

Translation

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MEMBERSHIP
May 14, 2024

CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended March 31, 2024 <under Japanese GAAP>

Company name: TOMY COMPANY, LTD.
 Listing: Prime Market of the Tokyo Stock Exchange
 Securities identification code: 7867
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Scheduled date of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Scheduled date to file securities report: June 27, 2024
 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, 2024 (From April 1, 2023 to March 31, 2024)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	208,326	11.2	18,818	43.4	17,807	47.9	9,808	18.0
March 31, 2023	187,297	13.2	13,119	6.3	12,043	(4.9)	8,314	(8.8)

Note: Comprehensive income
 Fiscal year ended March 31, 2024 ¥17,655 million [48.1%]
 Fiscal year ended March 31, 2023 ¥11,923 million [(11.4)%]

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, 2024	107.73	107.65	10.5	10.9	9.0
March 31, 2023	90.66	90.59	10.0	7.6	7.0

Reference: Equity in earnings of affiliates
 Fiscal year ended March 31, 2024: ¥(44) million
 Fiscal year ended March 31, 2023: ¥7 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
March 31, 2024	166,252	99,999	60.1	1,104.07
March 31, 2023	159,519	87,167	54.5	950.39

Reference: Equity

As of March 31, 2024: ¥99,966 million
As of March 31, 2023: ¥87,012 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	29,175	(5,324)	(27,149)	64,182
March 31, 2023	16,223	(2,134)	(13,689)	66,360

2. Cash dividends

	Annual dividends					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, 2023	–	17.50	–	15.00	32.50	2,998	35.8	3.6
March 31, 2024	–	17.50	–	32.50	50.00	4,555	46.4	4.9
March 31, 2025 (Forecast)	–	24.00	–	24.00	48.00		35.0	

Note: Breakdown of year-end dividend for the fiscal year ended March 31, 2024: ordinary dividend 24.50 yen, commemorative dividend 8.00 yen

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025

(From April 1, 2024 to March 31, 2025)

(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, 2024 (cumulative)	110,000	14.5	9,000	12.3	8,700	18.2	6,000	6.9	65.90
Fiscal year ending March 31, 2025	230,000	10.4	20,000	6.3	19,500	9.5	12,500	27.4	137.30

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- Changes in accounting policies due to revisions to accounting standards: None
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - 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, 2024	93,616,650 shares
As of March 31, 2023	94,990,850 shares

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

As of March 31, 2024	3,072,841 shares
As of March 31, 2023	3,435,898 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2024	91,044,766 shares
Fiscal year ended March 31, 2023	91,714,064 shares

Note: The Company has introduced “Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)” and “Performance-linked stock-based compensation system for Executive Officers.” Treasury shares remaining in the “Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)” and the “Performance-linked stock-based compensation system for Executive Officers” that are recorded as treasury shares in shareholders’ equity are included in treasury shares to be deducted in the calculation of the total number of issued shares at the end of the period for the calculation of net assets per share. They are also included in treasury shares to be deducted in the calculation of the average number of shares during the period for the calculation of basic earnings per share.

* Financial results reports are exempt from audit conducted by certified public accountants or an 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, 2025” of “1. Qualitative Information Regarding Consolidated Operating Results” on page 9 of the 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 on May 15, 2024. Materials for the financial results presentation meeting will be available on our website promptly after the financial results are announced.

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1. Qualitative Information Regarding Consolidated Operating Results

(1) Overview of Operating Results

(Highlights of the Fiscal Year Ended March 31, 2024)

Since COVID-19 was downgraded to a Class 5 infectious disease in Japan, conditions in the business environment for the fiscal year ended March 31, 2024 are in a gradual recovery, with signs of a pickup in capital investment and consumer spending and so forth. Even so, conditions remain highly uncertain amid, for instance, overseas economic downturn concerns, foreign exchange fluctuations, and inflation triggered by heightened geopolitical risks and monetary tightening on a global basis.

Amid these conditions, in the Medium-Term Management Plan that commenced in the fiscal year ended March 31, 2022, we have sought to expand our target age groups and market regions, as well as expand our business domain under the vision, “Play will make the world better. So TOMY will greatly respond to the future global society by creating play.” The fiscal year ended March 31, 2024 was the final year of the plan, during which we worked to achieve each of its measures by continuing to focus our efforts on six company-wide strategies, including the further targeting of exits, ages, and areas with a key of “right person in the right place.”

In the fiscal year ended March 31, 2024, in Japan and other Asian regions, earnings were brisk in not only the toy business, but particularly in the toy peripheral business and the retail business. In the Americas, the mainstay operating company TOMY International, Inc. posted solid results, even though Fat Brain Holdings, LLC struggled. As a result of the above, net sales came to ¥208,326 million (up 11.2% year on year). Operating profit was ¥18,818 million (up 43.4% year on year), and ordinary profit was ¥17,807 million (up 47.9% year on year), reflecting growth in gross profit due to the increase in net sales and improvement in sales cost ratio driven by stability in shipping costs and other factors, as well as lower distribution costs in selling, general and administrative expenses. Profit attributable to owners of parent came to ¥9,808 million (up 18.0% year on year), even though we recorded impairment losses, etc., associated with Fat Brain Holdings, LLC, a consolidated subsidiary of the Company, under extraordinary losses in the third quarter.

We posted record highs for net sales, operating profit, ordinary profit, and profit attributable to owners of parent.

