

# EPISODE 1

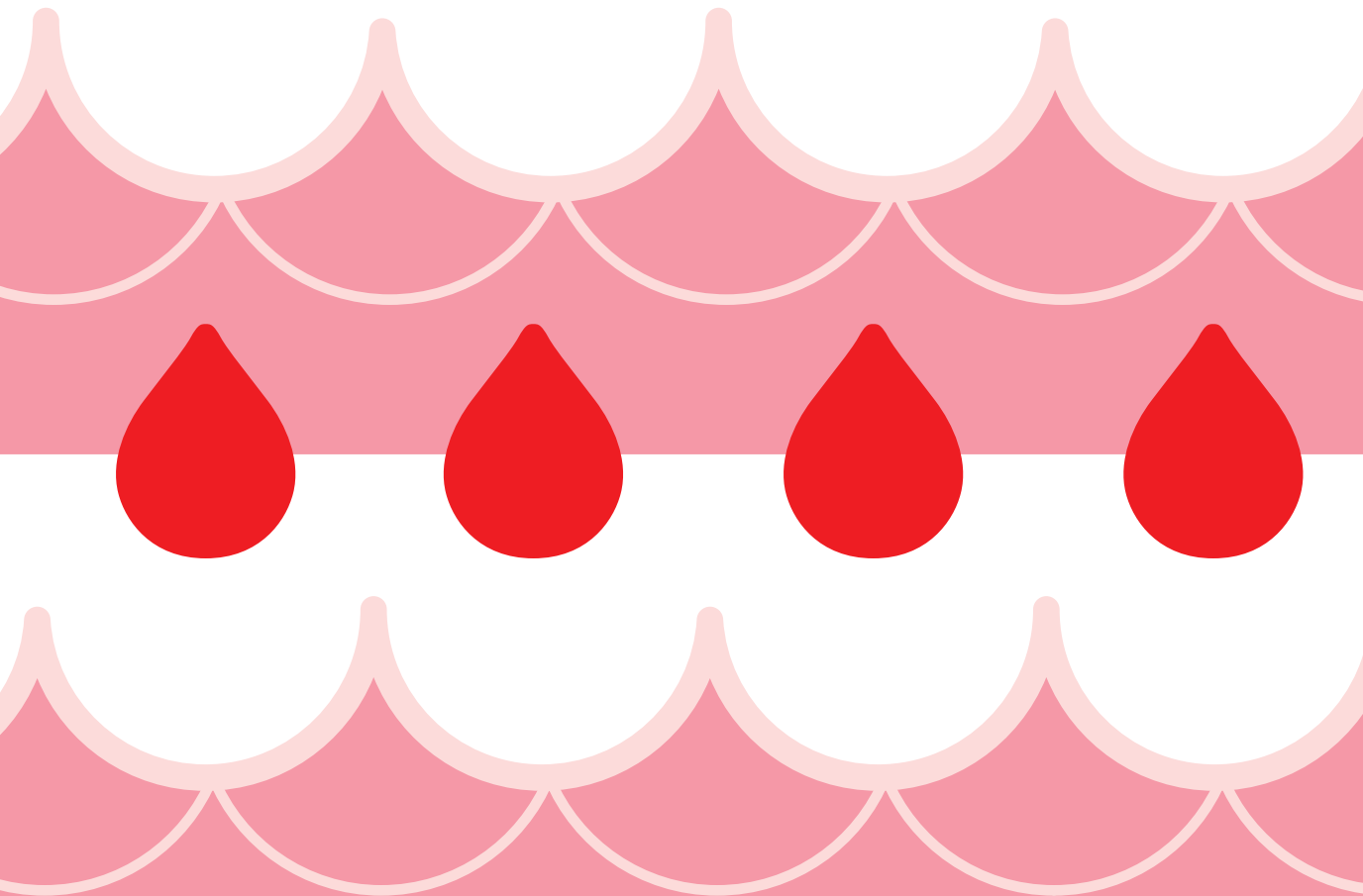
## TOMY Group Philosophy, History and Business Activities

Through the constant promulgation of our founding concept “Let’s excite the world’s markets with our outstanding products,” we have created numerous hit products. Our core products have evolved with the changing times while retaining all their fun, further providing new value as cherished brands responsible for the TOMY Group’s current growth.

