

Translation

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February 12, 2025

CONSOLIDATED FINANCIAL RESULTS for the First Nine Months of the Fiscal Year Ending March 31, 2025 <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 to commence dividend payments: —
Supplementary material on financial results: None
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 first nine months of the fiscal year ending March 31, 2025 (From April 1, 2024 to December 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	194,972	21.7	23,084	33.7	22,199	33.9	14,433	59.7
December 31, 2023	160,251	7.7	17,267	32.3	16,579	36.3	9,036	11.1

Note: Comprehensive income
Nine months ended December 31, 2024 ¥16,997 million [41.4%]
Nine months ended December 31, 2023 ¥12,020 million [3.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	yen	yen
December 31, 2024	160.79	160.73
December 31, 2023	99.18	99.09

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
December 31, 2024	175,158	108,923	62.2	1,214.61
March 31, 2024	166,252	99,999	60.1	1,104.07

Reference: Equity
As of December 31, 2024 ¥108,890 million
As of March 31, 2024 ¥99,966 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2024	–	17.50	–	32.50	50.00
Fiscal year ending March 31, 2025	–	28.00	–		
Fiscal year ending March 31, 2025 (Forecast)				28.00	56.00

- Notes: 1. Revisions to the cash dividends forecasts most recently announced: None
2. 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
Fiscal year ending March 31, 2025	240,000	15.2	23,000	22.2	22,500	26.4	14,500	47.8	161.43

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of specific accounting for preparing quarterly consolidated financial statements: Yes

Note: For more details, please refer to the section of “(3) Notes Regarding Consolidated Financial Statements, (Notes regarding specific accounting for preparing quarterly consolidated financial statements)” of “2. Consolidated Financial Statements and Significant Notes Thereto” on page 15 of the attached material.

(3) 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: Yes
- c. Changes in accounting estimates: Yes
- d. Restatement: None

Note: From the six months ended September 30, 2024, the Company has made changes to its method of depreciation, and this falls under “a case of changes in accounting policies which are difficult to distinguish from changes in accounting estimates.” For more details, please refer to the section of “(3) Notes Regarding Consolidated Financial Statements, (A case of changes in accounting policies which are difficult to distinguish from changes in accounting estimates)” of “2. Consolidated Financial Statements and Significant Notes Thereto” on page 15 of the attached material.

(4) Number of issued shares (common shares)

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

As of December 31, 2024	93,616,650 shares
As of March 31, 2024	93,616,650 shares

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

As of December 31, 2024	3,966,045 shares
As of March 31, 2024	3,072,841 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	89,765,215 shares
Nine months ended December 31, 2023	91,117,135 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.

* Review of the Japanese-language originals of the attached consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

Regarding future forecasts, please refer to “(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements,” under “1. Regarding Consolidated Operating Results,” on page 10.

A financial results presentation meeting for institutional investors and analysts will be held via telephone conference on February 12, 2025.

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1. Qualitative Information Regarding Consolidated Operating Results

(1) Overview of Operating Results

(Highlights of First Nine Months of the Fiscal Year Ending March 31, 2025)

Looking at the business environment surrounding the TOMY Group, the situation in Japan is trending toward a modest recovery thanks to the improvements in the employment and income environment, as well as to factors such as an increase in inbound demand. Meanwhile, overseas, the situation remained unpredictable, mainly due to the impact of concerns of a downturn in economies, rising prices, and fluctuations in financial and capital markets.

Under our “Medium- to Long-term Management Strategy 2030” announced in May 2024, we aim to achieve net sales of ¥300 billion and an operating profit margin of 10% in the fiscal year ending March 31, 2030 by establishing a new value-creation model, expanding business opportunities and the scale of our business with age groups and regional axis as growth drivers, and aligning these with the corporate strategies that support them.

