

The Vision of Our Intellectual Property Strategy

To the TOMY Group, intellectual property is valuable management capital.

We define the intellectual properties created in relation to our key brands, including TOMICA, PLARAIL, LICCA dolls and BEYBLADE, as "asobi IP," and proactively protect them.

As our intellectual property strategy, we make full use of our IPs while advancing three key policies: protecting asobi IP, anticipating infringements of asobi IP, and cultivating asobi IP.

Acquiring and Preserving Intellectual Capital

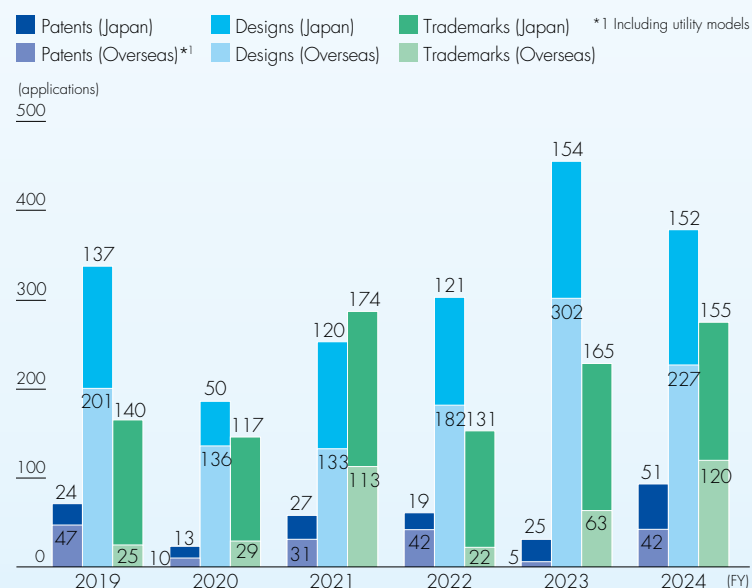
For protection, we proactively file applications to register inventions and other innovations related to asobi IP as patent and design rights, and brands related to asobi IP as trademark rights.

For individual brands and products, we promote protection through an IP mix in Japan and overseas. For example, with BEYBLADE X, we hold numerous patent rights concerning the structure of the tops, design rights covering their design, and trademark rights related to product names.

In Japan, the number of filings we submit ranks among the highest across all industries, and in 2024 we ranked 11th in trademark registrations and 12th in design registrations*2.

*2 Based on Patent Administration Annual Report 2025

Progression in the Number of Patent, Design and Trademark Applications



Preventing Damage to Intellectual Capital

Counterfeits that infringe upon asobi IP not only damage our business and brand but also threaten the safety and peace of mind of customers. We absolutely do not permit these infringements and take thorough countermeasures to address them.

Counterfeits are mainly manufactured in Asia and then sold online to the rest of the world. TOMY regularly investigates the manufacturers and sellers of counterfeits, both in the field and online, and works with local authorities to conduct enforcement actions.

In addition, we introduce and utilize AI-driven online counterfeit monitoring services to strengthen our monitoring capabilities.



Counterfeit items discovered in a warehouse

Sustainability Vision 2030

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

The TOMY Group has established a Sustainability Vision that pursues improving societal value. In addition to our commitment to increasing economic value, we are working to increase societal value as a member of the global community through initiatives aimed at achieving a sustainable society. We believe this will boost the sustainability of the Group's business and drive continuous growth and medium- to long-term improvement in corporate value.

Sustainability Promotion System

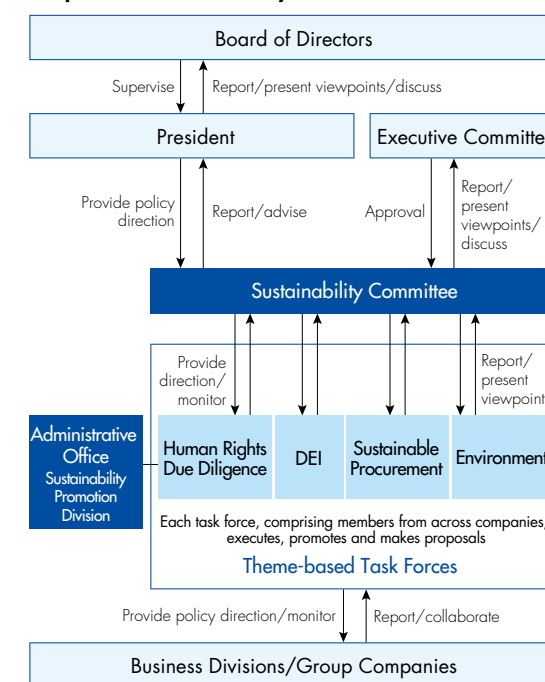
In July 2024, the TOMY Group established the Sustainability Committee as an advisory body to the president to address sustainability issues with the intent of more actively promoting sustainability management.

The Sustainability Committee comprehensively grasps the Group's sustainability initiatives and deliberates on the course of action for issues and endeavors based on diverse and wide-ranging viewpoints.

For themes within the medium-term sustainability targets and KPIs in particular need of cross-departmental initiatives, theme-based task forces headed by executive officers and comprising diverse members from across the Group are established under the supervision of the Sustainability Committee. These task forces are responsible for executing, promoting and newly proposing initiatives. The progress of the theme-based task forces is reported on at the Sustainability Committee meetings held twice a year, and initiatives are strengthened through direction and monitoring by the Sustainability Committee.

The content of discussions held during the Sustainability Committee meetings are reported on and viewpoints presented as necessary during board and managing directors' meetings.

Corporate Governance System



Agenda for Sustainability Committee in fiscal 2024

Start date	Agenda item
First meeting (July 30, 2024)	<ul style="list-style-type: none"> Report on the three-year single-year targets and road map for the medium-term sustainability targets/KPIs (FY2024–FY2026)
Second meeting (February 4, 2025)	<ul style="list-style-type: none"> Report on the progress of the medium-term sustainability targets/KPIs (FY2024–FY2026) Reports from each task force <ol style="list-style-type: none"> (1) Sustainable procurement, (2) Human rights due diligence, (3) Environment (eco-design), (4) Environment (climate change), (5) DEI

Medium-Term Sustainability Targets/KPIs (FY2024–FY2026) Progress and Results

To fulfill our Sustainability Vision 2030, the TOMY Group is promoting initiatives in line with the TOMY Group Sustainability Framework.

