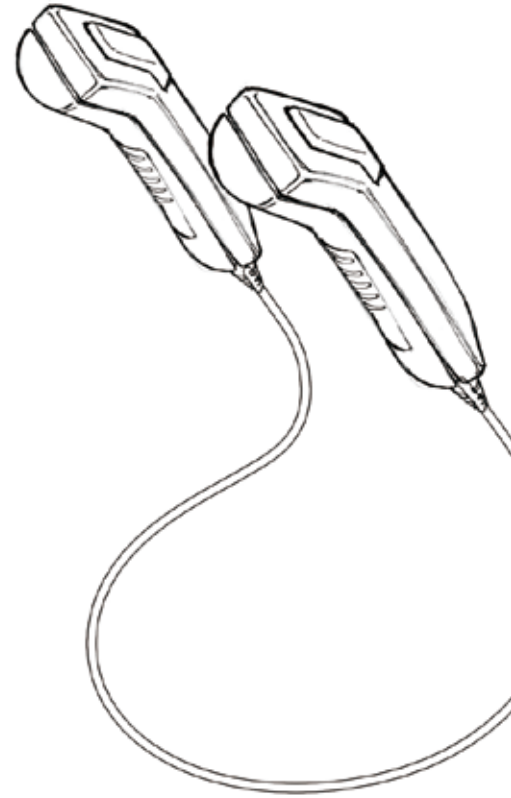

Special Feature

THE BATTROBORG HITMAKERS

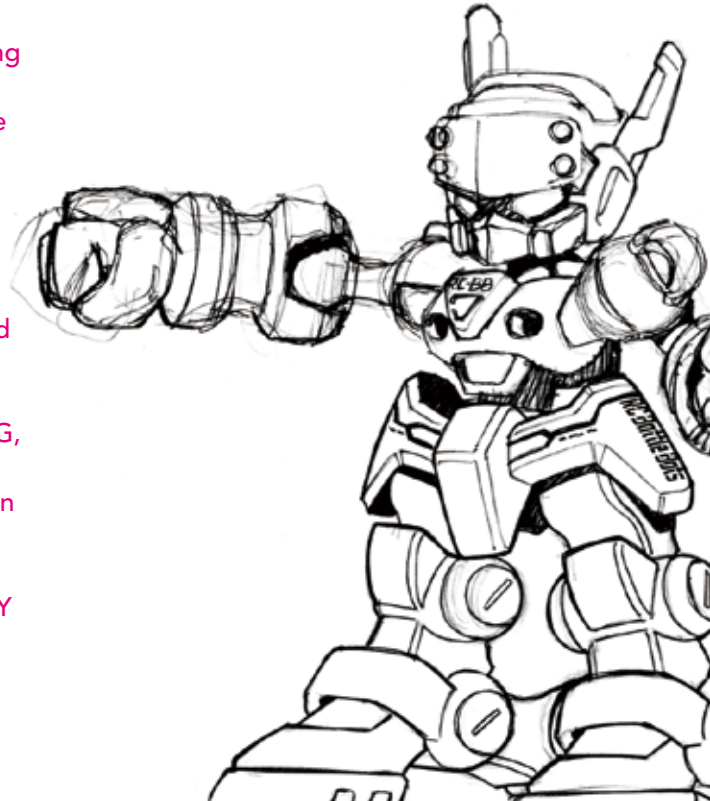
BATTROBORG is a robot toy that uses 21st century technology and imagination to fulfill every boy's dream of controlling a robot himself and entering it into combat. Tilt the right-hand controller to the right and throw a straight right, tilt it to the left and throw a left hook using the "motion-interactive" remote control that makes BATTROBORG, which went on sale in July 2012, a most attractive toy. This product has been a major hit, with 500,000 units already shipped in Japan.

How are hits born? In this Special Feature, we will introduce the process that extended through the production of BATTROBORG and its becoming a major hit by discussing the efforts of those engaged at each stage, including planning and development, quality control and manufacturing, sales and overseas expansion.