(Overview of Reportable Segments)

<Overview of operating results by segment>

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	Rate of change (%)
Net sales	187,297	208,326	21,028	11.2
Japan	148,214	170,097	21,883	14.8
Americas	29,533	30,063	529	1.8
Europe	6,683	6,640	(42)	(0.6)
Oceania	2,741	2,545	(195)	(7.1)
Asia (excl. Japan)	55,465	57,869	2,404	4.3
Eliminations and corporate	(55,340)	(58,891)	(3,550)	–
Operating profit/(loss)	13,119	18,818	5,698	43.4
Japan	16,484	22,265	5,780	35.1
Americas	(725)	(495)	229	–
Europe	(797)	(724)	73	–
Oceania	81	189	108	133.8
Asia (excl. Japan)	1,895	1,907	12	0.6
Eliminations and corporate	(3,819)	(4,324)	(505)	–

Japan

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Net sales	148,214	170,097	21,883
Operating profit	16,484	22,265	5,780

Net sales were ¥170,097 million (up 14.8% year on year), and operating profit was ¥22,265 million (up 35.1% year on year). Within the “TOMICA” range, the “Dream TOMICA” series, which embodies content that is popular with a broad range of target demographics, and the “TOMICA Premium” series both performed well. In “PLARAIL,” we have been working to appeal to a wider range of age groups including through the rollout of “PLARAIL Real Class” from June, which enables both the enjoyment of displaying and the enjoyment of playing.

For “BEYBLADE X,” the fourth generation of the modern version of “BEYBLADE,” we launched a range of toys in July, which has garnered attention not only from children but also from adults. We began broadcasting a TV animation series from October, which expanded its popularity, and created digital tie-ins with, for example, the opening of the official metaverse world “BEYBLADE PARK” in the global metaverse platform Roblox. For “TRANSFORMERS,” we launched new toys related to the newly released movie, but exports of these products fell short of our expectations mainly due to the impact of challenging conditions in overseas toy markets.

In the event business, from Golden Week 2023 onwards we resumed TOMICA EXPO, PLARAIL EXPO, and various other events that had been postponed due to the COVID-19 pandemic. All of these events were well received by attendees. Also, sales were brisk in the retail business by virtue of a sharp recovery in footfall, including foreign tourists visiting Japan, mainly at urban KIDDY LAND stores, as well as growth in sales of goods at character specialty stores. Sales increased in the GACHA capsule toy business being developed by T-ARTS Company, as a result of the expanded installation of more large-scale GACHA sales spaces and the expansion of age groups by making use of popular content. In amusement machines, Pokémon Mezastar continued to garner attention thanks to its characters’ high popularity.

In the digital business, we pressed ahead with the digital rollout of our IP. For instance, we ramped up business mainly through a collaboration with a popular character for the card game app DUEL MASTERS PLAY’S, and in October, the launch of Nintendo Switch™ software for the long-selling board game, “THE GAME OF LIFE,” was well received.

In January, the SORA-Q transformable lunar exploration robot that we jointly developed with JAXA and other partners, successfully captured a photograph of SLIM (Smart Lander for Investigating Moon) after landing on the surface of the moon. The Company’s technology played a part in the great success of this mission.

Americas

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Net sales	29,533	30,063	529
Operating loss	(725)	(495)	229

Net sales were ¥30,063 million (up 1.8% year on year), and we recorded an operating loss of ¥495 million (operating loss of ¥725 million in the same period of the previous fiscal year). “Boon” and other baby products were well received, and sales of “Ag Replicas” in the agricultural machinery toy category were brisk. The plush toy series “Mocchi- Mocchi-” (overseas product name: Club Mocchi- Mocchi-) and the long-selling party game “Kurohige Kiki Ippatsu” (overseas product name: POP-UP PIRATE) developed by T-ARTS Company in Japan remained popular.

On the other hand, sales struggled at Fat Brain Holdings, LLC owing to a sluggish toy market overall.

Europe

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Net sales	6,683	6,640	(42)
Operating loss	(797)	(724)	73

Net sales were ¥6,640 million (down 0.6% year on year), and we recorded an operating loss of ¥724 million (operating loss of ¥797 million in the same period of the previous fiscal year). This was partly due to declines in sales of baby products, etc., even though sales of agricultural machinery toys were solid and the party game “POP-UP PIRATE” increased in popularity.

Oceania

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Net sales	2,741	2,545	(195)
Operating profit	81	189	108

Net sales were ¥2,545 million (down 7.1% year on year), partly due to declining sales of baby products, etc., despite strong sales of agricultural machinery toys and favorable sales of the plush toy series “Club Mocchi- Mocchi-.”

On the other hand, operating profit was ¥189 million (up 133.8% year on year), reflecting growth in gross profit due to the improvement in our sales cost ratio driven by stability in shipping costs and other factors.

Asia (excl. Japan)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Net sales	55,465	57,869	2,404
Operating profit	1,895	1,907	12

Net sales were ¥57,869 million (up 4.3% year on year), and operating profit was ¥1,907 million (up 0.6% year on year). Sales were brisk attributable to “TOMICA,” “Pokémon,” “DIACLONE,” and others, which gained popularity, as well as rebounding from the lockdown in China in the first quarter of the previous fiscal year. Also, the “Pokémon Ga-Olé” amusement machine sold by T-ARTS Company was well received. We also launched sales of “BEYBLADE X” in Hong Kong and Taiwan in July, and in South Korea, China, and other Asian regions since November, to coincide with the launch in Japan. The TV animation also started airing in November in Hong Kong, in December in Taiwan, and in February in South Korea and Thailand.

In addition to the above, manufacturing subsidiary TOMY (Hong Kong) Ltd. achieved a recovery in shipments to the Americas.

(2) Overview of Financial Position

Assets, Liabilities and Net Assets

<Assets>

At the end of the fiscal year ended March 31, 2024, current assets stood at ¥117,561 million, up ¥5,897 million from the end of the previous fiscal year ended March 31, 2023. This was mainly attributable to increases in accounts receivable - trade, and merchandise and finished goods, despite a decrease in cash and deposits.

Non-current assets stood at ¥48,690 million, up ¥836 million from the end of the previous fiscal year. This was mainly attributable to increases in construction in progress and investment securities, despite a decrease in goodwill.