### **A Promise from 25 Years Ago: The LICCA 50th Anniversary Party**

25 years ago in 1992, we promised everyone who purchased one of the 2,500 “2017 Premium LICCA” limited edition dolls an invitation to a “Party in 25 Years.” This was the LICCA 50th Anniversary Party held in July 2017. On this day, a ceremony expressing our appreciation and a LICCA exhibit were held. Comments from some of those who attended included “I was surprised they actually held the party,” and “I came with my daughter who was an infant when I bought this,” making the event a great opportunity to recall fond memories and tell stories.





## Philosophy, Mission and History

### FOUNDING PHILOSOPHY

Let's excite the world's markets  
with our outstanding products.

Our sincerity and diligence  
will contribute to society and  
lead to our own success and happiness.

### CORPORATE MISSION

Our mission is to fulfill  
the dreams of our stakeholders, including

The dreams of children  
The dreams of our employees  
The dreams of our shareholders  
The dreams of our business partners  
The dreams of society

We will create new value from play.

## HISTORY OF INNOVATION

We will continue reforming in response to changing times as before.

**1<sup>ST</sup>**

**GENERATION**

**1924-1953**

Craftsmanship

Metal and Motors

Many tin toys were manufactured during this era, with TOMY garnering particular acclaim for our "Aero Plane TOMIYAMA." After the war, our friction toy "B-29" was a big hit in Japan and abroad, with TOMY taking the initiative in large-scale toy exports.

**2<sup>ND</sup>**

**GENERATION**

**1954-1983**

Mass Development  
And Production

Material Revolution

Along with postwar economic growth, the toy industry rode a wave of materials and technological innovation characterized by great transformations, such as from metal to plastic and friction to electric. This era was marked by the advent of multiple product model development and mass production.

**3<sup>RD</sup>**

**GENERATION**

**1984-2013**

Marketing  
Growth of Mass  
Media

Public Information  
Revolution

Electronic game consoles such as the family computer and similar products offering data as added value hit the market during this era, which was marked by broad swings in toy sales caused by mass media marketing, mainly through TV and magazines. The Plaza Accord caused significant appreciation of the Japanese yen, resulting in dramatic changes in the domestic business, such as the closure of factories in Japan. The scale of our business expanded in 2006 through the merger of TAKARA and TOMY. The pace of our overseas expansion also accelerated in 2011 with the acquisition of a U.S. toymaker.