PLANNING AND DEVELOPMENT (JAPAN)



A broad variety of data is collected in product development, not only concerning toys but also about materials and technologies, as well as the items that are currently popular and those warranting attention henceforth. We make a direct effort to get "unvarnished opinions" from sales floors and at events and put these to use in drawing up plans. At the development stage, we conduct repeated monitoring reports of test models on the way to creating the finished product. Significant contributions to BATTROBORG, from the development through the final stages, were made through the perfection of the developer in his pursuit of the essence of play, as well as marketing that maximizes the kind of network that TOMY can access.



Ideas and technologies for cutting costs without losing play value

Comical and cool movements

“Real” feeling

Developer Contribution:

Planning Capability That Captures the Essence of Play While Keeping Costs Down

From the developer's point of view, we could offer children fresh excitement and thrills by pursuing a “real” feeling not offered by portable game consoles or TV games. Next, the idea of creating a hobby that can give the feeling that many boys yearn for—experiencing a robot battle—formed the basis for the planning. The BATTROBORG development concept is threefold: “communication” between friends, as well as parents and children through the combat model; a “real” feeling through the uncomplicated and

intuitive “motion-interactive” control; and the “comical and cool movements” of the robots.

I think the origins of a hit lie in the pursuit of the essence of play and doing as much as possible to keep the cost down. For example, if more than one motor is used complex movements are possible, but this increases the cost. Therefore, creating a mechanism linking punches with the movement action allows for realistic motion-interactive control with only a single motor, keeping the price within everyone's range, even that of kids. The cultivation of a foundation for the production of ideas and technologies for cutting costs without losing play value is one thing that makes TOMY superior.

Parents and
kids can
play together

Emphasis on the
personal experience
of the product

Marketer Contribution:

A Focused Sales Strategy Based on Comprehensive Marketing, from Planning through Launch

When I saw an employee play with a prototype, the spectacle of an adult repeatedly engaging in battle with white-hot passion provided feedback for the “parents and kids can play together” theme. Our test marketing also showed that kids responded remarkably similarly to adults, assuring us of a hit.

We discovered latent needs from the children’s reactions in observing children’s play styles and design tastes through market surveys, and used that information in planning, development and promotion. For example, we observed scenes of children repeatedly pulling out the handheld portion of the BATTROBORG while playing at shop floor events. This enabled us to find a really minor latent need on the part of the children for conversion or replacement of that part. After this information was provided as feedback to the development unit, they actually strengthened the function in the second version, the BATTROBORG 4G, which makes it possible to replace the punch, gaining further popularity for the new, freely convertible BATTROBORG series.

According to my analysis, it is comprehensive marketing, from planning through launch, that makes a hit. I had faith in the blending of hit elements such as the “motion-interactive” control and “battling,” as well as in the strength of the product appeal created by the development unit.

We narrowed our promotion, which would make the appeal of the product better understood, down to two items—“emphasis on the personal experience of the product” and “increasing recognition by parents and children.” This course was shared with other units involved in promotion. We promoted the “parents and kids can play together” theme by running TV commercials not only during children’s programming but also during programs for adults. We also held events where the toys could be experienced firsthand, such as at store demonstration sales conducted by employees, toy shows and trade fairs, and broadcast promotion videos from volume sellers or large-scale sales floors, to great effect.



Promotion that emphasizes the personal experience by parents and children.

QUALITY CONTROL AND MANUFACTURING



Nothing is more important at TOMY than a high level of product quality and safety. While we, of course, comply with the toy safety standards of countries around the world, such as the ST standards (Japan), the ASTM F963 standards (US), the EN71 standards (EU) and ISO8124 (international), our efforts to offer safe and reliable toys also include the establishment of our own original safety standards devised based on the know-how we have cultivated in our 90-year history. In addition, we have developed testing methods focused only on the necessary categories in testing for prohibited substances, and have cut safety and testing costs by eliminating portions of the safety and quality testing and reliability tests by appropriating the molds used at the prototype stage, which creates a quick, reliable checking system. These kinds of manufacturing technologies and thorough quality controls are indispensable items in the background of a novel hit product such as BATTROBORG, with its many mechanisms and functions.