<Liabilities>

At the end of the fiscal year ended March 31, 2024, current liabilities stood at ¥53,722 million, up ¥665 million from the end of the previous fiscal year. This was mainly attributable to increases in notes and accounts payable - trade, accounts payable - other, and income taxes payable, despite a decrease in short-term borrowings.

Non-current liabilities stood at ¥12,530 million, down ¥6,764 million from the end of the previous fiscal year. This was mainly attributable to decreases in long-term borrowings and retirement benefit liability.

<Net assets>

At the end of the fiscal year ended March 31, 2024, total net assets were ¥99,999 million, up ¥12,832 million from the end of the previous fiscal year. This was mainly attributable to increases in retained earnings, foreign currency translation adjustment, and deferred gains or losses on hedges.

(3) Cash Flows

Cash and cash equivalents at the end of the fiscal year ended March 31, 2024 was ¥64,182 million, a decrease of ¥2,177 million compared with the end of the previous fiscal year ended March 31, 2023.

<Net cash provided by (used in) operating activities>

Net cash provided by operating activities was ¥29,175 million, compared with ¥16,223 million provided in the previous fiscal year. The main factors are profit before income taxes of ¥14,869 million, depreciation of ¥6,036 million, and an increase in trade payables of ¥4,899 million.

<Net cash provided by (used in) investing activities>

Net cash used in investing activities was ¥5,324 million, compared with ¥2,134 million used in the previous fiscal year. The main factors are purchase of intangible assets of ¥3,099 million, purchase of property, plant and equipment of ¥1,560 million, and payments of contingent consideration for shares of subsidiaries of ¥677 million.

<Net cash provided by (used in) financing activities>

Net cash used in financing activities was ¥27,149 million, compared with ¥13,689 million used in the previous fiscal year. The main factors are a decrease in short-term borrowings of ¥10,839 million, repayments of long-term borrowings of ¥8,726 million, dividends paid of ¥2,980 million, and repayments of finance lease liabilities of ¥2,798 million.

(Reference) Trends in Cash Flow Indicators

	FY2024	FY2023	FY2022
Equity ratio (%)	60.1	54.5	50.5
Market value equity ratio (%)	158.4	88.2	74.3
Cash flow to interest-bearing liabilities ratio (years)	0.4	1.8	2.2
Interest coverage ratio (times)	40.8	27.5	49.4

- 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. The scope of interest-bearing liabilities is short-term borrowings and long-term borrowings of the liabilities recorded on the consolidated balance sheet.

(4) Outlook for the Fiscal Year Ending March 31, 2025

The Medium-Term Management Plan that began in the fiscal year ended March 31, 2022 presents our vision, “Play will make the world better. So TOMY will greatly respond to the future global society by creating play.” Under this vision, we have been expanding our business domain and advancing globalization. Thanks to support from many people, the Company could celebrate the 100th anniversary of its founding on February 2, 2024, during the Medium-Term Management Plan period. Considering the future of our company from a longer-term perspective, we have formulated “Medium- to Long-term Management Strategy 2030.” This strategy is the result of a return to the significance of the TOMY Group, a newly defined Purpose, Vision 2030, business strategy, and corporate strategy, and the creation of our value-creation model.

1. Medium- to Long-Term Management Strategy 2030

On the occasion of the 100th anniversary of our company’s founding, the Company has reexamined the significance of our place in society, and defined a new Purpose. We have also newly established a Business Vision that pursues economic value, and a Sustainability Vision that seeks to increase social value. Based on these visions, our diverse and varied brand palette is executing our business strategies under a unified vision. In addition, through our corporate strategy supporting our business strategy, we will operate our business which has both safety and proactiveness.

By 2030, we aim to become a “Global Asobi Company” that can handle product development, marketing, and sales independently in large overseas markets. To this end, this Medium- to Long-Term Business Strategy, takes up the challenge of entering the North American and Chinese markets through localization, as well as developing global marketing functions through simultaneous global launch of products.

Purpose/Vision 2030

We have defined a new Purpose and our Vision 2030, and are aiming to become a company that is even more loved around the world as an integrated Asobi manufacturer with various business modalities.

■ Purpose (Significance)

On this milestone occasion of the 100th anniversary of our founding, we have formulated our Purpose through a survey of Group employees in Japan and overseas, workshops, and discussions with partners and experts.

“Quality Asobi can inspire and delight the world.”

The phrase “Quality Asobi” expresses our desire to provide people around the world with dreams, hopes, bonds, sensitivity, learning, and growth, and to renew our commitment to making the world a healthy and vibrant place. This is value we have provided for the past 100 years, and we will continue to enhance that value for the next 100 years to come.

■ Business Vision 2030 (Increasing Economic Value)

“Becoming a globally adored Asobi powerhouse, known for its top-notch quality and boundless creativity.”

With a commitment to top quality affirmed in our Purpose, coupled with infinite creativity to generate new value for Asobi, we will offer a vast lineup of products and services that are adored worldwide and strive to enhance our corporate value.

■ Sustainability Vision 2030 (Enhancing Social Value)

“A creator of quality Asobi that promotes the sustainable well-being of society.”

We are committed to providing high quality Asobi by developing an environment where our employees are able passionately to devote themselves for it. We believe it is the responsibility of the TOMY Group not only to consider customer confidence and safety, but also give thought toward the global environment, respect for human rights and our sound management system. We will strive to attain both a sustainable society and group company growth, and provide value for the world. In addition, we have newly specified five themes and 11 materialities for the realization of our Sustainability Vision.