**4<sup>TH</sup>**

**GENERATION**

**2014-**

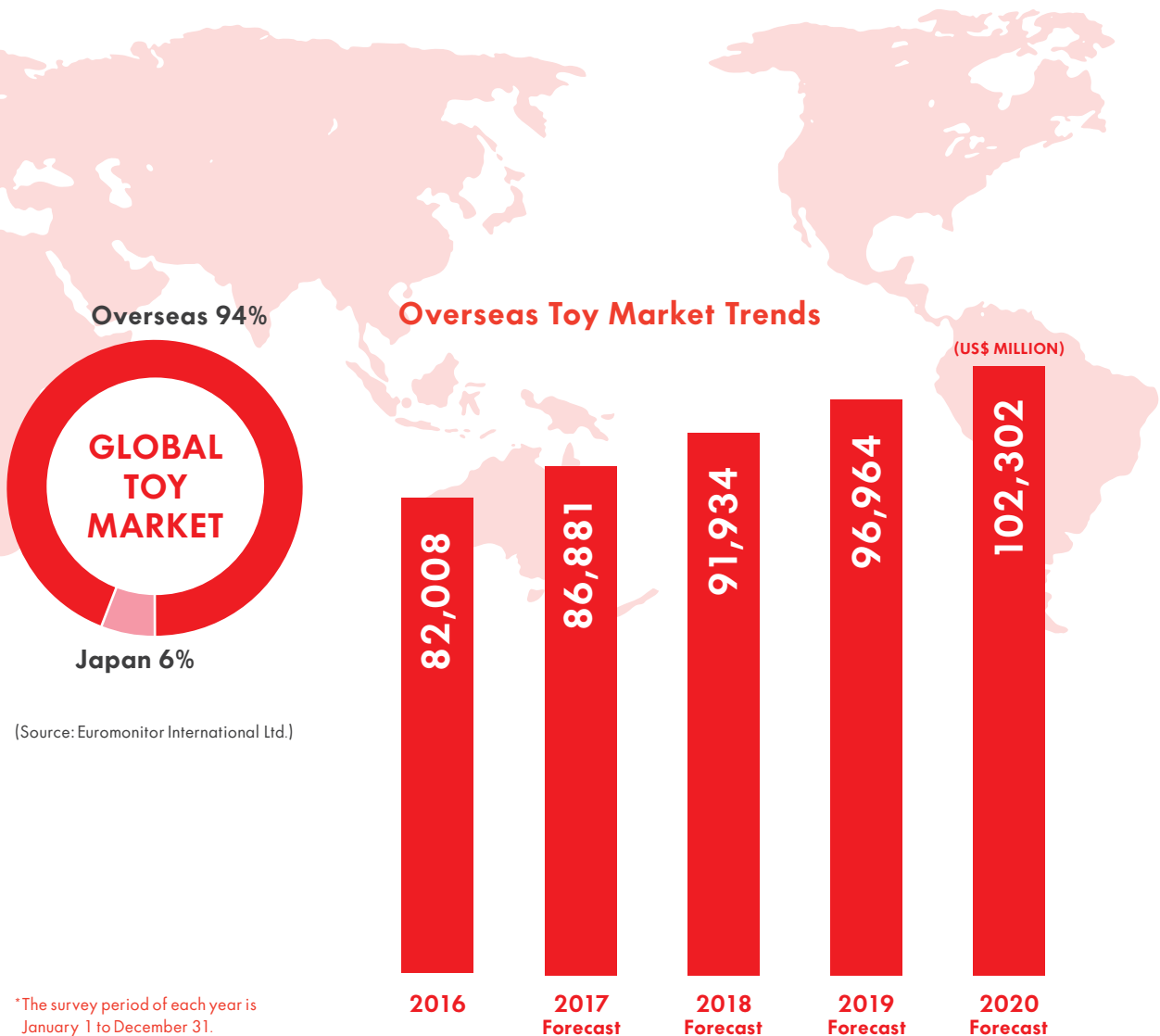
New Technology  
Analog Toys with  
Digital Elements

The Personal  
Revolution

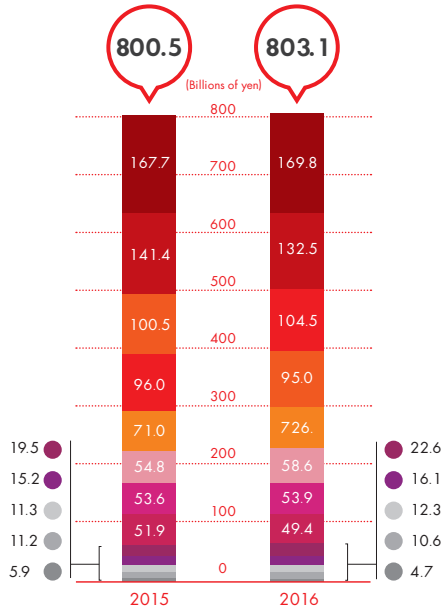
This era is characterized by "new technologies" that fuse analog with digital. Products and modes of play are entering the "individual" era, and the market is turning from the promotion of individual products to the ascendancy of brands.

## Our Business and the Toy Market

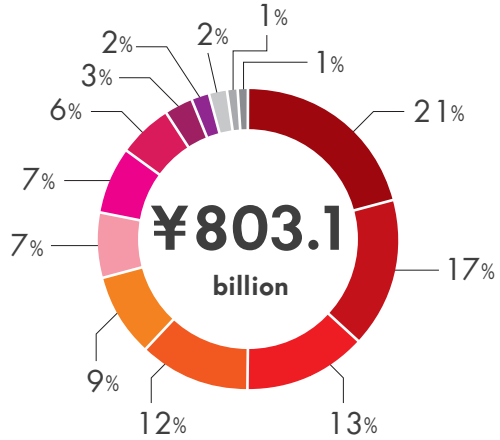
Although the Japanese toy market is sluggish due to low birth rates, the global toy market is expected to grow at an average of 5.7% annually, from \$80.0 billion in 2016, to \$100.0 billion in 2020. Japan accounts for 6% of the global toy market, and just 1% when viewed in terms of the global population aged 14 and under. For the TOMY Group, the key to earnings expansion going forward is further raising our overseas sales ratio composition, which currently stands at 36.8%.