The BATTROBORG is really an aggregation of precision instruments

A small, light system resulted in a product that offers nimble and comical movement

Manufacturing Coordinator Contribution:

Achieving a Fine "Battle Balance" by Adjusting Molds and Repeated Verification

The stable quality of parts is an issue in manufacturing, so we work to create designs and assembly lines at the mass production stage that cover not only defective parts but also inconsistencies. We also worked to stabilize performance quality by creating 10 pendulum jigs that can re-create punches at the correct distance, angle and speed for all-points checking on the production line of the sensitivity adjustments for switching LED colors when punches land on the robot's face.

It is necessary to prepare the color molding, material properties and part sizes of each of the molds, which are the keys to mass production. At the BATTROBORG starting stage, we prepared nine molds, including rubber molds and metal molds, with each injection forming two of each kind of part. This enabled daily production of 3,000 units (60,000/month).

The BATTROBORG is really an aggregation of precision instruments. The punching and walking gimmick performed by the main body is controlled by a single motor, with the switch mounted on the face and a high-speed transmitter and small performance batteries mounted on the back. Achieving the construction of this small, light system itself resulted in a product that offers nimble and comical movement through motion-interactive control. I believe that the high marks given by customers to the BATTROBORG's particular movements resulted in it becoming a hit.



All-points checking on the production line of the sensitivity adjustments to stabilize performance quality.

Molds offered the benefit of allowing the omission of some product evaluations at the prototype stage

Finding all foreseeable product misuses

Quality Control Coordinator Contribution:

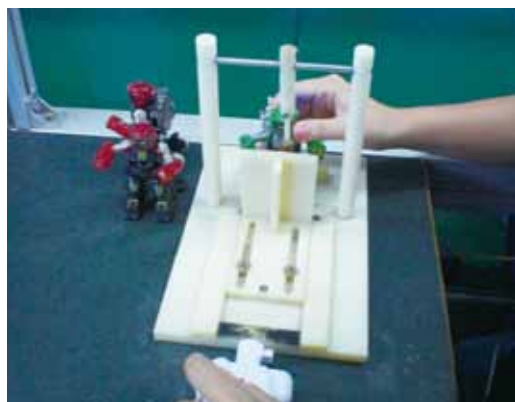
“Uncompromising Safety and Quality through Thorough Quality Control”

The BATTROBORG is a product with a variety of mechanisms and functions, such as a motor drive, a wireless control and the use of rechargeable batteries, so product safety and quality control are issues of maximum importance.

As a “remote-controlled battling robot toy,” BATTROBORG is a novel toy, so we have taken sufficient safety measures to assure safe play for children. In practice, this meant finding all foreseeable product misuses, as well as the analysis and improvement of any bugs occurring at the development stage, information about which was provided to the manufacturing site as feedback to enable the mass production of safe products. These thorough quality controls allowed us to prevent the occurrence of any major safety or quality issues, which making a major hit product requires.

In addition, the appropriation of molds already used in Japan contributed to overseas deployment.

Using those molds offered the benefit of allowing the omission of some product evaluations at the prototype stage (e.g., safety and reliability testing). Also, molds must be repeatedly adjusted to achieve the same movement functions as those of the product developed in Japan, but appropriating the same molds eliminates this work, achieving greater efficiency in the quality control work for overseas product deployment.



SALES



It is important to visit the shops and listen to customer opinions to get a handle on market needs and develop effective sales promotions while working with the sales outlets to create attractive sales floors and sales measures. In addition to sales promotions backed by the entire company, BATTROBORG sales efforts included two immediate post-launch sales campaigns conducted simultaneously followed by seasonally themed sales promotions. While it is said that sales of 100,000 units constitutes a hit, BATTROBORG reached 100,000 units shipped during the first month post-launch and became a major hit after 300,000 units shipped during its first six months on the market.

“The family acceptance”
aspect aims at
increasing parent-child
communication

650 hands-on events
during the first month
post-launch

Sales Coordinator Contribution:

Creating “Word of Mouth Appeal” through
Demonstrations, Hands-On Events and
Understanding of Product Features

The Sales Unit regards BATTROBORG as a top priority item, for which we actively conduct large-scale events and sales floor promotions.