● Our Passion

- I. Through Asobi, contribute to a healthy society that has dreams
 1. Contribute to a prosperous society through Asobi
- II. A workplace where employees can get absorbed in the work of creating Asobi that is noticed and loved all over the world.
 2. Improving employee wellbeing
 3. Employee growth

● Our Responsibilities

- III. Ensuring high quality
 4. Safe, secure, high-quality Asobi
 5. Connecting with customers
- IV. Coexistence with the global environment
 6. Responding to climate change
 7. Promoting eco-design of packaging and products
- V. Sound management
 8. Respect for human rights
 9. Sustainable procurement
 10. Governance that supports the creation of Asobi
 11. Risk management that supports the creation of Asobi

2. Business Strategy

In our business strategy, we articulate the diversification and expansion of our business necessary to remain a Company that is loved around the world for the next 100 years: expanding the regional axis and age groups, and strengthening our approach to a more diverse people. We will also focus on developing hit products and enhancing brand value to further expand into broader areas of Asobi besides toys. To achieve this goal, we have developed six key strategies. We will strengthen value chains in the process of moving to implement a series of business strategies.

I. Six Key Strategies

1) Expansion of regional axis

Using our diverse brand palette, we will focus our investments in regions appropriate for each brand. In particular, we will be concentrating our investment in the areas of our strength, such as figure products, which we have cultivated through the globally popular “BEYBLADE,” “Transformers” and “SHINKALION Z,” and GACHA, as well as in the area of collaboration with strong characters from partner companies, mainly in North America, East Asia and Southeast Asia, in addition to Japan, through TOMY International Group, TOMY (Shanghai) Ltd. and TOMY Asia Limited. TOMY International Group is positioned as an important base for the expansion of TOMY Group’s North American and European markets. In addition to working to improve profitability and build a governance structure, we will work with T-ARTS Company to achieve expansion into the North American market for figures and plush toys. On the other hand, in addition to expanding into countries outside our core regions, another means of acquiring opportunities along the regional axis is to connect with overseas customers within Japan, as in the case of inbound visitors, for example. Inbound demand at Kiddy Land is a characteristic example of this.

2) Expansion of age groups

Products of the Company have been enjoyed by many customers over the past hundred years. Products such as “TOMICA,” “PLARAIL,” and “Licca” now provide Asobi to three generations of customers. In addition, TOMYTEC’s “TOMIX” railway models and Kiddy Land, which broadcasts trends from Harajuku out to the world, are frequented by many adult customers with playful mind. We will be there for our customers as a lifetime partner throughout their lives. As part of strengthening these efforts, we will provide Kidults with more value-added Asobi.

10 Growth Areas in Kidults x Region

Battle Action, Vehicles, Figures, Plush Toys, Robots, Trading Card Games (TCG), Service Value, Partner IP, Amusement, Digital Games

3) Hits and market share expansion in our core regions

Creating new hit products is our strength. For example, during the previous medium-term management plan, we provided new Asobi value through “BEYBLADE X,” which can be enjoyed in the Roblox metaverse space, “Punirunes,” a new tactile LCD toy, discovery of new characters at Kiddy Land, and Pokémon peripheral business, etc., at T-ARTS Company. We will also expand our market share through marketing and branding strategies that are overwhelmingly differentiated from our competitors from the customer’s perspective. One example is the “Winnie the Pooh 6WAY gym&mobile,” sales of which are increasing despite the declining birthrate in Japan. Going forward, in order to excite and thrill our customers, we will continue to provide products that attract and speak to customers in ways that surpass those of other companies.

4) Improve brand value

In order to expand the region and age groups, it is essential to have high brand value and an

enduring fan base that recognizes that value. We will enhance the value of our own brands, such as “BEYBLADE,” “TOMICA,” “PLARAIL,” and “Licca” and build fan communities for a wide range of age groups and geographic regions. In addition to this, we will leverage our development capabilities and product lineup to enhance the value of our partner brands, and discover and develop new characters through Kiddy Land and GACHA sales spaces as places to offer attractive products.

In building fan communities, we will further develop face-to-face events such as the TOMICA/PLARAIL Shop, the TOMICA/PLARAIL Expo, and the ZOIDS Expo for Kidults, to establish brands to satisfy everyone. In addition to establishing brands under Japan x Children, such as the Kiddy Land flagship store, which is well regarded among overseas customers, and “TOMIX,” which is popular among adult collectors, we will actively work to establish brands for a wide range of regions and ages.

5) Non-toy income

Together with toys and other tangible products, we will expand our business with Asobi through licensing and digital content. The Company is currently developing a licensing business for characters derived from “TOMICA,” “PLARAIL,” “Licca,” “Transformers,” “BEYBLADE,” etc. In addition, in recent years, the Company has been developing new services in full swing including the card game application “DUEL MASTERS PLAY’S” and the long-selling board game “The Game of Life for the Nintendo Switch™.” We will also actively expand into new trading card game (TCG) IPs and hold events such as the ZOIDS Expo.

6) Use of digital technology

We will leverage digital services and infrastructure in the execution of our six key strategies. These include digitalization on smartphones and Nintendo hardware devices such as “DUEL MASTERS PLAY’S” and “The Game of Life for Nintendo Switch™,” expansion of the e-commerce business through direct-to-consumer (D2C) sales channels for TOMY Mall and our overseas Group company Fat Brain Holdings, LLC, as well as digital communication with SNS and fans. We also present purchase opportunities maximizing the use of digital areas such as media, analytics, and marketing automation to provide the right information to the right people at the right time. In addition, we will utilize digital tools such as language translation to improve operational productivity and global accessibility to more efficiently expand the world of Asobi.

II. Strengthening the Value Chain

In the process of moving to implement a series of business strategies, we will leverage digital technology to more efficiently and closely align with and strengthen our value chain. This will provide faster, more cost effective, and more stable service, and will promote the automation of tasks. Specifically, we must effectively manage the supply chains that support the globalization of our business, strengthen our ability to procure IP, which is the source of our strength, and ensure the quality of our Asobi products so that they can be played with safely. By strengthening our value chain, we will increase our competitiveness as a “Global Asobi Company” and our potential to realize our strategy.