In widening the age range of our customers, measures for the Kidults demographic contributed to our business performance. In the classic brands of “TOMICA” and “PLARAIL,” deployment of the “TOMICA Premium” and “PLARAIL Real Class” series for adults, with attention to details, and the “Dream TOMICA” in collaboration with popular content has expanded the fan base to include not only children but adults as well. In the U.S., we launched the high-quality collectible series “TOMY+ (TOMY Plus)” through crowdfunding. And in “BEYBLADE X,” the fan base continued to expand thanks to development of media mix for a wide range of generations and the holding of tournaments with no age restrictions, and in “DUEL MASTERS,” the customer base expanded thanks to the popularity of the trading card game and the deployment of the smartphone app “DUEL MASTERS PLAY’S,” contributing to business performance. GACHA capsule toys are becoming increasingly popular among people of all ages thanks to their wide range of items and high quality, and sales spaces for those are being installed in more and more commercial facilities and airports, including the opening of the large-scale GACHA specialty store “GACHA WORLD.” In retail as well, the wide range of character goods and miscellaneous items popular at Kiddy Land gained support from customers of all ages, and sales grew.

We are continuing to implement measures for expanding regional axis as well, and against the backdrop of sales growth of “TOMICA” in China, we opened the first overseas brand store “TOMICA BRAND STORE” in Shanghai, China, which furthered the penetration of the brand. Regarding “BEYBLADE X,” alongside the full-scale launch in Europe and the United States and other places overseas, viewing area for the animation adaptation grew due to efforts with broadcasting stations in various countries by our U.S. subsidiary T-Licensing, and we pushed ahead with a range of initiatives, including holding the “BEYBLADE X ASIA CHAMPIONSHIP 2024” with the winners of competitions from ten regions in Asia. As the popularity of Japanese IPs grows globally, we are also promoting overseas expansion of GACHA capsule toys, plush toys, etc., with a focus on character products. In line with that, Kiddy Land retail business is continuing to see further business performance as a trendsetting base having a wide range of character products, with flagship stores, including the Harajuku and Umeda stores, character specialty stores, etc., receiving strong support from foreign tourists visiting Japan.

In addition, as part of our corporate strategy, we have established a system to promote sustainable growth that includes measures such as strengthening diversity and expertise of human capital by such means as global promotion of the acquisition of human resources from a wide range of fields, changing to a job-based personnel system, and expanding support for balancing work and family life through the establishment of a new childbirth and childcare monetary gift system.

As a result of such measures for age groups and regional axis, the year-end sales season, which is the biggest sales season, also provided contributions in addition to the growth in performance in the first six months of the fiscal year, and net sales in the first nine months of the fiscal year ending March 31, 2025 came to ¥194,972 million (up 21.7% year on year), marking a record high for the second consecutive period. In terms of profit, operating profit was ¥23,084 million (up 33.7% year on year), ordinary profit was ¥22,199 million (up 33.9% year on year) and profit attributable to owners of parent was ¥14,433 million (up 59.7% year on year), all at record highs, making for steady progress under the new management system. These results were mainly due to the increase in gross profit accompanying the growth in net sales.

In the third quarter of the fiscal year (from October to December 2024) as well, net sales, operating profit, and ordinary profit were at record highs.

(Overview of Reportable Segments)
 <Overview of operating results by segment>

(Millions of yen)

	First nine months of the fiscal year ended March 31, 2024	First nine months of the fiscal year ending March 31, 2025	Change	Rate of change (%)
Net sales	160,251	194,972	34,720	21.7
Japan	131,691	165,727	34,035	25.8
Americas	23,380	24,809	1,429	6.1
Europe	5,437	5,812	374	6.9
Oceania	1,971	2,242	270	13.7
Asia (excl. Japan)	44,739	53,822	9,083	20.3
Eliminations and corporate	(46,968)	(57,442)	(10,473)	–
Operating profit/(loss)	17,267	23,084	5,817	33.7
Japan	19,477	24,819	5,341	27.4
Americas	(292)	31	324	–
Europe	(447)	(205)	242	–
Oceania	183	125	(58)	(31.6)
Asia (excl. Japan)	1,550	2,276	725	46.8
Eliminations and corporate	(3,204)	(3,963)	(758)	–

Japan

(Millions of yen)

	First nine months of the fiscal year ended March 31, 2024	First nine months of the fiscal year ending March 31, 2025	Change
Net sales	131,691	165,727	34,035
Operating profit	19,477	24,819	5,341

