on dividends in consideration of performance and dividend payout ratio with a basic intention to continue paying a stable dividend. We will make use of internal reserves for business investment in medium- to long-term growth fields, such as global expansion, while preparing for the destabilization of the external environment caused by the impact of the spread of COVID-19.

Based on the aforementioned policy, the year-end dividend per share for the fiscal year ended March 31, 2021 shall be ¥10, and thus, we plan to pay an annual dividend of ¥17.50 per share combined with the dividend of ¥7.50 per share paid at the end of the second quarter (interim dividend), as stated in the “Notice Concerning Decision on Matters Relating to Dividends of Surplus (Increase) and Acquisition of Treasury Shares” released today.

For the fiscal year ending March 31, 2022, we plan to pay an annual dividend of ¥20 per share (including a dividend at the end of the second quarter (interim dividend) of ¥10).

2. Basic Approach Regarding the Selection of Accounting Standards

The TOMY Group, to ensure comparability among companies and with past years, creates the Company’s consolidated financial statements based on the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapter VII and Chapter VIII)” (Ordinance of the Ministry of Finance No. 28 of 1976).

Furthermore, regarding the application of IFRS (International Financial Reporting Standards), the policy is to respond appropriately while considering various conditions in Japan and overseas.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	47,009	63,656
Notes and accounts receivable - trade	17,946	18,170
Merchandise and finished goods	13,370	13,163
Work in process	625	624
Raw materials and supplies	1,013	903
Other	7,350	5,545
Allowance for doubtful accounts	(162)	(185)
Total current assets	87,153	101,879
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	12,720	12,944
Accumulated depreciation	(8,321)	(8,693)
Accumulated impairment	(349)	(441)
Buildings and structures, net	4,048	3,810
Machinery, equipment and vehicles	2,538	2,606
Accumulated depreciation	(1,975)	(2,116)
Accumulated impairment	(33)	(31)
Machinery, equipment and vehicles, net	529	458
Tools, furniture and fixtures	22,780	23,525
Accumulated depreciation	(20,978)	(21,622)
Accumulated impairment loss	(723)	(822)
Tools, furniture and fixtures, net	1,078	1,080
Land	3,897	3,902
Leased assets	7,475	8,780
Accumulated depreciation	(4,014)	(3,972)
Accumulated impairment loss	(290)	(339)
Leased assets, net	3,170	4,467
Construction in progress	324	534
Total property, plant and equipment	13,048	14,254
<b>Intangible assets</b>		
Goodwill	14,772	15,902
Right of using trademark	3,563	3,504
Other	4,349	5,951
Total intangible assets	22,685	25,357
<b>Investments and other assets</b>		
Investment securities	3,190	2,592
Deferred tax assets	1,015	1,267
Other	2,187	2,290
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	6,365	6,122
Total non-current assets	42,099	45,734
Total assets	129,253	147,614

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,648	8,151
Short-term borrowings	5,980	6,833
Current portion of long-term borrowings	5,300	8,064
Lease obligations	2,550	2,332
Accounts payable - other	6,183	6,155
Accrued expenses	5,860	6,973
Income taxes payable	695	1,129
Provision for sales returns	229	263
Provision for bonuses for directors (and other officers)	67	55
Other	822	2,336
<b>Total current liabilities</b>	<b>36,338</b>	<b>42,295</b>
Non-current liabilities		
Long-term borrowings	18,375	27,465
Lease obligations	1,077	1,549
Deferred tax liabilities	638	252
Deferred tax liabilities for land revaluation	472	472
Retirement benefit liability	2,912	2,517
Provision for retirement benefits for directors (and other officers)	177	183
Allowance for recall-NCL	349	39
Other	1,503	2,909
<b>Total non-current liabilities</b>	<b>25,504</b>	<b>35,390</b>
<b>Total liabilities</b>	<b>61,843</b>	<b>77,686</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,459	3,459
Capital surplus	9,212	9,211
Retained earnings	44,980	48,226
Treasury shares	(1,257)	(2,307)
<b>Total shareholders' equity</b>	<b>56,394</b>	<b>58,590</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,109	828
Deferred gains or losses on hedges	407	605
Revaluation reserve for land	624	624
Foreign currency translation adjustment	9,058	9,275
Remeasurements of defined benefit plans	(944)	(388)
<b>Total accumulated other comprehensive income</b>	<b>10,255</b>	<b>10,944</b>
Share acquisition rights	336	393
Non-controlling interests	423	–
<b>Total net assets</b>	<b>67,410</b>	<b>69,928</b>
<b>Total liabilities and net assets</b>	<b>129,253</b>	<b>147,614</b>



