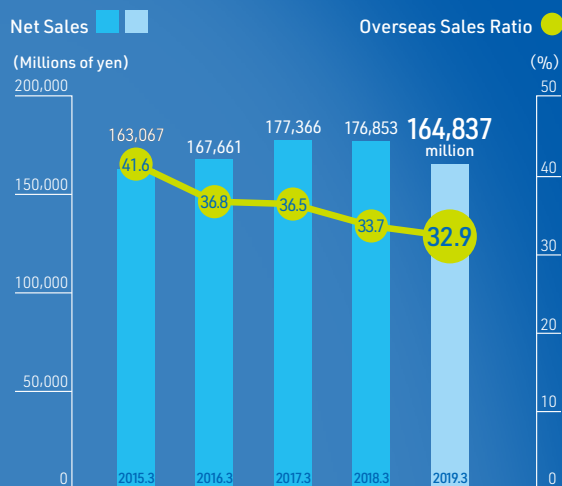


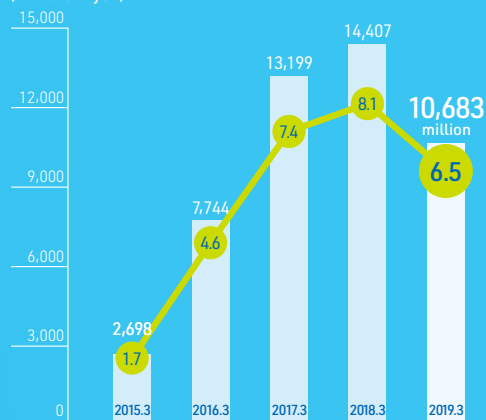
Net Sales

¥164.8 billion



Operating Profit

(Millions of yen)



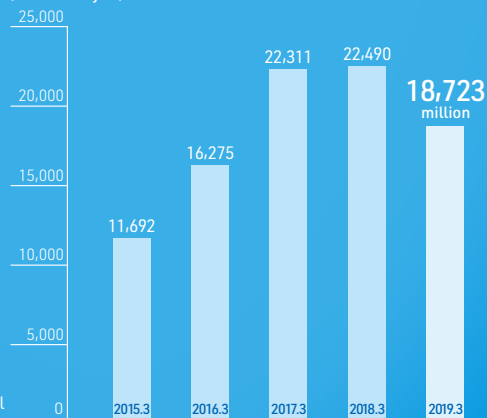
Operating Profit

¥10.6 billion

EBITDA

(Millions of yen)

EBITDA*
¥18.7 billion



*EBITDA = Operating profit + Depreciation + Amortization of goodwill

Toy Market

In the fiscal year ended March 31, 2020, the Japanese toy market value fell 2.6% year on year to ¥815.295 billion. Performance growth in jigsaw puzzles (up 16.1% year on year) and card games and trading card games (up 4.9% year on year) was strong, and the market experienced year-on-year expansion in boys' toys and hobbies. Overall, the toy market has maintained a value of ¥800.0 billion or higher for six consecutive years since 2014. This is due to consistently strong sales within the toy industry, despite Japan's declining birthrate.

(Source: The Japan Toy Association website)

Performance Highlights

Impact from the Novel Coronavirus Pandemic Was Limited, but Net Sales, Operating Profit, Ordinary Profit and Net Income Fell

The TOMY Group has been promoting the transfer of production sites under the scheme of "China Plus One" for some time, and the impact of the spread of the novel coronavirus disease (COVID-19) on production was limited. Also, in the fourth quarter, there were no significant effects on buying trends at stores so the impact on business performance in the fiscal year ended March 31, 2020, was limited. Furthermore, the TOMY Group is implementing measures to prevent the spread of infection, including promoting remote working to drastically reduce instances of TOMY Group employees leaving their homes and attending workplaces, as well as forbidding overseas and domestic business trips in principle and prohibiting internal meetings attended by six or more people and business discussions involving six or more people.

Net sales were ¥164,837 million (down 6.8% year on year). Sales of core products under the TOMICA brand and products related to the movies Toy Story 4 and Frozen 2 increased. On the other hand, no momentum was seen in the entire toy market during the largest shopping spree season over the year-end and new year. No particular product emerged as a new hit product, accompanied by a decrease in sales of BEYBLADE BURST, marking the fifth year since its rollout in the summer of 2015, and a reactionary drop in the movie TRANSFORMERS-related product sales, in tandem with lower-than-expected sales in new products for boys and in globally strategic Rizmo merchandise.