We are committed to creating environments where our employees can passionately devote themselves to providing Quality Asobi.

We believe it is the responsibility of the company not only to consider customer confidence and safety but also consider the global environment, respect for human rights and a sound management system. This will enable us to both realize a sustainable society and achieve growth of the Group, thereby delivering value to the world.

Here, we introduce the progress and results of initiatives in fiscal 2024, the first year of the medium-term sustainability targets/KPIs.

A video showing the TOMY Group's progress toward its Sustainability Vision is available for viewing.

☞ Sustainability Video:
Improving Well-Being through Asobi
<https://www.youtube.com/watch?v=QjRhwmjpp1Y>



☞ The Process of Identifying New Materialities

<https://www.takaratomy.co.jp/english/company/csr/materiality/>



◎ Achievement Rate of 100% ○ Achievement Rate of 80% or more ▲ Achievement Rate of 50% or more ▼ Achievement Rate of Less than 50%

Pillars	Materiality	Risks	Opportunities	Medium-term Sustainability Targets/KPIs (FY2024–2026)	FY2024 Achievement Rate	Comments on FY2024 Achievement Rate
Our passions	Contributing to the creation of a sound society with dreams through Asobi					
	1 Contributing to an enriched society through Asobi	<ul style="list-style-type: none"> Reduction in market value due to decreased opportunities for customers to enjoy toys and Asobi 	<ul style="list-style-type: none"> Expanding our customer base through the creation of Asobi that garners attention and love and the diversification of customer segments via toys that consider diversity Stabilizing the market through the creation of a healthy society 	<ul style="list-style-type: none"> Create toys and Asobi that take into account universal design/DEI perspectives 	◎	<ul style="list-style-type: none"> Fostering a culture of Universal Design thinking: Promotion of the UD Leader system Universal Design Coordinators (cumulative total since FY2022): 20 certified at Class Pre-2, 133 certified at Class 3 Added Tactile Marks for switches, etc., to all electronic toys of the entire TOMY Group to make them easier to operate for people with visual impairments
	2 Improving employees' well-being	<ul style="list-style-type: none"> Increased difficulty in securing human resources, decline in labor productivity, decline in the development of Asobi and quality of ideas, and the resulting decrease in competitiveness 	<ul style="list-style-type: none"> Securing human resources capable of contributing to the achievement of our vision Creating Asobi that garners attention and love by enhancing the quality of ideas Increasing employee happiness and overall well-being 	<ul style="list-style-type: none"> Continual upswing in the employee work engagement score (positive feelings/voluntary action toward work) 30% female manager ratio within the Group through a fair personnel evaluation system 	◎	<ul style="list-style-type: none"> TOMY (stand-alone) employee work engagement deviation value Increased year on year from 54.9 (FY2023) to 55.5 (FY2024) TOMY Group female manager ratio: 24.4% (as of March 31, 2025) TOMY (stand-alone) female manager ratio: 17.7% (as of March 31, 2025) Promoted diverse working styles, expanded support measures for balancing work with childcare, nursing care, and fertility treatment, and implemented revisions to our personnel system
	3 Promoting employee growth		<ul style="list-style-type: none"> Strengthening organizational capabilities to respond to changes in technological advancements Improving labor productivity and creating Asobi that garners attention and love 	<ul style="list-style-type: none"> Expand and disclose progress of education and training* for the purpose of diverse work-styles and self-driven career development Adopt and disclose progress of global training programs with the aim of fostering human resources capable of working in the global market 	◎	<ul style="list-style-type: none"> Total number of employees participating in education and training: 909 Rebuilt our education system as the "TOMY Group Academy Program" (starting in FY2025) Designed an employee engagement survey to measure employees' sense of growth, innovation, and creativity with respect to diverse working styles and self-driven career development → Average of 74% positive responses for each item Introduced an overseas trainee system as a global development program <Results> TOMY International: 1 person (Administrative) for 3 months TOMY (Vietnam): 1 person (Development) for 2 months

◎ Achievement Rate of 100% ○ Achievement Rate of 80% or more ▲ Achievement Rate of 50% or more ▼ Achievement Rate of Less than 50%