(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	164,837	141,218
Cost of sales	98,472	85,961
Gross profit	66,364	55,256
Selling, general and administrative expenses	55,681	48,177
Operating profit	10,683	7,079
Non-operating income		
Interest and dividend income	206	69
Rental income	138	147
Foreign exchange gains	–	295
Other	207	158
Total non-operating income	552	670
Non-operating expenses		
Interest expenses	266	255
Sales discounts	55	64
Foreign exchange losses	573	–
Expenses related to assets for rent	28	66
Other, net	108	193
Total non-operating expenses	1,032	579
Ordinary profit	10,204	7,170
Extraordinary income		
Gain on sale of non-current assets	0	18
Gain on sale of investment securities	–	950
Gain on reversal of share acquisition rights	2	64
Gain on sale of receivables	23	–
Reversal of allowance for recall	–	305
Received settlement fee	189	–
Subsidies for employment adjustment	–	180
Other	–	100
Total extraordinary income	214	1,619
Extraordinary losses		
Impairment losses	2,793	188
Loss on COVID-19	–	729
Business structure improvement expenses	–	295
Other	23	113
Total extraordinary losses	2,816	1,327
Profit before income taxes	7,601	7,462
Income taxes - current	2,862	2,662
Income taxes - deferred	204	(537)
Total income taxes	3,066	2,125
Profit	4,535	5,336
Profit (loss) attributable to non-controlling interests	27	(37)
Profit attributable to owners of parent	4,507	5,374

## (Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	4,535	5,336
Other comprehensive income		
Valuation difference on available-for-sale securities	(69)	(279)
Deferred gains or losses on hedges	(27)	198
Foreign currency translation adjustment	(446)	217
Remeasurements of defined benefit plans, net of tax	(150)	555
Total other comprehensive income	(694)	692
Comprehensive income	3,840	6,029
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,813	6,064
Comprehensive income attributable to non-controlling interests	27	(34)

(3) Consolidated Statement of Changes in Equity  
Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,459	9,152	43,818	(687)	55,743
Cumulative effects of changes in accounting policies			(296)		(296)
Restated balance	3,459	9,152	43,522	(687)	55,447
Changes during period					
Dividends of surplus			(3,049)		(3,049)
Profit attributable to owners of parent			4,507		4,507
Purchase of treasury shares				(707)	(707)
Disposal of treasury shares		50		137	187
Change in ownership interest of parent due to transactions with non-controlling interests		10			10
Net changes in items other than shareholders' equity					-
Total changes during period	-	60	1,457	(570)	947
Balance at end of period	3,459	9,212	44,980	(1,257)	56,394

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,179	434	624	9,505	(793)	10,949	211	410	67,315
Cumulative effects of changes in accounting policies									(296)
Restated balance	1,179	434	624	9,505	(793)	10,949	211	410	67,019
Changes during period									
Dividends of surplus									(3,049)
Profit attributable to owners of parent									4,507
Purchase of treasury shares									(707)
Disposal of treasury shares									187
Change in ownership interest of parent due to transactions with non-controlling interests									10
Net changes in items other than shareholders' equity	(69)	(27)	-	(446)	(150)	(694)	125	12	(556)
Total changes during period	(69)	(27)	-	(446)	(150)	(694)	125	12	391
Balance as of March 31, 2020	1,109	407	624	9,058	(944)	10,255	336	423	67,410