Net sales were ¥165,727 million (up 25.8% year on year), and operating profit was ¥24,819 million (up 27.4% year on year). Sales of classic brands including “TOMICA” and “PLARAIL” increased year-on-year due to their expansion into a wide range of age groups and regions, and “BEYBLADE X” gained popularity among people of all ages, from children to adults, during the year-end sales season thanks to efforts such as development of media mix and holding of tournaments with no age restrictions. In addition, alongside the full-scale launch overseas, particularly in Europe and the United States, efforts with broadcasting stations in various countries by our U.S. subsidiary T-Licensing led to creation of synergies with product offering, such as expansion of the viewing area for the animation adaptation. We also pursued international measures, such as holding the “BEYBLADE X ASIA CHAMPIONSHIP 2024” in December with the winners of competitions from ten regions in Asia. With “DUEL MASTERS,” the customer base expanded through the smartphone app “DUEL MASTERS PLAY’S” in addition to the trading card game, and this led to expanded business performance. Our IP “Punirunes” has proven popular in Japan and Asia, and we began exporting it to Europe and the United States in April, thus working to create global content from the IP. Additionally, in May, we launched the enormously popular comic “DETECTIVE CONAN” as a trading card game aimed at a wide range of customer base, generating new sales. In October, we launched the pet toy “Hatchimals Alive” (“Umarete! Woomo Alive”), which contributed to sales. And in November, we opened “TOMY Planet,” as a new format where one can enjoy hands-on attractions that combine the world view of TOMY’s IP such as “TOMICA” and “PLARAIL” with XR technology. At T-ARTS Company, sales of Pokémon-related products such as plush toys grew, in addition to which in the GACHA capsule toy business we increased the number of items offered, including character products, and we also expanded our installation of GACHA sales spaces in commercial facilities and airports, such as

the November opening of the large-scale GACHA specialty store “GACHA WORLD,” while also expanding overseas, resulting in continued favorable performance. In addition, in amusement machines, operations were started in April for “Himitsu no AIPRI” and in July for “Pokémon FRIENDA,” with a better launch than previous products. In Kiddy Land retail business, we continued to offer fresh and topical character goods and miscellaneous items, which are gaining popularity among people of all ages in Japan and abroad. In the midst of this, inbound demand and the continued popularity of characters led to favorable performance at flagship stores such as the Harajuku and Umeda stores, as well as our character specialty stores and event deployment, resulting in an increased contribution to business performance.

Americas

(Millions of yen)

	First nine months of the fiscal year ended March 31, 2024	First nine months of the fiscal year ending March 31, 2025	Change
Net sales	23,380	24,809	1,429
Operating profit/(loss)	(292)	31	324

Net sales were ¥24,809 million (up 6.1% year on year), and operating profit was ¥31 million (operating loss of ¥292 million in the same period of the previous fiscal year). Due to the overall slump in the toy market, sales of agricultural machinery toys and toy and hobby products decreased, while sales of baby products “The First Years” and “Boon” remained strong, and net sales of Fat Brain Holdings increased from the same period of the previous fiscal year.

Europe

(Millions of yen)

	First nine months of the fiscal year ended March 31, 2024	First nine months of the fiscal year ending March 31, 2025	Change
Net sales	5,437	5,812	374
Operating loss	(447)	(205)	242

Net sales were ¥5,812 million (up 6.9% year on year), and we recorded an operating loss of ¥205 million (operating loss of ¥447 million in the same period of the previous fiscal year). Although the toy market was sluggish overall, there were steady sales of toy and hobby products such as “Drumond Park” brand games, bath toys, and T-ARTS Company’s GACHA capsule toys, and sales of agricultural machinery toys increased.

Oceania

(Millions of yen)

	First nine months of the fiscal year ended March 31, 2024	First nine months of the fiscal year ending March 31, 2025	Change
Net sales	1,971	2,242	270
Operating profit	183	125	(58)

Net sales were ¥2,242 million (up 13.7% year on year). Operating profit was ¥125 million (down 31.6% year on year) due to a deterioration in gross profit margin caused by factors such as higher transportation costs. Sales increased in baby products and T-ARTS Company’s GACHA capsule toy business, and we achieved strong sales of preschool products and agricultural machinery toys.