Pillars	Materiality	Risks	Opportunities	Medium-term Sustainability Targets/KPIs (FY2024–2026)	FY2024 Achievement Rate	Comments on FY2024 Achievement Rate
Our responsibilities	Ensuring high quality	4 Asobi that is safe, secure, and of high quality	<ul style="list-style-type: none"> Loss of trust or damage to the brand in the event of health impacts on customers Health impacts on employees or within the supply chain caused by improper management of chemical substances 	<ul style="list-style-type: none"> Building social trust and maintaining and enhancing brand strength through the provision of high-quality toys and Asobi Increasing customer happiness and maintaining/increasing sales through the creation of high-quality toys and Asobi 	◎	<ul style="list-style-type: none"> Created the TOMY Group Product Restricted Substance List Started operation of a chemical substance management system
		5 Connecting with customers	<ul style="list-style-type: none"> Damage to the corporate brand and loss of customers in the event of inappropriate responses or public backlash 	<ul style="list-style-type: none"> Improving customer loyalty and increasing the number of fans through appropriate marketing and relationship building with customers 	◎	<ul style="list-style-type: none"> Expanded and enhanced analysis reports from the Customer Service Department to promote Voice of Customer (VOC) activities
	Coexisting with the global environment	6 Responding to climate change	<ul style="list-style-type: none"> Transition risks: stricter regulations accompanying the shift to a decarbonized society, increased costs of energy and raw materials, and loss of stakeholder trust due to failure to contribute to decarbonization Physical risks: impacts on business activities resulting from the increased frequency and severity of climate change events 	<ul style="list-style-type: none"> Stable product supply through the establishment of a supply chain resilient to climate change Gaining stakeholder trust by contributing to a decarbonized society Reducing costs through waste reduction and decreased use of resources 	◎	<ul style="list-style-type: none"> Achieve the following reduction rate for Scope 1 + 2 CO₂ emissions (compared to FY2022) 50% in 2030, net zero in 2050 Created a reduction roadmap through 2030 Implemented visualization of CO₂ emissions within our Group Conducted an energy-saving diagnosis of the TOMY head office building
				<ul style="list-style-type: none"> Ratio of renewable energy: 40% in 2030 	◎	<ul style="list-style-type: none"> Switched electricity used at major bases in Japan (five bases including TOMY head office) to renewable energy (implemented from April 1, 2025)
				<ul style="list-style-type: none"> Reduce waste materials (appropriate inventory control, promotion of the 3Rs, reassessment of containers and packaging) 	◎	<ul style="list-style-type: none"> Conducted trials for material recycling of products Rolled out plastic bottle cap collection activities to Group companies in Japan
	Sound management	7 Promoting eco-conscious package/product designs	<ul style="list-style-type: none"> Loss of trust in the event of failing to meet expectations from customers and other stakeholders Potential cost increases due to stricter regulations and market contraction if compliance cannot be achieved 	<ul style="list-style-type: none"> Securing trust and maintaining/increasing sales by providing products that meet stakeholder expectations Enhancing resilience through strengthened ability to respond to potential regulations 	◎	<ul style="list-style-type: none"> Research eco-conscious materials, conduct demonstration verifications, and disclose progress with the aim of reducing and recycling petroleum-derived plastic in products Expanded the product lineup using forest certified paper for packaging, including for TOMICA, PLARAIL, and LICCA T-ARTS developed new, environmentally friendly, lightweight capsules
		8 Respecting human rights	<ul style="list-style-type: none"> Business delays or continuity risks resulting from human rights violations in business activities Decline in trust from stakeholders 	<ul style="list-style-type: none"> Creating innovation by securing employees and business partners and ensuring psychological safety Ensuring business stability by gaining the trust of customers, licensors and business partners 	◎	<ul style="list-style-type: none"> Confirmed business arrangements and audit items at TOMY and our Group companies (T-ARTS, TOMYTEC) Conducted audits regarding human rights in the workplace at our major bases in Japan (four bases including TOMY head office) Considered establishing a reporting hotline for our business partners in Japan Assessed the actual status of our internal whistleblower system overseas
		9 Sustainable procurement	<ul style="list-style-type: none"> Business delays or continuity risks resulting from human rights violations or environmental pollution within the supply chain Medium- to long-term decline in quality due to deterioration of the supply chain (e.g., reduction in business partners, decreased vitality) 	<ul style="list-style-type: none"> Stabilizing the product supply system and improving quality Securing trust from licensors and customers by establishing a low-risk supply chain 	◎	<ul style="list-style-type: none"> 91.5% collection rate for consent forms for the TOMY Group Responsible Procurement Guidelines from production-related business partners (as of the end of March 2025) 108 companies responded to our Responsible Procurement Guidelines questionnaire (SAQ) (as of the end of March 2025) Conducted audits related to the Responsible Procurement Guidelines for 88 companies (period: April 2024 to March 2025)
		10 Governance supporting the creation of Asobi	<ul style="list-style-type: none"> In the case of an inadequate governance system, occurrence of scandals, deterioration of corporate culture and difficulty in securing human resources capable of contributing to the achievement of the Company's vision 	<ul style="list-style-type: none"> Sustainable growth of the TOMY Group through appropriate responses to the external environment and decision-making that contributes to the enhancement of corporate value 	▲	<ul style="list-style-type: none"> Conducted activities to inform employees of domestic and overseas Group companies about the internal whistleblower system and reporting hotlines Increased the number of staff engaged in internal whistleblowing to promote an organizational investigation system
		11 Risk management supporting the creation of Asobi	<ul style="list-style-type: none"> Business delays, stoppages or delayed resumption due to functional failures or low response capability in the event of an emergency Loss of trust and occurrence of losses in the event of violations of laws or social norms 	<ul style="list-style-type: none"> Risk avoidance through the establishment of a system resilient to emergencies, and stabilization of business activities and assurance of social trust through initial response and business continuity after an emergency Ensuring the safety and livelihoods of employees and stakeholders 	▲	<ul style="list-style-type: none"> 100% participation rate for compliance training/planning Conducted training at domestic Group companies; participation rates are currently being measured Continuing to consider plans to renew training in line with the formulation of the "Medium- to Long-Term Management Strategy 2030"

To advance the medium-term sustainability targets/KPIs, theme-based task forces requiring cross-departmental initiatives have been established. Through interviews with task force members, we highlight their achievements and commitment to their initiatives.



TOPIC

	Materialities	Medium-Term Sustainability Targets/KPIs (FY2024–FY2026)
DEI Task Force	2 Improving employees' well-being	<ul style="list-style-type: none"> Continual upswing in the employee work engagement score (positive feelings/voluntary action toward work) 30% female manager ratio within the Group through a fair personnel evaluation system



Hiroko Hieda
Human Resources Strategy Division,
Human Resources Development Group,
TOMY Company, Ltd.



Group work in the Purposes Workshop

* For details on the results of the Employee Engagement Survey (FY2023 and FY2024), please refer to page 34.

Company-wide initiatives to create workplaces nurturing employee well-being and passion for Asobi

The TOMY Group has identified "Improving employees' well-being" as one of our materialities and is promoting initiatives centered on the DEI Task Force, which is composed of members from across the Group. Believing that strengthening a reciprocal relationship between individual employees and the company leads to higher productivity and improved performance, the Group has conducted employee engagement surveys in Japan once a year since 2021. The survey measures employee engagement and stress and identifies the TOMY Group's strengths and challenges related to work fulfillment.

The Group identified four major issues in the FY2023 survey*: quantity of work and difficulty, satisfaction with evaluation, career considerations and support for diversity. The Group is implementing measures to address each of these issues.

In terms of quantity of work and difficulty, group discussions were conducted with managers and key personnel in departments that have a heavy workload in terms of amount or difficulty. These discussions revealed issues such as the heavy workload and management challenges faced by section managers, as well as insufficient communication within teams. In response, the Group implemented measures such as training programs for section managers and workshops to revitalize organizations. To address the other issues, the Group has implemented initiatives such as revising its personnel system, enhancing career support programs and strengthening support for balancing work with childcare, caregiving and infertility treatments. These initiatives will continue to be expanded. We believe that creating an environment where each employee can engage in their work with a sense of satisfaction and achieve personal growth by leveraging their individual strengths will ultimately strengthen our entire company. Based on this belief, the Group has continued to implement various initiatives, resulting in a steady rise for three consecutive years in the work engagement score, which is an indicator reflecting "enthusiasm and attitude toward work."

Furthermore, in 2024, the year of our 100th anniversary, we promoted understanding of our new corporate philosophy through in-house roundtable discussions, workshops and the Values Awards. As a result, the 2024 engagement survey showed further improvement in scores for "empathy with the philosophy" and "trust in management."