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,459	9,212	44,980	(1,257)	56,394
Cumulative effects of changes in accounting policies					–
Restated balance	3,459	9,212	44,980	(1,257)	56,394
Changes during period					
Dividends of surplus			(2,128)		(2,128)
Profit attributable to owners of parent			5,374		5,374
Purchase of treasury shares				(1,050)	(1,050)
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(0)	3,246	(1,050)	2,195
Balance at end of period	3,459	9,211	48,226	(2,307)	58,590

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,109	407	624	9,058	(944)	10,255	336	423	67,410
Cumulative effects of changes in accounting policies									–
Restated balance	1,109	407	624	9,058	(944)	10,255	336	423	67,410
Changes during period									
Dividends of surplus									(2,128)
Profit attributable to owners of parent									5,374
Purchase of treasury shares									(1,050)
Disposal of treasury shares									0
Change in ownership interest of parent due to transactions with non-controlling interests									(0)
Net changes in items other than shareholders' equity	(281)	198	–	217	555	689	56	(423)	322
Total changes during period	(281)	198	–	217	555	689	56	(423)	2,517
Balance at end of period	828	605	624	9,275	(388)	10,944	393	–	69,928

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	7,601	7,462
Depreciation	6,773	6,069
Impairment losses	2,793	188
Amortization of goodwill	1,389	1,362
Gain on reversal of share acquisition rights	(2)	(64)
Received settlement fee	(189)	–
Subsidies for employment adjustment	–	(180)
Loss on COVID-19	–	729
Increase (decrease) in allowance for doubtful accounts	(346)	6
Increase (decrease) in provisions	(121)	(297)
Increase (decrease) in retirement benefit liability	54	189
Interest and dividend income	(206)	(69)
Interest expenses	266	255
Foreign exchange losses (gains)	479	(369)
Loss (gain) on sale of property, plant and equipment	0	(10)
Loss (gain) on sale of investment securities	–	(950)
Decrease (increase) in trade receivables	2,188	284
Decrease (increase) in inventories	(1,204)	1,608
Decrease (increase) in prepaid expenses	(528)	877
Decrease (increase) in advance payments to suppliers	(231)	818
Increase (decrease) in trade payables	(820)	(789)
Increase (decrease) in accounts payable - other	(1,716)	21
Increase (decrease) in accrued expenses	(1,905)	822
Increase (decrease) in deposits received	(128)	876
Increase (decrease) in unearned revenue	(64)	490
Increase (decrease) in long-term unearned revenue	(39)	578
Other, net	99	951
<b>Subtotal</b>	<b>14,142</b>	<b>20,865</b>
Interest and dividends received	207	67
Interest paid	(283)	(237)
The receipt of settlement fee	189	–
Proceeds from subsidies for employment adjustment	–	180
Payments associated with loss on COVID-19	–	(510)
Income taxes paid	(5,249)	(2,301)
<b>Net cash provided by (used in) operating activities</b>	<b>9,006</b>	<b>18,064</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,658)	(4,240)
Proceeds from sale of property, plant and equipment	0	209
Purchase of intangible assets	(1,645)	(1,360)
Proceeds from sale of investment securities	–	1,091
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(4,317)
Other, net	(77)	9
<b>Net cash provided by (used in) investing activities</b>	<b>(3,381)</b>	<b>(8,606)</b>

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(967)	231
Proceeds from long-term borrowings	16,500	17,133
Repayments of long-term borrowings	(21,039)	(5,456)
Dividends paid	(3,040)	(2,125)
Repayments of finance lease obligations	(3,313)	(4,337)
Purchase of treasury shares	(707)	(1,050)
Proceeds from disposal of treasury shares	158	0
Proceeds from sale and leaseback transactions	272	2,950
Proceeds from liquidation of receivables	–	700
Repayments of credit fluidity	–	(700)
Other, net	(136)	(529)
Net cash provided by (used in) financing activities	(12,274)	6,817
Effect of exchange rate change on cash and cash equivalents	(262)	368
Net increase (decrease) in cash and cash equivalents	(6,912)	16,643
Cash and cash equivalents at beginning of period	53,817	46,904
Cash and cash equivalents at end of period	46,904	63,548

(5) Notes Regarding Consolidated Financial Statements  
(Notes regarding assumption of going concern)  
Nothing to note.