Operating profit was ¥10,683 million (down 25.8% year on year). This was mainly attributable to a decrease in gross profit due to the decline in net sales, despite a decrease in selling, general and administrative expenses.

Ordinary profit was ¥10,204 million (down 28.7% year on year). This was mainly attributable to the decline in operating profit and the recording of foreign exchange losses.

Profit attributable to owners of parent was ¥4,507 million (down 51.5% year on year). The decline was in part due to recognizing extraordinary losses of ¥2,816 million, including impairment losses on the full amounts of goodwill and intangible assets held by the subsidiary of the TOMY International Group in Oceania and the partial amount of intangible assets held by a subsidiary in the United States.

Overview by Regional Segment

>>> Japan

Sales of Core Products and Movie-Related Products Grew, whereas Performance from New Products for Boys and Globally Strategic Merchandise Fell Short of Targets Despite Aggressive Launches

No particular hit products were launched in the toy market during the fiscal year ended March 31, 2020, and the year-end and New Year shopping spree, which is the largest shopping period of the year, was characterized by a lack of fierce excitement.

During the fourth quarter, the spread of the novel coronavirus pandemic did not have a major impact on buying trends at stores.

In the core TOMICA brand, there was growth in sales for single-pack TOMICA vehicles, and the fresh addition of popular overseas car models bolstered its lineup. Also, sales of the TOMICA PREMIUM line of highly detailed collectible models for adults, which marks its fifth anniversary this fiscal year, climbed along with other products. In addition, as we propelled our initiatives in various marketing promotions to coincide with the 60th anniversary of PLARAIL, which was launched in 1959, sales were robust thanks to the popularity of the 60th anniversary commemorative edition of a set product including rail and vehicles.

In products for boys, our dinosaur and animal-themed original content, ZOIDS WILD, for which a TV animation started broadcasting in a brand-new worldview from October, was favorably accepted for its customizing play feature.

In products for girls, products related to the PHANTOMIRAGE! live-action TV drama for young girls, which has gained high popularity, trended favorably. Also, the L.O.L. SURPRISE! doll continued to have strong sales thanks to the marketing promotions centrally unfolded on SNS platforms, and sales of the LCD toy with a camera function, Sumikkogurashi SUMIKKO

SAGASHI, were in high demand.

In preschool products, products related to the TV animation series PAW PATROL, which won wide popularity overseas, were rolled out in the Japanese market from May 2019, followed by favorable reviews. ANIA, featuring a range of palm-sized animal action figures to be moved and played with, expanded its product lineup and performed briskly.

For Toy Story 4, a Disney and Pixar's animation movie released in July, related products such as movie character figures, plush toys and GACHA capsule toys were launched across the Group and sold favorably. Moreover, products related to the Disney movie Frozen 2, released in November, including products such as a smartphone-based toy, KIRAKIRA SMART PALETTE, and dresses, attracted popularity.

At T-ARTS Company, Ltd., the amusement machine Pokémon Ga-Olé, which offers the entertainment of a mighty action battle on the big screen, continued to be well received.

In December, we started the distribution of the card game smartphone app DUEL MASTERS PLAY'S, for which the number of downloads topped 5 million, and released the second edition card pack in February.

On the other hand, sales of BEYBLADE BURST, which rolled out during the summer of 2015, declined year on year, although it has been beating the Company's expectations with its long-lasting popularity. Overseas-bound exports of TRANSFORMERS declined due to the reactionary drop in sales of the movie-related products during the previous fiscal year, and sales of the trading card game, DUEL MASTERS, remained weak in a shifting competitive environment. Without any new hit products to come from such contenders as new products for boys, for which a TV animation started broadcasting from April 2019 for a year, sales did not surpass the target forecasts, despite stepped-up and proactive efforts to generate hit products in terms of both globally strategic merchandise Rizmo and new products for boys. LICCA reversed course to lower sales, in part due to a

reactionary decline from strong performance over the past two years since the 50th anniversary of its birth. As a result of the circumstances above, net sales in Japan for the fiscal year ended March 31, 2020, were ¥138,948 million (down 6.6% year on year), whereas operating profit was ¥13,615 million (down 18.6% year on year).