For overseas offices, the Group has conducted engagement surveys on a trial basis in certain regions. We will continue to promote the global implementation of these surveys.

Going forward, in addition to addressing company-wide common issues, we aim to create a framework that allows department heads to identify challenges themselves and translate those challenges into actionable measures to activate their respective organizations. The Group will further enhance employee well-being and create an environment in which each employee can leverage their strengths and become absorbed in creating Asobi. While recognizing the weight of this responsibility and the significant sense of purpose it entails, we will continue diligent efforts for steady progress.

	Materialities	Medium-Term Sustainability Targets/KPIs (FY2024–FY2026)
Environmental Task Force (Eco-Design)	7 Promoting eco-conscious package/product designs	<ul style="list-style-type: none"> Research eco-conscious materials, conduct demonstration verifications and disclose progress with the aim of reducing and recycling petroleum-derived plastic in products

Eco-conscious in GACHA capsule containers—Delivering Asobi to children without wasting resources

The TOMY Group has identified "promoting eco-conscious package/product designs" as one of our materialities. The Environmental Task Force is leading work on eco-conscious manufacturing through product design, packaging materials and packaging design.

With the aim of reducing the amount of plastic resin used in our GACHA capsules being developed by T-ARTS Company, we have reduced the size of the capsules to match the size of smaller product items. Starting in 2024, we have developed new lightweight GACHA capsules that reduce the amount of plastic resin used even in large capsules.

The requirements for GACHA capsule containers are diverse. They must be durable during transportation, allow for smooth dispensing from GACHA machines, provide visibility of the contents, and offer safety and ease of use so that anyone can open them easily. Selecting materials with recycling in mind is another essential factor. Satisfying all these requirements was no easy task. Even so, after approximately two years of development featuring numerous prototypes and tests, we finally arrived at a solution—a new mesh-type lightweight capsule container.

This capsule is made from a single material, polypropylene (PP). This achieves both lightness and durability while also ensuring that children can open it safely. Going forward, we will consider design registrations and patent applications. One possibility is the widespread adoption of this design across the entire GACHA capsule industry.

On the other hand, when using recycled materials, it is essential to secure stable supply sources, ensure quality assurance and establish a traceability system that clarifies the origin of the materials. Another important challenge is how best to centralize material procurement and processing across multiple production sites in an efficient and sustainable manner.

Eco-design is more than simply selecting materials. Rather, it is necessary to consider themes such as ease of separation and ease of disassembly from the design stage. This requires a perspective encompassing the entire product life cycle. I view this as a type of system design. As a member of the Environmental Task Force, I will continue to explore the ideal form of Asobi while leveraging creative ideas.



Tomochika Fukumoto
Production Strategy Division,
T-ARTS Company



New lightweight GACHA capsule under development



Contributing to an enriched society through Asobi

Applicable Materiality 1

Initiatives for Universal Design

At the TOMY Group, we promote universal design to create products and services that can be enjoyed by as many people as possible, regardless of gender or disabilities. Toys designed with consideration for children with visual or hearing impairments are called "Accessible-design Toys." The concept of "Accessible-design Toys" originally developed by the TOMY Group has gained widespread support and is expanding into an industry-wide initiative.

"Accessible-design Toys" are sold in regular toy sections, so their packaging includes symbols to make them easier to identify. Toys designed with consideration for children with visual impairments feature the "Guide Dog Mark," while those designed for children with hearing impairments display the "Rabbit Mark." The TOMY Group sells approximately 200 types of "Accessible-design Toys" annually. For some products, play-testing opportunities are provided for children with disabilities during the development stage.

Furthermore, with the aim of creating products that

even more children can enjoy, we are also working to enhance our corporate culture. In 2022 TOMY began cultivating "UD Leaders." These leaders avidly study universal design and apply the knowledge and skills they acquire to the design of Asobi. In principle, we have added tactile markings (e.g., raised marks) to switches on all electronic toys in the entire TOMY Group. This includes adding a raised dot on the ON side of power switches and a tactile ring encircling the screw hole of a battery cover. This allows children to identify these components by touch. We are also promoting "Accessible-design Toys" and UD and raising awareness of disabilities through initiatives such as university lectures and workshops.

Related URL
https://www.takaratomy.co.jp/english/company/csr/products/universal_design.html



CUD Mark
 The CUD Mark is a symbol that can be displayed on printed materials, products and more, certified by the NPO Color Universal Design Organization.

BABY TOMICA HANDLE



© TOMY

By carefully designing the colors used in labels and other parts of this steering wheel, we obtained CUD (Color Universal Design) certification for accommodating a wide range of color vision diversity.



Licca House "Talking Auto-lock, Two-story Grande Maison"



Guide Dog Mark



Rabbit Mark

Small items, such as dishes, are designed to be stable when touched, with fun relief patterns applied throughout. Various features have been added to allow children to enjoy the toy through both touch and hearing; for example, the elevator and front door now feature unique sounds. [Awarded the Grand Prize for the 2025 Japan Toy Awards, Accessible-Design Toys category]

TOMY International Group's DEI initiatives through Asobi

In 2020, TOMY International—our global operations arm—launched its DEI Committee with a clear mission: to champion Diversity, Equity and Inclusion across the organization. Since then, the committee has rolled out a variety of initiatives to raise awareness and foster an inclusive workplace culture. These efforts include publishing internal newsletters and organizing charitable events that bring employees together in meaningful ways. As part of its commitment, TOMY International also creates inclusive toys that celebrate diverse ethnicities and cultural backgrounds, promoting empathy and learning through the power of Asobi (play).



Lamaze: We introduced My Friend Flora, a plush doll with an inclusive skin tone that expands representation within our Lamaze range and reflects the diversity of the children who play with it.



Mood Bears: Our Mood Bears line was created to support children's emotional well-being by helping them recognize, understand and express their feelings through play.



5 Trax: Developed in collaboration with our Japanese team, 5 Trax is a groundbreaking game designed to be accessible for players with visual impairments—ensuring that the thrill of gameplay is open to everyone.

Lamaze® is a registered trademark of Lamaze International, Inc. © 2025 Mood Bears UK © TOMY

Note: As of August 2025, the diversity toy lines are available in limited countries and regions but are not yet available in Japan.