(Additional information)

*Assumptions regarding the effects of COVID-19 used in accounting estimates*

It is still difficult to accurately predict when COVID-19 will come to a halt.

Based on the assumption that the impact of COVID-19 will not worsen from the situation at the end of the current fiscal year, the Group has made accounting estimates, including the recoverability of deferred tax assets and the valuation of goodwill, trademark usage rights and other intangible assets.

*(Regarding the transfer of non-current assets)*

At a meeting of the Board of Directors held on March 24, 2021, the Company resolved to transfer non-current assets owned by TOMY (Hong Kong) Ltd., a consolidated subsidiary of the Company, and a sales agreement was concluded on March 25, 2021

1. Reasons for the transfer

In order to make flexible and efficient use of management resources and strengthen the financial position, Tomy has determined to transfer the assets listed below through the review of assets retained.

2. Details of the asset to be transferred

Details and location of the asset	Value of the transfer (Note)	Book value	Gain on transfer	Actual status
Real estate for office use in Kowloon District, Hong Kong Star House, No.3 Salisbury Road, Kowloon 9,621 square feet	–	Approximately 15 million yen	Approximately 1,800 million yen	Real estate for rent

(Note)

The gain on transfer is an estimated amount of the transfer value less the book value and sundry expenses incurred related to the transfer. This amount is currently under examination. While the value of the transfer is not disclosed at the request of the transferee, this transfer will be carried out at an appropriate value reflecting the market value.

3. Overview of the transferee

The transferee will not be disclosed at its request. The transferee is a corporation in Hong Kong. There are no special matters to be noted regarding capital and business relationships with the Company. The corporation is not clarified into a related party of the Company.

4. Schedule

Date of resolution of the Board of Directors:	March 24, 2021
Date of resolution of the Board of Directors of the subsidiary:	March 24, 2021
Date of conclusion of sales agreement: March 25, 2021:	March 25, 2021
Date of handover of the asset subject to the transfer:	June 11, 2021 (scheduled)

5. Outlook for the Fiscal Year Ending March 31, 2022

Because the sale is expected to be recorded in June 2021, the gain on transfer will be posted as extraordinary income of about ¥1,800 million in the first quarter period consolidated statement of income for the fiscal year ending March 31, 2022.

(Consolidated statement of income related)

1. Impairment losses

In the previous fiscal year, the TOMY Group recorded impairment losses on the following asset groups.

Use	Type	Location	Impairment losses (millions of yen)
Business assets	Right of using trademark	Dyersville, Iowa USA	1,359
Business assets	Intangible assets (other)	Katsushika, Tokyo	109
Business assets	Buildings, Machinery, equipment and vehicles, Tools, furniture and fixtures, Right of using trademark, Intangible assets (other)	Dandenong, Victoria, Australia	322
Business assets	Leased assets, Tools, furniture and fixtures, Intangible assets (other)	Exeter, Devon, England	105
Business assets	Leased assets	Archon, France	13
Stores among rental assets	Land	Mibu, Tochigi	0
Idle assets	Land	Mibu, Tochigi	1
Stores among business assets (retail stores and showrooms)	Buildings, Vehicles, Tools, furniture and fixtures	Chiyoda, Tokyo, etc.	10
—	Goodwill	Dandenong, Victoria, Australia	871

The TOMY Group classifies its business assets into groups by management account, which is based on associations according to location and type of business. For rental assets and idle assets, individual properties are grouped in the smallest units possible.