## JAPANESE TOY MARKET



\*The survey period of each year is April 1 to March 31.



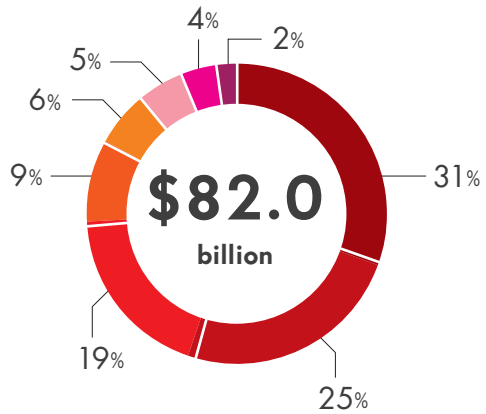
(Source: The Japan Toy Association)

- Educational toys
- Hobbies
- Card games, trading card games
- Stationery, gifts, etc.
- Boys' characters
- Girls' toys
- Seasonal toys
- Boys' toys
- Stuffed toys
- Games
- Others
- Jigsaw puzzles
- Interactive toys

## GLOBAL TOY MARKET



\*The survey period of each year is January 1 to December 31.



(Source: Euromonitor International)

- North America
- Western Europe
- Asia Pacific (ex-Japan)
- Latin America
- Japan
- Eastern Europe
- Middle East and Africa
- Australasia

## Our Assets: Products to Inherit and Evolve

TOMICA, PLARAIL and LICCA are core products that support TOMY growth. While preserving fun of the original toys that a multitude of children played with, we have evolved these toys in line with the times to create long-selling products that are always fresh and continue to be loved across generations.

# 160,000

people

## Licca®

Celebrating her 50th anniversary in 2017, LICCA was born in 1967. Always reflecting the trends of the times, this product is sold as the embodiment of girls' hopes and dreams. Having already sold over 60 million units, in recent years, we have aimed to make this a brand loved by children as well as adults who have grown up with LICCA over the years, developing the Licca Bijou Series, which is enjoyed by everyone from children to adults and the LiccA brand for adults. In addition to Licca dolls, we have also stepped up the licensing of miscellaneous goods, clothing and accessories to sell new product lines to a wide range of targets. LICCA also visits popular spots and creates a significant buzz on Twitter and Instagram where she enjoys interacting with her numerous fans (approximately 160,000 followers as of March 31, 2017). Her extraordinary ability to communicate led to LICCA being appointed the 2017 France Tourism Friendship Ambassador, and she is widely used as corporate PR talent.



Licca  
Bijou Series



1st generation  
1967—



2nd generation  
1972—



3rd generation  
1982—

4th  
generation  
1987—

# 625,000,000

**cars**

## TOMICA

When foreign-made miniature cars were at the height of popularity and customers asked for the Japanese cars, TOMY had a burning desire to see Japanese children playing with more familiar Japanese miniature cars. In 1970, we released Japan's first die-cast Japanese miniature car series that fit in the palm of a child's hand. Up to now, we have sold more than 930 different types of cars, a total of more than 625 million cars loved by over three generations (as of June 2017).

In addition, in April 2016, we launched full-scale licensing of the "tomica" brand for adults. We aim to further enhance this brand through the licensing of apparel, accessories and miscellaneous goods, stationery and everyday items designed to capture the interest of traditional TOMICA users (3–5 year old boys) as well as a wide range of other people without regard for age or gender.