Next-Generation Education Support Activities

TOMY works to support the education of the next generation, including through online classes for nationwide elementary and junior high school students and university lectures. These efforts have been highly regarded by schools as opportunities to cultivate children's awareness and vocational outlook regarding the environment and an inclusive society. Cumulatively, approximately 91,000 children have participated in these experiences (as of March 2025).

In addition, since 2017 we have been working on the SDGs GAME OF LIFE Project for Everyone, an initiative to contribute to regional revitalization in cooperation with schools, companies, local governments and other entities. In response to the Sustainable Development Goals (SDGs) being incorporated into

education, the GAME OF LIFE has been utilized as an SDG educational tool, evolving into an activity fostering leaders around the SDGs. In response to requests for a program focused on the environment, we launched the "Play with Toys! SDGs Riddles Class" in June 2022. These activities are online, so children throughout Japan can take part. The use of four-color cards (reaction cards) makes the classes interactive as if they were taking place right there in the classroom. Through Asobi, we will continue working to foster the development of future SDGs leaders.

Related URL
<https://www.takaratomy.co.jp/english/company/csr/community/educatio.html>



Everyone in the class works together to create a one-of-a-kind game of life.

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Interactive online class using four-color reaction cards



Community Support Activities Overseas

The TOMY International Group conducts a variety of activities rooted in local communities in the United States, the United Kingdom and Europe.

The TOMY International Group established TOMY COMMUNITY, an employee-led initiative that aims to support a variety of charitable organizations. While certain activities are conducted on a nationwide basis, others focus on the local communities of the individual offices. Through TOMY COMMUNITY, employees working toward the same goal are developing close-knit ties across teams while engaging in local volunteer activities. With TOMY COMMUNITY, the TOMY International Group is happy to bring smiles to people's faces not only through our products but also through volunteer activities.

Related URL
<https://www.takaratomy.co.jp/english/company/csr/story/2022/community/>



Cradles to Crayons
 Created in 2002, Cradles to Crayons is a nonprofit organization providing children from birth through age 12, living in homeless or low-income situations, with the essential items they need to thrive—at home, at school and at play. These items are brought to children free of charge thanks to the company's engagement and connection to local communities. The TOMY International team prepares "outfit packs" with a week's worth of clothes for a child. These packs are then distributed to those in need.



Improving employees' well-being

Applicable Materiality 2

Emphasizing Diversity, Equity & Inclusion

Promoting Diverse Work Styles

To enable employees to choose diverse and flexible work styles that suit their individual lifestyles, the HR Strategy Division is creating systems and initiatives for a rewarding work environment.

Promoting Flexible Work Styles

We provide flexible work environments that can accommodate diverse lifestyles and values.

- Work-from-home system
- Super flextime system (including shorter working hours)
- Secondary employment system
- Leave of absence system for employees whose spouses are transferred domestically or overseas

Promoting Use of Paid Annual Leave

We are creating working environments where it is easier for employees to use their entitled paid vacation time, as being well rested helps improve motivation and productivity.

- Paid annual leave promotion days (around 10 per year)
- Refresh day and anniversary day systems
- Monitoring of actual leave taken over the year, with follow-ups for employees who have yet to take any and their line managers
- Setting an internal target to have a majority of employees take 10 or more days of paid annual leave each year

→ P34 Results of the Employee Engagement Survey

Initiatives to Support a Work-Family Balance

In Japan, where the birth rate is declining and the population is aging, creating a work environment that supports a balance between work, childcare and caregiving has become a social priority. The TOMY Group has comprehensive support systems for balancing work, childcare and caregiving, as well as infertility treatment.

Main Systems to Support a Work-Family Balance

1 Life support leave system

Established a new leave system as a safety net that supports employees' differing circumstances and allows everyone to continue working with peace of mind

2 Shorter working hour system

We created an environment in which employees can choose how to divide their time between work and home. The system defines terms for the eligible period (shorter working hours for childcare until the 6th grade of elementary school), eligible reasons (childcare, nursing care and infertility treatment) and shortened hours (up to 3.5 hours per day).

3 New childbirth and childcare gift fund

Established a program that provides ¥2 million per child to assist with childbirth expenses and future childcare costs

4 Support allowance system

Introduced a support allowance system for employees who cover the duties of colleagues taking childcare or nursing care leave, or those working reduced hours

Promoting the Advancement of Women

The TOMY Group has established an action plan to create an employment environment allowing women to play active roles in managerial positions. Our target is to increase the percentage of women in managerial positions to 30% or higher (Group-wide) by March 31, 2026. Our non-consolidated target (TOMY Company, Ltd.) is 20% or higher. In April 2024, we set up the DEI Promotion Group to strengthen various measures and initiatives to achieve these targets. As a key initiative, the department organizes roundtable discussions with management and outside directors to help female employees find role models and set personal career goals. Other programs include next-generation female leader development training and training to improve mental toughness. As a result, the percentage of women in managerial positions in the TOMY Group increased 0.2 percentage point from the previous fiscal year to 24.4% (as of March 31, 2025), while that of TOMY Company (stand-alone) rose 3.4 points to 17.7%. We will continue to promote initiatives for advancing DEI.

Related URL

https://www.takaratomy.co.jp/english/company/csr/work_style_reform/diversity.html

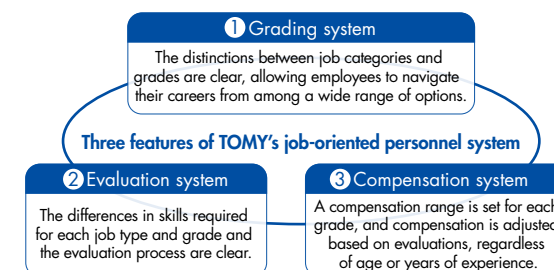

Promoting employee growth

Applicable Materiality 3

Strengthening Human Resource Development

Unique TOMY Job-based Personnel System

The TOMY Group discloses its personnel evaluation and promotion criteria rules and conducts fair and impartial personnel evaluations. The Group provides evaluator training to managers. We have implemented systems that promote the growth and work fulfillment of all employees and maximize their performance.