● Development

Research into environmentally friendly materials and their incorporation into products
Streamlining the development process using AI

● Supply Chain

Restructuring and streamlining of distribution and production systems to strengthen competitiveness in Asian and North American markets
Establishment and operation of a human rights due diligence system.

Establishment and operation of a system to achieve sustainable procurement in cooperation with suppliers

Creating a system that includes delivery to customers in D2C-related areas

● Safety and Security

Expanding product lineup for the Kidults market and further improving safety and quality standards and systems to ensure competitiveness in worldwide sales

3. Corporate Strategy

Concept: To become an organization that is self-driven toward its Vision, and enable sustainable growth by utilizing the right person in the right place.

The corporate strategy is interconnected with the business strategy, and serves as the foundation for the Company's new management strategy. Taking charge of management from the perspectives of finance, human resources, intellectual property, society, and nature, the Company aims to expand the scale of our operations and improve the quality of our management. From a financial perspective, we seek to maximize shareholder value by improving profitability (increasing ROE while being conscious of the cost of capital) and returning profits to shareholders (dividends and purchase of treasury shares), while maintaining a sound financial position.

I. Increasing Corporate Value

a) Cost of capital, ROE

By expanding the scale of our business and generating returns that exceed our cost of capital, the Company aims to achieve net sales of ¥300 billion and an operating profit margin of 10% in the fiscal year ending March 31, 2030. In addition, from the three perspectives of improving profitability, improving asset efficiency, and sound financial position, we will continue to maintain a return on equity (ROE) of 11% or higher.

We will concentrate on investments leveraging the strength of extensive brand palette of the Company and considering regions and age groups where our high-potential brands have strengths. In the global market, we aim to further expand "BEYBLADE" together with our global partners. In North America, we will develop the market for figures and plush toys, which are popular in Japanese pop culture, with our global partners, and also grow TOMY International Group's agricultural machinery brand. We view the Asian market, including China, as a particularly important region, and will invest in expanding the TOMICA, alliance character toys, digital enclosures, GACHA, figures, and plush toy categories. In addition, through the execution of M&A by leveraging our organic growth and high cash generating capacity, we will focus on acquiring new business opportunities. By providing Asobi to a wider range of age groups and geographic regions, we will realize higher growth and higher returns.

b) Shareholder returns (dividends and purchase of treasury shares)

The Company recognizes the sustainable improvement in shareholder value and the stable return of profits to shareholders as an important priority for management. We will strive to strengthen the management base and improve the profit margin while implementing measures to return profits to shareholders through dividends and purchase of treasury shares. With a view to the fiscal year ending March 31, 2030, we will maintain sound management by setting the following specific indicators and taking appropriate measures to return profits to our shareholders.

- ◇ Operating profit margin target of 10%
- ◇ Earnings per share (EPS) growth rate of a sustained 10% or more
- ◇ Return on equity (ROE) is a sustained 11% or more
- ◇ Equity ratio of approximately 50%

- ◇ Total payout ratio of 50%, in principle
- ◇ Price-to-book ratio (PBR) target of 3 times

II. Human Capital Strategy

Vision: As an organization capable of self-driven, sustainable growth, we will build an environment where employees can get absorbed in creating “Asobi.”

For the Company, the human resources of the domestic and overseas groups involved in the creation of Asobi are important human capital. Based on our Purpose and Vision, we will further strengthen our organizational culture to achieve improved employee wellbeing and sustainable growth as a company.

- Human resources will fulfill the respective functions of the business and corporate divisions, but will not be overly confined to their existing roles, and will work cross-functionally to resolve issues.
- In terms of strengthening human resources, we will strengthen human resources who promote marketing on a global basis, as especially those who are involved in the success or failure of our business strategies.
- We will provide opportunities for experience from a medium- to long-term perspective to nurture the next generation of executive officer candidates. In addition, we will welcome outside human resources and provide them with an environment in which they can play an active role.

III. Intellectual Property (IP) Strategy

IP is an important operating capital for the Company. Many of our core brands, including our key IP of “TOMICA,” “PLARAIL,” “Licca,” “BEYBLADE,” and “GACHA,” are actively protected by intellectual property rights, and we maintain one of the highest number of registered intellectual properties in Japan. We make the best use of our IP under the three policies of “protecting Asobi IP,” “preparing for Asobi IP infringement,” and “developing Asobi IP.”

(5) Policy on Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2024 and the Fiscal Year Ending March 31, 2025

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.

Based on the aforementioned policy, we plan to pay a year-end dividend of ¥32.50 per share for the fiscal year ended March 31, 2024, comprised of an ordinary dividend of ¥17.50 per share plus a 100th anniversary commemorative dividend of ¥8 per share as announced on May 1, 2024, and furthermore, plus ¥7 per share based on comprehensive consideration of business performance and our shareholder return policy. As a result, combined with the dividend of ¥17.50 per share paid at the end of the second quarter (interim dividend), we plan to pay an annual dividend of ¥50 per share. In addition, as stated in the “Notice of Changes in Shareholder Return Policy” released today (May 14, 2024), the Company has adopted as a shareholder return indicator, a total payout ratio that takes into consideration dividends and purchase of treasury shares together, and has established a shareholder return policy of total payout ratio of 50%, in principle, for the fiscal year ending March 31, 2025 and thereafter. For the next fiscal year, we intend to pay an annual dividend of ¥48 per share (including a dividend at the end of the second quarter (interim dividend) of ¥24), based on comprehensive consideration of our new shareholder return policy, earnings forecasts, and other factors.