For example, we made a strong appeal for the BATTROBORG at the International Tokyo Toy Show, highlighting the charms of an analog toy that gives a “real” feeling that TV games cannot offer and a “family acceptance” aspect aimed at increasing parent-child communication.

We also take care to select prime locations near the main pathways in stores to strengthen product recognition in stores, as well as through TV commercials and magazine ads.

We also held sales promotions at large stores, including holding 650 hands-on events during the first month post-launch at stores throughout Japan, where many TOMY employees conducted product demonstrations.

As described above, we established venues where many customers could experience the appeal of the “movement” that is a special characteristic of the product. We were able to expand the number of stores handling the product by demonstrating its attributes.



Large-scale events and sales floor promotions.

OVERSEAS EXPANSION (LOCALIZATION)



TOMY is accelerating globalization and has successfully created content and brands with worldwide recognition. We have up to now been cultivating global content through products such as BEYBLADE and TRANSFORMERS. With the goal of further constructive deployment, we are selecting the best partners in each region and country and building relationships that will yield synergies.

In our overseas deployment of BATTROBORG, we are activating Group synergies with TOMY International, our subsidiary which has powerful marketing ability and strong sales networks in Europe, Australia and especially North America, to follow on the success in Japan of BATTROBORG by making it a hit in North America.

Developing an overseas original set called the “Battle Arena Set”

Overseas Coordinator Contribution: Achieving Branding Success and Overseas Original Set Product Development

BATTROBORG is appealing in Japan because it packs the latest technologies into a compact package, but outside Japan, especially in North America, high-priced toy products are expected to have a size commensurate to price.

TOMY International has addressed this issue by developing an overseas original set called the “Battle Arena Set” that includes a battle arena with two robots, to gain the acceptance of a high unit cost product such as BATTROBORG by overseas consumers. The set has been a success.

There are two other reasons that TOMY’s original product is being marketed as a set overseas. The first is the successful branding of BATTROBORG through various types of marketing of appealing aspects of the product, such as the linkage of the controller and the robot’s movements or the ease of maneuverability afforded by the 2.4-GHz connection. The second is that the product’s success in Japan provides a foothold when seeking overseas distribution.



Fighting robots on a battle arena.

We used sales promotions that were successful in Japan

TOMY International Developer Contribution: Sales Promotions Based on In-Depth Local Surveys Created Success in Product Recognition

Our first step in conducting a full-scale overseas launch was to conduct user surveys of local children and then to adjust the BATTROBORG graphic design and packaging to make it more acceptable to the global market. Also, overseas markets are lacking in the product recognition channels available in Japan, such as children’s magazines, events and TV infomercials, with shop floor demonstration sales not being part of the culture. Therefore, we used sales promotions that were successful in Japan as a base in forming the promotion plan, with everyone, including sales, marketing and the brand management team, united in repeated discussion of effective sales promotions for international distribution and consumers. Those efforts resulted in greater product recognition. And, of course, the hit is also due to product functions such as the intuitive, easy-to-understand motion controller and the novelty of the previously unknown product concept.



Mobile application released in the United States to promote BATTROBORG.

CREATING NEW HITS

Using an internationally well-known “warrior” motif to build up our overseas product lineup

Developing ideas into attractive products using technology, bringing surprises and excitement to customers

The Launch of the BATTROBORG WARRIOR, which Evolved from the BATTROBORG

TOMY launched the BATTROBORG WARRIOR in 2014 as the latest in the BATTROBORG series. In addition to being based on the planning and development, as well as the quality control and manufacturing control know-how of the BATTROBORG, this product has been improved in a variety of ways for a broad range of play that means even more fun for the customer. Japanese culture is enjoying a global resurgence in popularity, so we developed this product based on the internationally well-known “warrior” motif,

to build up our overseas product lineup. The BATTROBORG WARRIOR delivers the motion-interactive control of the BATTROBORG through a new sword handle—shaped “slash attack” controller. Powerful sounds imitating the sound of blades on helmet and armor ring out in tandem with movement, while the sense of control has evolved for even more fun.

The TOMY hitmakers will continue to turn ideas into attractive products using technology that ensures safety, bringing surprises and excitement to customers around the world.



BATTROBORG WARRIOR