Asia (excl. Japan)

(Millions of yen)

	First nine months of the fiscal year ended March 31, 2024	First nine months of the fiscal year ending March 31, 2025	Change
Net sales	44,739	53,822	9,083
Operating profit	1,550	2,276	725

Net sales were ¥53,822 million (up 20.3% year on year), and operating profit was ¥2,276 million (up 46.8% year on year). In addition to seeing strong sales mainly due to the popularity of the “TOMICA” brand among people of all ages, the Company opened the first “TOMICA” overseas brand store “TOMICA BRAND STORE” in Shanghai, China, in September to further the penetration of the brand. In “BEYBLADE X,” sales remained strong thanks to broadcasts of its animation adaptation in various regions and promotions such as ongoing events at stores. Additionally, sales grew due in part to the start of the TV animation broadcasting of “SHINKALION CHANGE THE WORLD” in Hong Kong in July and in Taiwan in September, after the sales of related toys launched in April. Furthermore, we released the “DETECTIVE CONAN Card Game” series in nine countries and regions, including Hong Kong, South Korea, and Taiwan, in May, simultaneous with its release in Japan, generating new sales. Other factors included an increase in overseas-bound exports of “BEYBLADE X” and other products at the manufacturing subsidiary TOMY (Hong Kong).

(2) Overview of Financial Position

Assets, Liabilities and Net Assets

<Assets>

At the end of the third quarter of the fiscal year ending March 31, 2025, current assets stood at ¥123,679 million, up ¥6,117 million from the end of the previous fiscal year ended March 31, 2024. This was mainly attributable to increases in notes and accounts receivable - trade and merchandise and finished goods, despite a decrease in cash and deposits.

Non-current assets stood at ¥51,479 million, up ¥2,788 million from the end of the previous fiscal year. This was mainly attributable to increases in property, plant and equipment and investments and other assets, despite a decrease in intangible assets.

<Liabilities>

At the end of the third quarter, current liabilities stood at ¥56,699 million, up ¥2,977 million from the end of the previous fiscal year. This was mainly attributable to increases in notes and accounts payable - trade and accrued expenses, despite a decrease in the current portion of long-term borrowings.

Non-current liabilities stood at ¥9,534 million, down ¥2,996 million from the end of the previous fiscal year. This was mainly attributable to decreases in long-term borrowings, provisions, and deferred tax liabilities.

<Net assets>

At the end of the third quarter, total net assets were ¥108,923 million, up ¥8,923 million from the end of the previous fiscal year. This was mainly attributable to increases in retained earnings and foreign currency translation adjustment, despite the purchase of treasury shares.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

No changes have been made to the earnings forecasts that were announced on October 29, 2024.

2. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	64,279	46,713
Notes and accounts receivable - trade	25,260	43,626
Merchandise and finished goods	17,716	21,866
Work in process	653	745
Raw materials and supplies	1,093	1,202
Other	8,778	9,729
Allowance for doubtful accounts	(220)	(204)
Total current assets	117,561	123,679
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,010	15,069
Accumulated depreciation	(9,787)	(9,925)
Accumulated impairment loss	(921)	(912)
Buildings and structures, net	3,301	4,231
Machinery, equipment and vehicles	2,949	3,167
Accumulated depreciation	(2,496)	(2,595)
Accumulated impairment loss	(36)	(35)
Machinery, equipment and vehicles, net	417	535
Tools, furniture and fixtures	26,371	29,449
Accumulated depreciation	(24,240)	(25,360)
Accumulated impairment loss	(1,080)	(1,109)
Tools, furniture and fixtures, net	1,050	2,979
Land	3,958	3,978
Leased assets	7,137	7,267
Accumulated depreciation	(3,457)	(3,064)
Accumulated impairment loss	(449)	(464)
Leased assets, net	3,229	3,738
Right-of-use assets	2,760	2,378
Construction in progress	1,183	701
Total property, plant and equipment	15,901	18,543
Intangible assets		
Goodwill	13,135	12,269
Other	12,465	13,072
Total intangible assets	25,600	25,342
Investments and other assets		
Investment securities	3,426	3,699
Deferred tax assets	1,671	1,628
Other	2,109	2,363
Allowance for doubtful accounts	(19)	(97)
Total investments and other assets	7,188	7,593
Total non-current assets	48,690	51,479
Total assets	166,252	175,158