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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	66,455	64,279
Notes receivable - trade	779	740
Accounts receivable - trade	20,125	24,520
Merchandise and finished goods	16,694	17,716
Work in process	730	653
Raw materials and supplies	1,100	1,093
Other	5,972	8,778
Allowance for doubtful accounts	(194)	(220)
Total current assets	111,664	117,561
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,593	14,010
Accumulated depreciation	(9,357)	(9,787)
Accumulated impairment loss	(910)	(921)
Buildings and structures, net	3,325	3,301
Machinery, equipment and vehicles	2,862	2,949
Accumulated depreciation	(2,335)	(2,496)
Accumulated impairment loss	(35)	(36)
Machinery, equipment and vehicles, net	492	417
Tools, furniture and fixtures	24,725	26,371
Accumulated depreciation	(22,779)	(24,240)
Accumulated impairment loss	(960)	(1,080)
Tools, furniture and fixtures, net	985	1,050
Land	3,933	3,958
Leased assets	8,746	7,137
Accumulated depreciation	(4,791)	(3,457)
Accumulated impairment loss	(393)	(449)
Leased assets, net	3,561	3,229
Right-of-use assets	2,916	2,760
Construction in progress	423	1,183
Total property, plant and equipment	15,638	15,901
Intangible assets		
Goodwill	15,616	13,135
Right of using trademark	3,935	4,296
Other	6,179	8,168
Total intangible assets	25,731	25,600
Investments and other assets		
Investment securities	2,979	3,426
Deferred tax assets	1,483	1,671
Other	2,033	2,109
Allowance for doubtful accounts	(10)	(19)
Total investments and other assets	6,485	7,188
Total non-current assets	47,854	48,690
Total assets	159,519	166,252

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,213	14,598
Short-term borrowings	10,043	–
Current portion of long-term borrowings	8,901	6,183
Lease liabilities	3,198	3,274
Accounts payable - other	7,276	10,425
Accrued expenses	8,058	10,913
Income taxes payable	1,562	4,520
Provision for product warranties	245	201
Provision for bonuses for directors (and other officers)	139	233
Provision for share awards for directors (and other officers)	47	46
Provision for share awards	41	73
Other	4,328	3,250
Total current liabilities	53,056	53,722
Non-current liabilities		
Long-term borrowings	10,177	4,181
Lease liabilities	3,669	3,259
Deferred tax liabilities	431	385
Deferred tax liabilities for land revaluation	472	472
Retirement benefit liability	2,597	2,132
Provision for retirement benefits for directors (and other officers)	214	208
Allowance for recall-NCL	186	167
Other	1,546	1,724
Total non-current liabilities	19,295	12,530
Total liabilities	72,352	66,252
Net assets		
Shareholders' equity		
Share capital	3,459	3,459
Capital surplus	8,147	6,818
Retained earnings	60,092	66,920
Treasury shares	(3,587)	(3,980)
Total shareholders' equity	68,112	73,218
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,317	1,682
Deferred gains or losses on hedges	680	2,348
Revaluation reserve for land	624	624
Foreign currency translation adjustment	16,712	22,174
Remeasurements of defined benefit plans	(433)	(82)
Total accumulated other comprehensive income	18,900	26,747
Share acquisition rights	154	33
Total net assets	87,167	99,999
Total liabilities and net assets	159,519	166,252

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	187,297	208,326
Cost of sales	114,948	123,366
Gross profit	72,348	84,960
Selling, general and administrative expenses	59,229	66,141
Operating profit	13,119	18,818
Non-operating income		
Interest and dividend income	195	430
Rental income	151	155
Infection prevention cooperation money	0	–
Other	231	204
Total non-operating income	579	791
Non-operating expenses		
Interest expenses	612	691
Foreign exchange losses	688	648
Provision to allowance for recall	174	–
Expenses related to assets for rent	31	36
Foreign withholding tax	72	218
Other	75	207
Total non-operating expenses	1,654	1,802
Ordinary profit	12,043	17,807
Extraordinary income		
Gain on sale of non-current assets	6	5
Gain on reversal of share acquisition rights	54	16
Total extraordinary income	61	22
Extraordinary losses		
Impairment losses	15	2,727
Loss on COVID-19	32	–
Business restructuring expenses	147	212
Loss on withdrawal from business	260	–
Other	6	20
Total extraordinary losses	462	2,960
Profit before income taxes	11,642	14,869
Income taxes - current	3,839	6,447
Income taxes - deferred	(511)	(1,386)
Total income taxes	3,328	5,061
Profit	8,314	9,808
Profit attributable to owners of parent	8,314	9,808

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	8,314	9,808
Other comprehensive income		
Valuation difference on available-for-sale securities	213	365
Deferred gains or losses on hedges	(120)	1,667
Foreign currency translation adjustment	3,553	5,462
Remeasurements of defined benefit plans, net of tax	(37)	351
Total other comprehensive income	3,608	7,847
Comprehensive income	11,923	17,655
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,923	17,655
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity
Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,459	8,014	55,472	(3,374)	63,571
Changes during period					
Dividends of surplus			(3,694)		(3,694)
Profit attributable to owners of parent			8,314		8,314
Cancellation of treasury shares					–
Purchase of treasury shares				(669)	(669)
Disposal of treasury shares		133		456	589
Net changes in items other than shareholders' equity					
Total changes during period	–	133	4,620	(213)	4,540
Balance as of March 31, 2023	3,459	8,147	60,092	(3,587)	68,112

	Accumulated other comprehensive income						Share acquisition rights	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	1,103	800	624	13,158	(395)	15,291	310	79,174
Changes during period								
Dividends of surplus								(3,694)
Profit attributable to owners of parent								8,314
Cancellation of treasury shares								–
Purchase of treasury shares								(669)
Disposal of treasury shares								589
Net changes in items other than shareholders' equity	213	(120)	–	3,553	(37)	3,608	(156)	3,452
Total changes during period	213	(120)	–	3,553	(37)	3,608	(156)	7,992
Balance as of March 31, 2023	1,317	680	624	16,712	(433)	18,900	154	87,167