Regarding the assets groups of the above Australia business assets and goodwill, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value of the individual assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥1,194 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥871 million in goodwill, ¥296 million in right of using trademark, ¥17 million in machinery, equipment and vehicles, ¥5 million in tools, furniture and fixtures, ¥1 million in intangible assets (other) and ¥0 million in buildings. Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero. Regarding the above US business assets, due to the fact that the relevant assets' recoverability for certain licenses, etc. is not expected, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥1,359 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥1,359 million in right of using trademark. Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero.



Regarding the above business assets in England and France, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value of the individual assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥118 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥96 million in tools, furniture and fixtures, ¥15 million in leased assets, and ¥6 million in intangible assets (other). Moreover, the net sale value or the utility value was used to measure the recoverable value for these assets. The net sale value is valued at zero, because the Company plans to dispose of the assets in question. Because no future cash flow is expected, the utility value is valued at zero.

Regarding the above business assets of Tokyo, due to a decrease in profitability of services using intangible assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥109 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥109 million in intangible assets (other). Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero.

Regarding the above idle assets and rental assets in Tochigi, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥1 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥1 million in land. Furthermore, the net sale value was used to measure the recoverable value.

Regarding the stores among business assets (retail stores and showrooms), because there was a significant divergence when comparing the recoverable value and book value in line with the decision to withdraw, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥10 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥5 million in buildings, ¥5 million in tools, furniture and fixtures, and ¥0 million in vehicles. Furthermore, the net sale value was used to measure the recoverable value for these assets, and the net sale value is calculated using the sales contracts, etc.

For the fiscal year ended March 31, 2021, this information is omitted due to its immateriality.

## 2. Loss on COVID-19

It mainly includes fixed expenses (personnel expenses and depreciation, etc.) incurred at retail stores etc. that had temporary closures following the declaration of the state of emergency, which was issued by the Japanese government, due to the effects of the spread of COVID-19.

(Segment information)

a. Segment information

1. Overview of reportable segments

The reportable segments of the TOMY Group are constituent units of the Company whose separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of business resources and evaluating the operating results.

The TOMY Group operates toy (including nursery business) and toy peripheral businesses (including mini-capsule toys, amusement machines, and toys with candy, etc.) in Japan and overseas.

The TOMY Group aims to push ahead with further overseas development and transform itself into a truly global group of toy companies. For this reason, the Group's operations are classified into five reportable segments: "Japan," "Americas," "Europe," "Oceania," and "Asia (excl. Japan)."

2. Method of calculating net sales, profit or loss, assets and other items by reportable segment

The method of accounting for reportable segment is roughly the same as the method described in "Important Items Concerning the Presentation of the Consolidated Financial Statements."

Profit of reportable segments is operating profit-based values. Intersegment sales and transfers are based on actual market values.

3. Information regarding net sales, profit or loss, assets and other items by reportable segment

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	129,916	17,140	5,507	1,442	10,829	164,837
Inter-segment sales and transfers	9,032	73	–	–	40,661	49,767
Total	138,948	17,214	5,507	1,442	51,491	214,604
Segment profit (loss)	13,615	(23)	(916)	(166)	1,248	13,757
Segment assets	64,208	23,612	2,807	1,186	26,097	117,912
Other items						
Depreciation	5,525	755	25	10	310	6,626
Amortization of goodwill	–	657	–	75	656	1,389
Increase in property, plant and equipment and intangible assets	5,030	71	125	1	70	5,299

(Note) Amounts of segment liabilities are not periodically provided or used by the supreme decision-making organization of the Company.

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	104,051	21,793	5,986	1,909	7,477	141,218
Inter-segment sales and transfers	9,276	52	12	8	33,981	43,330
Total	113,328	21,845	5,998	1,917	41,458	184,548
Segment profit (loss)	9,048	222	(75)	113	724	10,033
Segment assets	63,725	28,983	3,225	1,713	26,825	124,473
Other items						
Depreciation	4,978	665	33	0	275	5,953
Amortization of goodwill	–	713	–	–	648	1,362
Increase in property, plant and equipment and intangible assets	7,298	149	158	2	92	7,700

(Note) Amounts of segment liabilities are not periodically provided or used by the supreme decision-making organization of the Company.