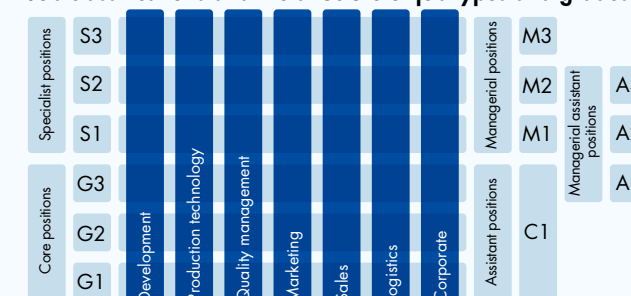


Grading system

We have reformed the previously predominant form of career advancement, which was to pursue managerial positions. We have revised the definition of the role of specialist positions to promote career advancement achieved by exercising high expertise. We have introduced a multi-path job group system consisting of managerial and specialist positions, and have renamed the job groups previously classified as permanent positions to core positions. Job groups have been subdivided into development, production engineering, quality control, marketing, sales, logistics, corporate and other positions.

We are implementing a unique TOMY job-based grading system in which employees can hone their expertise in their respective positions and advance their careers to specialist positions or experience a variety of positions before aiming for managerial positions. We also reviewed the role definitions of grades within core positions, reducing the number of grades by one and enabling employees to aim for specialist or managerial positions earlier.

Job classifications and the structure of job types and grades



Education and Training Initiatives

Under its human resources strategy, the Group strives "to build an environment facilitating a passion for work that creates Asobi as an organization capable of self-driven and sustainable growth." We support employee skill development by providing various training programs enabling individual employees to think about their careers, with the aim of maximizing their skills and abilities while opening up new possibilities.

In fiscal 2024, we conducted online and in-person training for self-improvement, with a total of 909 participants.

Mid-Career Recruitment Initiatives/ Job Return Program

The TOMY Group actively engages in mid-career recruitment to bring in skilled and experienced employees who can make an immediate contribution. We have also introduced a "job return system" to rehire employees who have resigned for personal reasons. This system is designed for employees who have left the Group due to marriage, childbirth, childcare, nursing care, spouse's transfer or other unavoidable reasons, or for career advancement reasons, including education, study abroad or job change. Our aim is to use the knowledge and experience these people have gained since leaving to play an active role in the Group again.

Related URL

https://www.takaratomy.co.jp/english/company/csr/work_style_reform/human_resources_development.html




Asobi that is safe, secure, and of high quality

Applicable Materiality **4**

Policy and Strategy

The TOMY Group fundamental quality policy is to “Create environment-conscious Asobi that people can play with comfortably and confidently and offer Quality Asobi that is attractive to customers worldwide.” To this end, we have established internal Safety and Quality Management Guidelines, which standardize the process of safety and quality control, from planning to production, and thus ensure safety and prevent issues before they occur. In line with the global deployment of our products, we also established the TOMY Group Product Quality Rules, our own standards that are stricter than those of the toy industry, as represented by the Safety Toy Mark*, and we conduct inspections according to these regulations.

* The Safety Toy (ST) Mark is a certification that can be applied to toys that have passed inspection conducted by designated testing organizations. It indicates that the toy has been carefully designed with safety in mind and is recommended by the Japanese toy industry as meeting high safety standards.



Conducting independent quality standards that are more stringent than toy industry safety standards

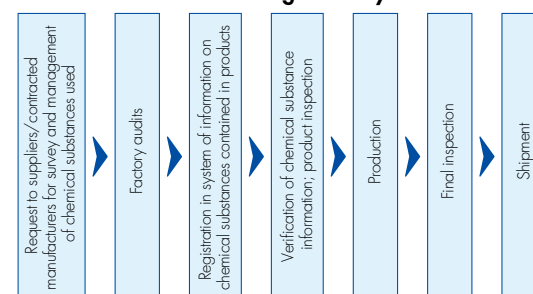
Promoting Chemical Substance Management

Toys consist of various parts and materials, so we must fully consider how a child's health and environment might be impacted by chemical substances in those parts and materials. Meanwhile, regulations surrounding manufactured goods and parts included in toys and electrical and electronic equipment differ from country to country. With this in mind, we established the TOMY Group Chemicals Management Policy and will strive to effectively manage toxic chemical substances, including during manufacturing. As an example of our management methods, we conduct testing in cooperation with third-party specialist organizations to detect and prevent contamination, such as heavy metals or phthalate ester compounds, in our products. Furthermore, for hazardous substances and substances of high concern that are required to be eliminated or reduced in regions and countries including Europe, we assess raw materials and components used by partner companies and factories involved in product manufacturing. This assessment is based on the Restricted Substances List created by the TOMY Group. This list monitors approximately 5,000 chemical substances.

Currently, we are implementing our chemical substance

management system in Europe in advance of other regions. Going forward, we will gradually introduce the system to other regions such as Asia. Even in the unlikely event that a product does contain such contamination, we are striving to establish and implement systems that prevent any such products from reaching our customers. To ensure the continuous safety and quality of our products and effective quality management, we are working to control chemical substances contained in our products as shown in the diagram below.

Chemical Substance Management System



Training and Awareness Building on Confidence, Safety and Quality

Through various initiatives specified in its product safety and quality management rules, the TOMY Group promotes a shared awareness of safety across its global operations. For example, we hold a Safety Day once a year where all Group employees worldwide jointly consider the importance of product safety and quality. In addition, each department

(including product development, quality control, sales and customer service) and each Group company appoints a Safety Leader to serve a one-year term. These leaders work to promote toy safety and enhance Group-wide education and awareness on safety and quality standards.

Related URL

https://www.takaratomy.co.jp/english/company/csr/products/safe_and_highquality.html



Connecting with customers

Applicable Materiality **5**

Policy and Strategy

The TOMY Group places great importance on “voice of customer (VOC)” activities by listening to customers and valuing their feedback. With this in mind, we established our own Privacy Policy and Customer Service Policy. We take all comments, opinions and expectations voiced by our customers seriously and strive to take a customer oriented approach that helps us improve product safety and quality and our overall business activities.