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,459	8,147	60,092	(3,587)	68,112
Changes during period					
Dividends of surplus			(2,980)		(2,980)
Profit attributable to owners of parent			9,808		9,808
Cancellation of treasury shares		(1,492)		1,492	–
Purchase of treasury shares				(2,326)	(2,326)
Disposal of treasury shares		164		440	605
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,328)	6,827	(392)	5,106
Balance as of March 31, 2024	3,459	6,818	66,920	(3,980)	73,218

	Accumulated other comprehensive income						Share acquisition rights	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	1,317	680	624	16,712	(433)	18,900	154	87,167
Changes during period								
Dividends of surplus								(2,980)
Profit attributable to owners of parent								9,808
Cancellation of treasury shares								–
Purchase of treasury shares								(2,326)
Disposal of treasury shares								605
Net changes in items other than shareholders' equity	365	1,667	–	5,462	351	7,847	(121)	7,726
Total changes during period	365	1,667	–	5,462	351	7,847	(121)	12,832
Balance as of March 31, 2024	1,682	2,348	624	22,174	(82)	26,747	33	99,999

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	11,642	14,869
Depreciation	6,216	6,036
Impairment losses	15	2,727
Amortization of goodwill	1,853	1,927
Gain on reversal of share acquisition rights	(54)	(16)
Loss on COVID-19	32	–
Business restructuring expenses	147	212
Loss on withdrawal from business	260	–
Increase (decrease) in allowance for doubtful accounts	(39)	9
Increase (decrease) in provisions	7	67
Increase (decrease) in retirement benefit liability	41	6
Interest and dividend income	(195)	(430)
Interest expenses	612	691
Foreign exchange losses (gains)	295	615
Decrease (increase) in trade receivables	38	(3,338)
Decrease (increase) in inventories	195	376
Decrease (increase) in prepaid expenses	(133)	451
Decrease (increase) in advance payments to suppliers	731	104
Increase (decrease) in trade payables	(118)	4,899
Increase (decrease) in accounts payable - other	(217)	2,450
Increase (decrease) in accrued expenses	(399)	2,362
Other, net	674	(907)
Subtotal	21,607	33,115
Interest and dividends received	189	427
Interest paid	(589)	(714)
Payments associated with loss on COVID-19	(27)	–
Payments of business restructuring expenses	(147)	(212)
Income taxes paid	(4,808)	(3,440)
Net cash provided by (used in) operating activities	16,223	29,175
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,526)	(1,560)
Proceeds from sale of property, plant and equipment	2	7
Purchase of intangible assets	(1,083)	(3,099)
Proceeds from sale of investment securities	316	25
Payments of contingent consideration for shares of subsidiaries	–	(677)
Other, net	156	(20)
Net cash provided by (used in) investing activities	(2,134)	(5,324)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,067	(10,839)
Repayments of long-term borrowings	(8,726)	(8,726)
Dividends paid	(3,691)	(2,980)
Repayments of finance lease liabilities	(3,106)	(2,798)
Purchase of treasury shares	(669)	(2,326)
Proceeds from disposal of treasury shares	309	413
Proceeds from sale and leaseback transactions	306	286
Other, net	(179)	(178)
Net cash provided by (used in) financing activities	(13,689)	(27,149)
Effect of exchange rate change on cash and cash equivalents	649	1,121
Net increase (decrease) in cash and cash equivalents	1,049	(2,177)
Cash and cash equivalents at beginning of period	65,310	66,360
Cash and cash equivalents at end of period	66,360	64,182

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

(Additional information)

(Performance-linked stock-based compensation system for Directors and Performance-linked stock-based compensation system for Executive Officers)

The Company and some of its subsidiaries have introduced the “Performance-linked stock-based compensation system for Directors” and the “Performance-linked stock-based compensation system for Executive Officers.” The former covers the Company’s directors (excluding non-executive directors; the same applies hereinafter) and directors (excluding part-time directors; the same applies hereinafter) of some consolidated subsidiaries, while the latter covers executive officers and senior staff of the Company and those of some consolidated subsidiaries (hereinafter collectively referred to as “executive officers, etc.”). With regard to the stock delivery trusts, the gross price method has been applied pursuant to “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (PITF No. 30, March 26, 2015).

1. Overview of transactions

This system is a stock award plan in which a trust set up through money contribution by the Company (hereinafter “the Trust”) will acquire shares of the Company and such shares of the Company will be delivered through the Trust to each of the directors and executive officers, etc. in proportion to the respective points given each of them by the Company.

2. Treasury shares remaining in the trust

Treasury shares remaining in the trust are recorded as treasury shares in shareholders’ equity at the book value at the trust. The book value and number of said treasury shares are ¥556 million and 514 thousand shares, respectively, as of March 31, 2023, and ¥469 million and 434 thousand shares, respectively, as of March 31, 2024.

(Consolidated statement of income related)

1. Impairment losses

For the fiscal year ended March 31, 2023, this information is omitted due to its immateriality.

In the fiscal year ended March 31, 2024, the TOMY Group recorded impairment losses on the following asset groups.

Use	Type	Location	Impairment losses (Millions of yen)
–	Goodwill	Nebraska, the U.S.	2,440
Business assets	Intangible assets (other), Investments and other assets (other)	Katsushika, Tokyo	270
Business assets	Tools, furniture and fixtures	Exeter, Devon, the United Kingdom	11
Stores (retail stores) in business assets	Buildings and structures	Kanazawa, Ishikawa, etc.	2
Business assets	Buildings and structures	Mibu, Tochigi	1
Idle assets	Land	Mibu, Tochigi	0

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 idle assets, individual properties are grouped in the smallest units possible.