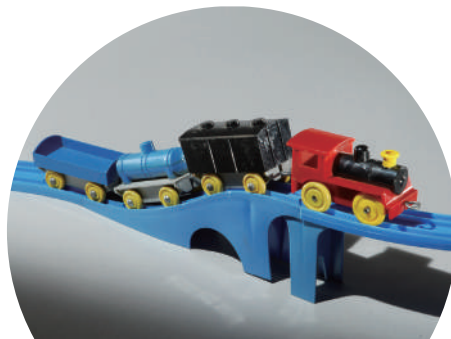
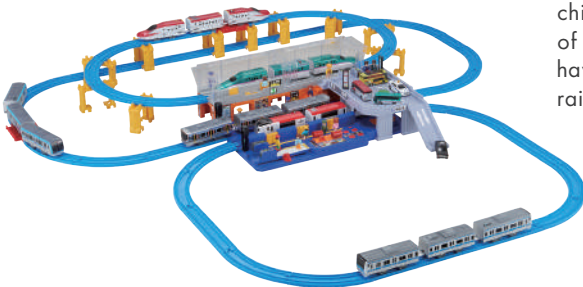


# 1,370

**variations**

## PLARAIL

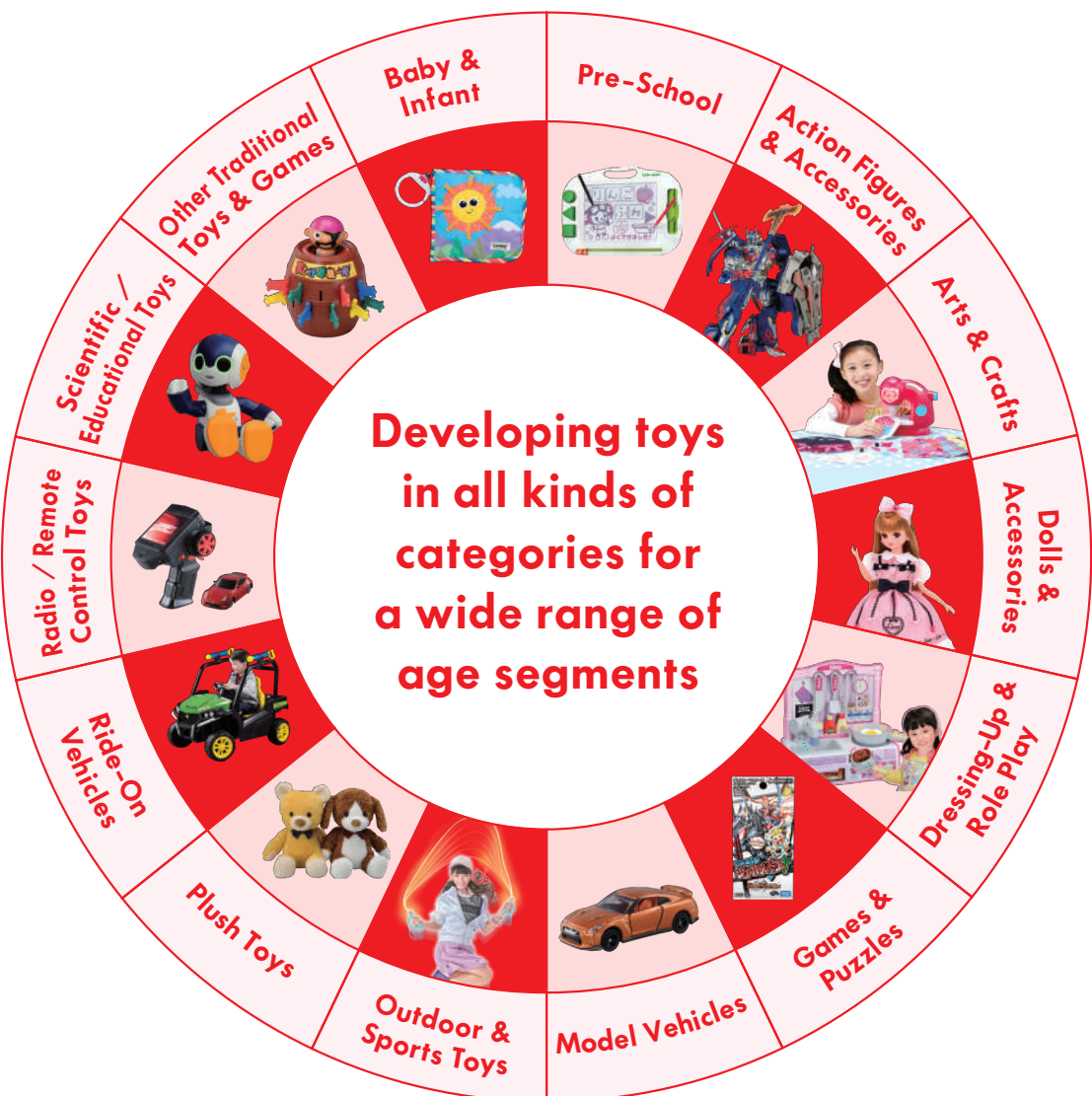
For more than half a century since the PLASTIC TRAIN AND RAIL SET, the prototype for PLARAIL, went on sale in 1959, children have continued to love PLARAIL as a toy that teaches children about society and nurtures imagination using a familiar "railway" theme. The blue rails, consistently standardized from initial sales launch until the present day, can be freely connected to make railway layouts on which three-car trains have been played with by children and their parents for three generations. Up to now, a total of approximately 1,370 types and more than 160 million products have been sold in Japan, acquiring a share of over 90% in the Japan rail toy market.