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,598	18,202
Current portion of long-term borrowings	6,183	3,749
Lease liabilities	3,274	3,339
Accounts payable - other	10,425	9,483
Accrued expenses	10,913	12,917
Income taxes payable	4,520	4,947
Provisions	555	511
Other	3,250	3,549
Total current liabilities	53,722	56,699
Non-current liabilities		
Long-term borrowings	4,181	1,400
Lease liabilities	3,259	3,250
Deferred tax liabilities	385	364
Deferred tax liabilities for land revaluation	472	472
Provisions	376	344
Retirement benefit liability	2,132	2,141
Other	1,724	1,561
Total non-current liabilities	12,530	9,534
Total liabilities	66,252	66,234
Net assets		
Shareholders' equity		
Share capital	3,459	3,459
Capital surplus	6,818	6,819
Retained earnings	66,920	75,877
Treasury shares	(3,980)	(6,577)
Total shareholders' equity	73,218	79,578
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,682	1,869
Deferred gains or losses on hedges	2,348	2,198
Revaluation reserve for land	624	624
Foreign currency translation adjustment	22,174	24,742
Remeasurements of defined benefit plans	(82)	(121)
Total accumulated other comprehensive income	26,747	29,312
Share acquisition rights	33	33
Total net assets	99,999	108,923
Total liabilities and net assets	166,252	175,158

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

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	160,251	194,972
Cost of sales	94,241	114,952
Gross profit	66,010	80,019
Selling, general and administrative expenses	48,742	56,934
Operating profit	17,267	23,084
Non-operating income		
Interest and dividend income	324	228
Rental income	107	146
Other	153	150
Total non-operating income	585	526
Non-operating expenses		
Interest expenses	608	290
Foreign exchange losses	335	828
Other	329	291
Total non-operating expenses	1,274	1,411
Ordinary profit	16,579	22,199
Extraordinary income		
Gain on sale of non-current assets	4	4
Gain on reversal of share acquisition rights	16	–
Total extraordinary income	21	4
Extraordinary losses		
Loss on sale of non-current assets	3	0
Loss on retirement of non-current assets	4	16
Impairment losses	2,672	12
Business restructuring expenses	169	–
Other	11	–
Total extraordinary losses	2,862	28
Profit before income taxes	13,738	22,175
Income taxes	4,701	7,741
Profit	9,036	14,433
Profit attributable to owners of parent	9,036	14,433

(Consolidated statement of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	9,036	14,433
Other comprehensive income		
Valuation difference on available-for-sale securities	237	186
Deferred gains or losses on hedges	687	(149)
Foreign currency translation adjustment	2,083	2,567
Remeasurements of defined benefit plans, net of tax	(24)	(39)
Total other comprehensive income	2,984	2,564
Comprehensive income	12,020	16,997
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,020	16,997
Comprehensive income attributable to non-controlling interests	–	–

(3) Notes Regarding Consolidated Financial Statements

(A case of changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

(Changes in depreciation method for property, plant and equipment)

The Company and its domestic consolidated subsidiaries had previously used the declining-balance method for the depreciation of amusement machines among tools, furniture and fixtures. However, from the semi-annual consolidated accounting period, this has been changed to the straight-line method. The TOMY Group has changed its policy from the semi-annual consolidated accounting period to purchase amusement machines, which had been acquired as leased assets, in principle. Taking this opportunity, the depreciation method for amusement machines was reconsidered, and as stable operation is expected, it was decided that adopting a method of evenly distributing expenses over the period of use is more in line with the actual use of amusement machines and is a method that more appropriately reflects the actual state of management.