Strengthening VOC Activities

Management Structure

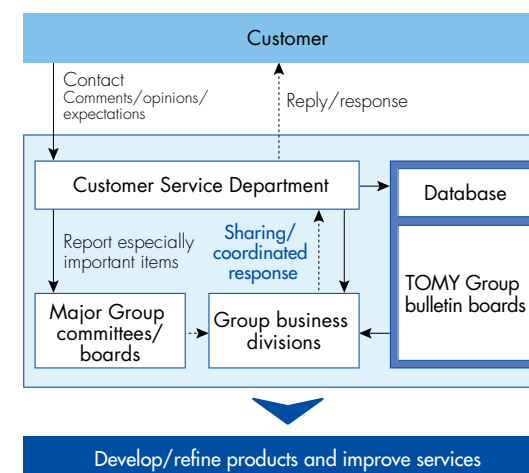
The TOMY Group Customer Service Department responds to customer inquiries by phone, e-mail or Web chat. All opinions offered by customers are recorded in a database as instructive, prized information and are shared on bulletin boards that employees can access. Customer opinions are also fed back to relevant business divisions and involved parties. Any content that is considered to have a considerable impact on customer satisfaction or that relates to product safety and quality is shared with important committees or boards of TOMY and other Group companies to expedite a swift response and ensure that specific quality improvements and other appropriate

measures are taken. In the event of an accident, we cooperate with TOMY's Safety & Quality Assurance Group and set up a Risk Management Task Force under the direct supervision of our representative director and president to ensure a prompt and appropriate response, minimize damage and take measures to prevent a recurrence. We strive to aggregate customers' data whenever possible in TOMY IBIS, which has Privacy Mark certification, to ensure any information is managed collectively and securely.

Key Initiatives

In fiscal 2023, the Customer Service Department launched a “social listening” (initiative to gather information from social media). In response to changing times, we are actively gathering customer feedback from a wide variety of platforms. This initiative aims to incorporate a broader range of customer voices into our products and services, beyond just those received through direct inquiries.

Customer feedback gathered is compiled into Monthly Analysis Reports and Daily Social Reports for each brand. These reports are then shared with all employees, including top management. Through regular updates to this system, we continually broaden the scope and deepen the content of the Monthly Analysis Reports, and enrich the content of the Daily Social Reports. This system visualizes a wide range of customer feedback, from opinions about our toys to suggestions for related services (like “LICCA Phone”) and event operations. By utilizing these insights in product and service planning and development, we aim to enhance corporate value.



Related URL

https://www.takaratomy.co.jp/english/company/csr/products/customer_feedback.html





Responding to climate change

Applicable Materiality 6

Policy and Strategy

The TOMY Group has identified “responding to climate change” as a key sustainability-related materiality and is actively working to enhance its understanding of climate change and measures against it. Our efforts include reducing the environmental impact of our business activities, designing and developing “Ecofriendly Toys” and other sustainable products, and using these products to educate the next generation on sustainable purchasing.

We disclose information on our governance, strategy (risks and opportunities), risk management, and metrics and targets based on recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

The Sustainability Committee, established as an advisory body to the president, works to address sustainability issues, including climate change. It comprehensively assesses the Group’s sustainability initiatives and deliberates on issues and the direction of initiatives from

a broad and diverse range of perspectives. Issues related to climate change that require a cross-departmental approach are discussed by the Environmental Task Force and incorporated into specific initiatives.

Strategy (Risks and Opportunities)

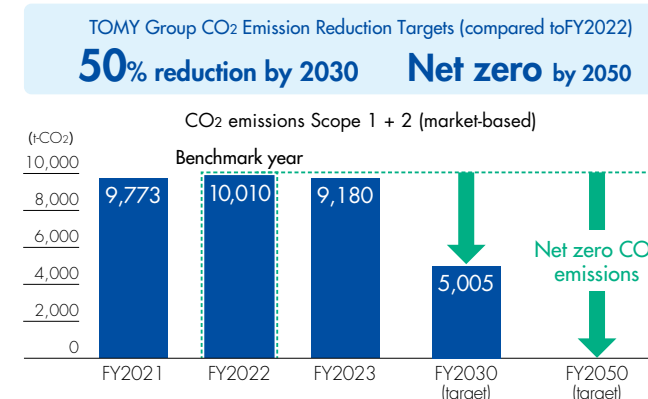
The TOMY Group has identified the following risks and opportunities arising from climate change and its various associated impacts.

Factors that could potentially impact the TOMY Group (as of March 2022)

Transition risks	Physical risks	Opportunities
<ul style="list-style-type: none"> Transition from plastic to alternative materials as the primary raw material for toys Skyrocketing energy and distribution prices Adjustments to the supply chain (product design, manufacturing processes) Decreased popularity of toys primarily made of plastic 	<ul style="list-style-type: none"> Ceased operation of Group bases or partners due to natural disasters Disrupted distribution networks due to natural disasters (loss of sales opportunities, increased cost of alternative distribution methods) Reduced child and other customer foot traffic at stores and events due to an increase in extremely hot days Change of suppliers or company bases due to rising sea levels 	<ul style="list-style-type: none"> Competitive advantage from success in converting to alternative materials with low environmental impact Greater support and affinity for Eco Toys and education for future generations due to increased customer awareness of sustainability Increased sales via our online store and greater opportunities to acquire new customers through more digital events Success in addressing environmental issues through environmental management; improved corporate value through greater disclosure Avoidance of physical risk through improved adaptability to natural disasters

Metrics and Targets

The TOMY Group calculates and manages Scope 1, 2 and 3 emissions. To realize a decarbonized society, the Group has set long-term goals of reducing CO₂ emissions (Scope 1 and 2) by 50% by 2030 (compared with FY2022) and achieving virtually zero CO₂ emissions by 2050. We have also set a goal of having 40% of our purchased electricity come from renewable energy sources by 2030 and will continue striving to reduce CO₂ emissions.



Example of Initiatives for Responding to Climate Change

Switch to renewable energy plans for electricity used at our major bases in Japan, including our head office



Head Office (Tateishi)



Aoto Office

The TOMY Group has also set a goal of having 40% of our purchased electricity come from renewable energy sources. Beginning in April 2025, we are working to reduce CO₂ emissions by switching to renewable energy for the electricity used at five major domestic bases, including the head office of TOMY Company. In fiscal 2025, we will continue to promote a transition in stages to renewable energy for electricity use at domestic bases and strive to achieve the CO₂ emissions reduction targets for the TOMY Group.

Advocating for Cool Biz and Warm Biz dress codes to help reduce energy consumption



Cool Biz poster (in Japanese)



Warm Biz poster (in Japanese)

As part of efforts to combat global warming, the TOMY Group in Japan is advocating the Cool Biz and Warm Biz dress codes. These initiatives encourage employees to dress comfortably in ways that reduce the need for air conditioning and heating. This approach helps to ease the burden on air-conditioning systems, raise awareness toward energy conservation and contribute to the reduction of CO₂ emissions.