## Our Products

The TOMY Group owns more than 60 brands targeting children and adults. We develop a broad lineup comprising products in 14 of the 15 toy categories.

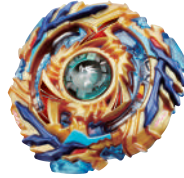


**TOMY**



**BEYBLADE BURST**

This competition-style next generation of spinning tops recorded cumulative shipments of more than 350 million units to over 80 countries and regions throughout the world. In the summer of 2015, we launched sales of the third-generation BEYBLADE BURST.



**SNACK WORLD**

In the summer of 2017, we began developing merchandise completely synchronized with LEVEL-5's SNACK WORLD TREJARERS sold for the Nintendo 3DS.



**DUEL MASTERS**

Launched in 2002 as a full-fledged trading card game easy for kids to play. This popular series has shipped over 6 billion units and every year numerous regional events are held.



**TRANSFORMERS**

TRANSFORMERS became a big hit in the United States in 1984, with toys and animation launched in Japan in 1985. This global transforming robot series loved by two generations of parents and children in more than 130 countries and regions around the world commemorated its 30th anniversary in 2014.



**Koeda-Chan**

This house dolls toy series with original girls' character mini dolls celebrated its 40th anniversary in 2017. We have developed a variety of play worlds under the theme of "nature" as a product symbolized by Koeda-Chan's tree house.



## GROUP (DOMESTIC)

**TAKARA  
TOMY  
A.R.T.S**

### T-ARTS

Develops a wide range of products including amusement machines, capsule toys, miscellaneous goods and stuffed toys.

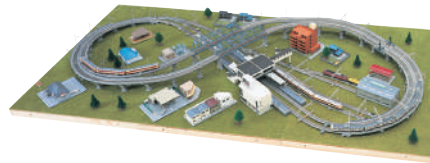


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© T-ARTS

## TOMYTEC

### TOMY TEC

Boasting the top domestic share in railway models in Japan, this comprehensive hobby manufacturer is responsible for product planning and development, manufacture, sales and service.



## KIDDY LAND®

### KIDDY LAND

This store specializes in toys, fancy goods, character merchandise and books. As the leader of the overall culture industry, it is sensitive to the times and constantly disseminates new information and trends.



## GROUP (OVERSEAS)



### THE FIRST YEARS

Baby products including baby bottles, dishes and strollers supporting child-rearing.



### JOHN DEERE

#### JOHN DEERE

Toy versions of global agricultural vehicles. This lineup includes a variety of products for preschoolers as well as detailed replicas.



### Lamaze

Educational toys for infants tailored to development level and age. Developed with the advice of an infant development specialist.



### Pokémon

Pokémon originated from a video game launched in 1996, becoming a massive hit as an animated TV program broadcast in over 90 countries and regions throughout the world.