Note that the impact of this change on the quarterly consolidated financial statements for the current period is not significant.

(Notes regarding specific accounting for preparing quarterly consolidated financial statements)

(Tax expense calculation)

Tax expenses on profit before income taxes for the nine months under review are calculated by multiplying profit before income taxes for the nine months under review by the reasonably estimated effective tax rate for the fiscal year including the third quarter under review after applying tax effect accounting.

(Segment information and other notes)

I First nine months of the fiscal year ended March 31, 2024 (April 1, 2023 to December 31, 2023)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	118,796	23,358	5,417	1,971	10,707	160,251
Inter-segment sales and transfers	12,894	22	20	–	34,031	46,968
Total	131,691	23,380	5,437	1,971	44,739	207,220
Segment profit (loss)	19,477	(292)	(447)	183	1,550	20,471

2. Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statement of income and details thereof
(Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	20,471
Inter-segment eliminations	(6)
Corporate expenses (Note)	(3,198)
Operating profit on the quarterly consolidated statement of income	17,267

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

3. Information regarding impairment losses of non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

The Americas segment recorded an impairment loss of ¥2,417 million, and the Japan segment recorded an impairment loss of ¥254 million. The total amount of these and other impairment losses recorded in the first nine months of the fiscal year ending March 31, 2025 was ¥2,672 million.

(Significant change in the amount of goodwill)

The decrease in goodwill was ¥2,417 million in the first nine months of the fiscal year ending March 31, 2025. This is as a result of a significant change in the amount of goodwill due to the impairment of the entire amount of goodwill at Fat Brain Holdings, LLC. in the Americas segment.

The impairment of goodwill is included in the above (Significant impairment losses on non-current assets).

(Significant gain on bargain purchase)

Nothing to note.

II First nine months of the fiscal year ending March 31, 2025 (April 1, 2024 to December 31, 2024)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	150,566	24,783	5,807	2,242	11,572	194,972
Inter-segment sales and transfers	15,160	26	4	–	42,250	57,442
Total	165,727	24,809	5,812	2,242	53,822	252,414
Segment profit (loss)	24,819	31	(205)	125	2,276	27,047

2. Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statement of income and details thereof
(Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	27,047
Inter-segment eliminations	(185)
Corporate expenses (Note)	(3,777)
Operating profit on the quarterly consolidated statement of income	23,084

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

3. Information regarding impairment losses of non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

This information is omitted due to its immateriality.

(Significant change in the amount of goodwill)

Nothing to note.

(Significant gain on bargain purchase)

Nothing to note.

(Notes on significant changes in the amount of shareholders' equity)

Nothing to note.

(Notes regarding assumption of going concern)

Nothing to note.

(Notes regarding the quarterly consolidated statement of income)

1. Impairment losses

During the first nine months of 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.	2,417
Business assets	Intangible assets (other), Investments and other assets (other)	Katsushika, Tokyo	252
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 (¥2,417 million) as impairment losses in extraordinary losses. Furthermore, the utility value was used to measure the recoverable value, and a discount rate of 13% 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 (¥252 million) as impairment losses in extraordinary losses. The breakdown of these impairment losses was ¥193 million in intangible assets (other), and ¥59 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 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 losses 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.

For the first nine months of the fiscal year ending March 31, 2025, this information is omitted due to its immateriality.

2. Business restructuring expenses

In the first nine months of the fiscal year ended March 31, 2024, loss arising from the decision to reorganize businesses, etc. at overseas consolidated subsidiaries of ¥169 million was recorded as business restructuring expenses.

(Notes regarding quarterly consolidated statement of cash flows)

A quarterly consolidated statement of cash flows has not been prepared for the first nine months of the fiscal year ending March 31, 2025. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first nine months of the fiscal year ended March 31, 2024 and the first nine months of the fiscal year ending March 31, 2025 are as follows.

(Millions of yen)

	First nine months of the fiscal year ended March 31, 2024 (April 1, 2023 to December 31, 2023)	First nine months of the fiscal year ending March 31, 2025 (April 1, 2024 to December 31, 2024)
Depreciation	4,611	4,717
Amortization of goodwill	1,470	1,401