4. Differences between the total amounts in reportable segments and the amount recorded on the consolidated financial statements and details  
(Reconciliation)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Reportable segments total	214,604	184,548
Inter-segment eliminations	(49,767)	(43,330)
Net sales on the consolidated financial statements	164,837	141,218

(Millions of yen)

Profit	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Reportable segments total	13,757	10,033
Inter-segment eliminations	258	46
Corporate expenses (Note)	(3,332)	(2,999)
Operating profit on the consolidated financial statements	10,683	7,079

(Note) Corporate expenses primarily comprise general and administrative expenses not allocable to reportable segments.

(Millions of yen)

Assets	As of March 31, 2020	As of March 31, 2021
Reportable segments total	117,912	124,473
Inter-segment eliminations	(13,317)	(18,264)
Corporate assets (Note)	24,659	41,405
Total assets on the consolidated financial statements	129,253	147,614

(Note) Corporate assets primarily comprise cash and deposits (surplus funds) not allocable to reportable segment.

(Millions of yen)

Other items	Reportable segments total		Adjustments		Amount on the consolidated financial statements	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Depreciation	6,626	5,953	147	116	6,773	6,069
Amortization of goodwill	1,389	1,362	–	–	1,389	1,362
Increase in property, plant and equipment and intangible assets	5,299	7,700	48	136	5,347	7,837

## b. Related Information

## I. Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

## 1. Information by product and service

This information has been omitted as net sales to external customers in a single product or service category account for more than 90% of net sales recorded in the consolidated statement of income.

## 2. Regional information

## (1) Net sales

(Millions of yen)

Japan	North America		Other	Total
		U.S.		
110,509	28,177	26,262	26,150	164,837

## (2) Property, plant and equipment

(Millions of yen)

Japan	North America	Asia (excl. Japan)	Other	Total
8,836	573	3,635	2	13,048

## 3. Information by major customer

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

## II. Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

## 1. Information by product and service

This information has been omitted as net sales to external customers in a single product or service category account for more than 90% of net sales recorded in the consolidated statement of income.

## 2. Regional information

## (1) Net sales

(Millions of yen)

Japan	North America		Other	Total
		U.S.		
87,262	31,879	30,091	22,075	141,218

## (2) Property, plant and equipment

(Millions of yen)

Japan	North America	Asia (excl. Japan)	Other	Total
10,201	582	3,464	6	14,254

3. Information by major customer

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

c. Information regarding impairment loss of non-current assets by reportable segment

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Impairment loss	122	1,359	118	1,194	–	–	2,793

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Impairment loss	177	–	11	–	–	–	188

d. Information regarding amortization of goodwill and unamortized balance by reportable segment

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Amortization expense during the fiscal year ended March 31, 2020	–	657	–	75	656	–	1,389
Balance as of March 31, 2020	–	7,392	–	–	7,380	–	14,772

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Amortization expense during the fiscal year ended March 31, 2020	–	713	–	–	648	–	1,362
Balance as of March 31, 2021	–	9,071	–	–	6,830	–	15,902

## (Per share information)

(Yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets per share	703.07	742.45
Basic earnings per share	47.30	57.07
Diluted earnings per share	47.25	57.04

(Note) The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	4,507	5,374
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	4,507	5,374
Average number of shares during the period (Thousands of shares)	95,305	94,170
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	–	–
Increase in the number of common shares (Thousands of shares)	86	50
[Of the above, share acquisition rights (Thousands of shares)]	[86]	[50]
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	Reporting entity Share acquisition rights 6 issues Number of potential shares: 1,244 thousand shares	Reporting entity Share acquisition rights 8 issues Number of potential shares: 1,186 thousand shares

(Significant subsequent events)  
Nothing to note.