>>> Overseas

Agricultural Machinery Toys Performed Strongly in Europe, the Americas and Australia, but the Conclusion of Character Toy Sales Had an Impact on Earnings. In Asia, Core Product Performance Was Strong, but the Group Faced a Reactionary Decline in Sales of Products That Performed Favorably During the Previous Fiscal Year.

■ Americas

During the fourth quarter, the spread of the novel coronavirus pandemic did not have a major impact on buying trends at stores.

Net sales in the Americas were ¥17,214 million (down 4.4% year on year), with an operating loss of ¥23 million compared with an operating loss of ¥81 million in the previous fiscal year, in part due to a halt in sales of character toys sold in the market until the first quarter of the previous fiscal year and lower-than-expected sales of Rizmo (a surprise pet for children to take care of) and other newly launched product lines. Products related to the TV animation "Ricky Zoom" were rolled out in March. We continued to market the plush toy MOCCHI- MOCCHI- (the overseas product name: Club Mocchi- Mocchi-), which is also sold in Japan, and it has been well received. Agricultural vehicle toys and baby products of our core brands recorded robust sales.

(Millions of yen)

	2019.3	2020.3	Change	Change (%)
Net sales	¥176,853	¥164,837	¥(12,016)	(6.8)
Japan	148,732	138,948	(9,783)	(6.6)
Americas	17,998	17,214	(784)	(4.4)
Europe	5,325	5,507	182	3.4
Oceania	1,783	1,442	(340)	(19.1)
Asia (other than Japan)	54,033	51,491	(2,542)	(4.7)
Eliminations and corporate	(51,018)	(49,767)	1,251	—
Operating profit (loss)	14,407	10,683	(3,724)	(25.8)
Japan	16,734	13,615	(3,118)	(18.6)
Americas	(81)	(23)	58	—
Europe	(659)	(916)	(257)	—
Oceania	(21)	(166)	(144)	—
Asia (other than Japan)	903	1,248	344	38.1
Eliminations and corporate	(2,468)	(3,074)	(605)	—

■ Europe

During the fourth quarter, the spread of the novel coronavirus pandemic did not have a major impact on buying trends at stores.

Net sales in Europe were ¥5,507 million (up 3.4% year on year), despite the end of sales of character toys sold until the first quarter of the previous fiscal year. The operating loss was ¥916 million compared with an operating loss of ¥659 million in the previous fiscal year, in part due to a bigger marketing investment injected into the rollout of a new product. Board games for which we acquired the sales rights in Europe, as well as an action game, DRUMOND PARK Brand Product, were introduced into the market, enjoying a surge in popularity. Sales of agricultural machinery toys were robust, and Rizmo, a surprise pet for children to take care of, was launched in September.

■ Oceania

During the fourth quarter, the spread of the novel coronavirus pandemic did not have a major impact on buying trends at stores.

Net sales in Oceania were ¥1,442 million (down 19.1% year on year), with an operating loss of ¥166 million compared with an operating loss of ¥21 million in the previous fiscal year. The decline in net sales reflects the end of sales of character-related toys that had been sold until the first quarter of the previous fiscal year, as well as diminished expansion for Printoss (the overseas product name: KiiPix), amid the trend of robust sales of agricultural machinery toys and the market rollout of Rizmo in September.

■ Asia (excluding Japan)

The TOMY Group has been promoting the transfer of production sites under the scheme of "China Plus One" for some time, and the impact of the spread of the novel coronavirus disease (COVID-19) on production was limited. The pandemic also had no major impact on buying trends at stores during the fourth quarter.

Net sales in Asia (excluding Japan) were ¥51,491 million (down 4.7% year on year), while operating profit was ¥1,248 million (up 38.1% year on year). The core TOMICA products, mainly single-pack TOMICA vehicles, trended favorably, as a result of stepping up marketing efforts supported by measures including a broader new product lineup, the strengthening of in-store marketing promotions and holding events. In addition, sales of toys related to the Disney and Pixar's animation movie Toy Story 4, which was released at the beginning of summer, performed briskly. The decline in net sales partly reflects a decrease in sales of products related to the next-generation spinning-top battle toy BEYBLADE BURST, which gained popularity in South Korea during the previous fiscal year.