Regarding goodwill in Nebraska, the U.S., above, we have continuously recorded operating losses at Fat Brain Holdings, LLC and revised our business plan based on trends for the current fiscal year. As a result, since we can no longer expect the revenue that was initially anticipated, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥2,440 million) as impairment loss in extraordinary losses. Furthermore, the utility value was used to measure the recoverable value, and a discount rate of 13.6% was applied for the calculation of the utility value. Regarding the above business assets in Tokyo, 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 (¥270 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥216 million in intangible assets (other), and ¥54 million in investments and other 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 business assets in the United Kingdom, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥11 million) as impairment loss in extraordinary losses. 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 stores (retail stores) in other business assets, 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 (¥2 million) as impairment loss in extraordinary losses. 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 and idle 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 buildings and structures, and ¥0 million in land. Furthermore, the net sale value was used to measure the recoverable value of business assets. The net sale value was assessed at zero, because we plan to dispose of the assets. Furthermore, the net sale value was used to measure the recoverable value of idle assets.

2. Loss on COVID-19

During the fiscal year ended March 31, 2023, it mainly includes fixed expenses (personnel expenses and depreciation, etc.) incurred during the business activity suspension period following the lockdowns in Shanghai, China, due to the effects of the spread of COVID-19.

3. Business restructuring expenses

In the fiscal year ended March 31, 2023, loss arising from the decision to reorganize businesses, etc. at overseas consolidated subsidiaries of ¥147 million was recorded as business restructuring expenses.

In the fiscal year ended March 31, 2024, loss arising from the decision to reorganize businesses, etc. at overseas consolidated subsidiaries of ¥212 million was recorded as business restructuring expenses.

4. Loss on withdrawal from business

In the fiscal year ended March 31, 2023, expenses relating to the withdrawal from business for the “neltip” dedicated printing machines for nail tips at the Company of ¥260 million were recorded as loss on withdrawal from business.

(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) 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. Inter-segment 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, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	135,965	29,357	6,683	2,741	12,550	187,297
Inter-segment sales and transfers	12,249	175	–	–	42,914	55,340
Total	148,214	29,533	6,683	2,741	55,465	242,637
Segment profit (loss)	16,484	(725)	(797)	81	1,895	16,938
Segment assets	50,928	34,251	3,860	2,901	31,866	123,807
Other items						
Depreciation	5,160	579	88	3	265	6,097
Amortization of goodwill	–	1,024	–	–	828	1,853
Increase in property, plant and equipment and intangible assets	4,787	168	105	1	95	5,156

(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, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	154,192	30,021	6,620	2,545	14,946	208,326
Inter-segment sales and transfers	15,905	42	20	–	42,923	58,891
Total	170,097	30,063	6,640	2,545	57,869	267,217
Segment profit (loss)	22,265	(495)	(724)	189	1,907	23,143
Segment assets	54,299	34,585	7,167	3,325	38,446	137,823
Other items						
Depreciation	4,922	612	130	3	253	5,921
Amortization of goodwill	–	1,042	–	–	884	1,927
Increase in property, plant and equipment and intangible assets	5,514	132	1,632	4	61	7,345

(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, 2023	Fiscal year ended March 31, 2024
Reportable segments total	242,637	267,217
Inter-segment eliminations	(55,340)	(58,891)
Net sales on the consolidated financial statements	187,297	208,326

(Millions of yen)

Profit	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segments total	16,938	23,143
Inter-segment eliminations	(114)	(11)
Corporate expenses (Note)	(3,704)	(4,313)
Operating profit on the consolidated financial statements	13,119	18,818

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

(Millions of yen)

Assets	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segments total	123,807	137,823
Inter-segment eliminations	(18,557)	(23,342)
Corporate assets (Note)	54,269	51,772
Total assets on the consolidated financial statements	159,519	166,252

(Note) Corporate assets primarily comprise cash and deposits not allocable to reportable segments.

(Millions of yen)

Other items	Reportable segments total		Adjustments		Amount on the consolidated financial statements	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Depreciation	6,097	5,921	119	114	6,216	6,036
Amortization of goodwill	1,853	1,927	–	–	1,853	1,927
Increase in property, plant and equipment and intangible assets	5,156	7,345	216	567	5,373	7,913

b. Related information

I. Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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.		
115,164	39,568	37,520	32,564	187,297

(2) Property, plant and equipment

(Millions of yen)

Japan	North America	Asia (excl. Japan)	Other	Total
8,050	3,052	3,862	672	15,638

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, 2024 (April 1, 2023 to March 31, 2024)

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.		
134,750	39,551	37,796	34,023	208,326

(2) Property, plant and equipment

(Millions of yen)

Japan	North America	Asia (excl. Japan)	Other	Total
8,148	2,958	4,111	683	15,901

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, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Impairment losses	1	–	14	–	–	–	15

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Impairment losses	275	2,440	11	–	–	–	2,727

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

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Amortization expense during the fiscal year ended March 31, 2023	–	1,024	–	–	828	–	1,853
Balance as of March 31, 2023	–	9,012	–	–	6,604	–	15,616

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Amortization expense during the fiscal year ended March 31, 2024	–	1,042	–	–	884	–	1,927
Balance as of March 31, 2024	–	6,573	–	–	6,562	–	13,135

(Per share information)

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	950.39	1,104.07
Basic earnings per share	90.66	107.73
Diluted earnings per share	90.59	107.65

- Notes: 1. Both the number of common shares as of March 31, 2024 used for calculating net assets per share and the average number of common shares during the period used for calculating basic earnings per share and diluted earnings per share exclude the portion of shares owned by the Company itself as well as the portion of the Company's shares owned by the "Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)" and the "Performance-linked stock-based compensation system for Executive Officers" (514 thousand shares as of March 31, 2023 and 587 thousand shares on average during the period; 434 thousand shares as of March 31, 2024 and 467 thousand shares on average during the period) for the respective calculations.
2. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	8,314	9,808
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	8,314	9,808
Average number of shares during the period (Thousands of shares)	91,714	91,044
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)	70	65
[Of the above, share acquisition rights (Thousands of shares)]	[70]	[65]
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 – issues Number of potential shares – thousand shares	Reporting entity Share acquisition rights – issues Number of potential shares – thousand shares

(Significant subsequent events)
Nothing to note.