Related URL

Responding to Addressing Climate Change
https://www.takaratomy.co.jp/english/company/csr/environment/climate_change.html



Related URL

Climate Change Workshop
https://www.takaratomy.co.jp/english/company/csr/story/2022/climatechange_workshop.html



Initiatives for 11 Materialities

Reducing Environmental Impacts

To reduce environmental impacts within our business activities, the TOMY Group strives to utilize waste generated from business activities as resources whenever possible, while, of course, observing the law and disposing of materials appropriately.

For example, TOMY TEC, which owns a factory in Japan, recycles some of the plastic runners discharged during plastic molding. It also sorts metal scraps generated from molding and wheel machining, and then sells those scraps to recycling companies to reduce overall waste (①–④).

The logistics department of TOMY MARKETING (a domestic sales company of the TOMY Group) has achieved 100% recycling of used empty cardboard boxes. It has also automated its recycling process. For example, empty cardboard boxes generated during product picking are transported from a predetermined input port to a collection point via a dedicated conveyor belt. After a certain amount is accumulated, it is collected by a specialized company and recycled as new cardboard (⑤–⑦).



TOMY TEC CO., LTD.
(Tochigi Prefecture)



Reuse of runners
discharged during plastic
molding



Crushed runner material
(top) and normal product
(bottom)



Recycling of metal scraps
generated during the
cutting of wheels and the
production of molds, jigs,
tools and the like



Dedicated conveyor for
collecting open and empty
cardboard boxes



Compactor machine used
to compress collected
empty cardboard boxes



Cardboard compressed
into cubes of about 1m³

Related URL

Reducing Our Environmental Footprint
<https://www.takaratomy.co.jp/english/company/csr/environment/business.html>



Related URL

From Logistics Warehouses to Factories and Offices: On the Front Lines of Recycling with the TOMY Group
<https://www.takaratomy.co.jp/english/company/csr/story/2024/recycle/>



Promoting eco-conscious package/product designs

Applicable Materiality **7**

Development of Eco-Friendly Products

The TOMY Group makes effective use of resources and strives to develop products that are considerate of the environment. “Eco-Friendly toys” are products that have cleared one or more of the 10 environmentally conscious “Eco-Friendly toys standards” established by the Group-wide Eco-Friendly Toys Committee with advice from third-party institutions. The “Eco-Friendly toys” mark is displayed on packaging to communicate environmentally friendly efforts to customers in an easily understandable way to spread green procurement initiatives in the toy market.



Eco-Friendly Toy Mark



PLARAIL Eco Straight
(Curved) Rails

Saving resources

Blending recycled materials into our products

50% blend

Eco Straight Rail

TOMICA Parking Case 24

PAW Patrol Basic Vehicle Rex

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Saving energy

Battery-free operation

Escalator can be switched between electric and manual operation

TOMICA 2-WAY Action Expressway

Note: TOMICA vehicles are sold separately.

Designed to be hand-cranked for play without batteries.

Promoting long-term use

Allows replacement of maintenance parts

Designed to grow with the child



Screen (drawing surface) can be replaced

Oekaki Sensei

Designed for long-term play



Baby bath



Shower chair, dressing chair



Shower chair, dressing chair, baby chair

3WAY Transformable Soft Baby Bath Winnie the Pooh

©Disney. Based on the “Winnie the Pooh” works by A.A. Milne and E.H. Shephard.

Use of Eco-Friendly Paper

NEW

Eco-Friendly Toy Standards

Use of forest-certified paper



Note: Dolls and dresses are sold separately.

Use of forest-certified paper for product and packaging

Licca House
“Talking Auto-lock,
Two-story Grande Maison”



Related URL

Promoting Eco-conscious Package/Product Designs
<https://www.takaratomy.co.jp/english/company/csr/environment/toys.html>



Related URL

Eco Toy (Eco Toy Standards) (Japanese only)
<https://www.takaratomy.co.jp/eco/introduction/ecotoy.html?kijyun>





Respecting human rights

Applicable Materiality 8

Policy and Strategy

In August 2023, the TOMY Group established and published our Human Rights Policy in accordance with the Guiding Principles on Business and Human Rights, the global standard for respect for human rights by corporations.

To date, we have established the TOMY Group Code of Business Conduct (COBC) and the TOMY Group Responsible Procurement Guidelines and have been working with our employees, business partners and other stakeholders to build a value chain that takes human rights into consideration. In addition, based on the Guiding Principles on Business and Human Rights, we have again clarified our policy to promote even greater respect for human rights throughout the TOMY Group.

In establishing this policy, we identified our salient human rights issues through a comprehensive review of human rights issues in the value chain of the TOMY Group's major businesses, deliberations by management, discussions by a company-wide cross-group task force team and interviews with external experts.

We will make this policy known internally and to our business partners and will comply with and implement it in all our business activities.

Related URL (TOMY Group Human Rights Policy)
<https://www.takaratomy.co.jp/english/company/csr/human-rights-dd/#houshin>



Promotion Structure

Human rights-related issues are discussed and promoted by the cross-functional Human Rights Due Diligence Task Force, which is overseen by the Sustainability Committee.

Addressing Salient Human Rights Issues

The TOMY Group has assessed potential human rights risks related to our business and value chain, and we have identified our salient human rights issues to be addressed according to the likelihood of occurrence of such risks and the severity of their impact on human rights.

TOMY's key human rights areas	Potential human rights violation risks	Main affected stakeholders
Supply chain Local community	<ul style="list-style-type: none"> Forced labor and child labor in procurement and production sites Damage to residents' health due to waste contamination 	<ul style="list-style-type: none"> Business partners People in the surrounding areas
Workplace and working environment	<ul style="list-style-type: none"> Damage to life and health due to an inadequate workplace environment Discrimination or harassment in workplaces (including during hiring) 	<ul style="list-style-type: none"> Employees Business partners
Expressions in advertising, promotions, etc.	<ul style="list-style-type: none"> Violation of the right to not be discriminated against through expressions in advertising, promotions, etc. 	<ul style="list-style-type: none"> Consumers
Safety and quality of products and services	<ul style="list-style-type: none"> Damage to life and health due to inadequate product safety and quality Damage to health due to inadequate management of toxic chemical substances 	<ul style="list-style-type: none"> Consumers

Audits on Human Rights in the Workplace

In fiscal 2024, the TOMY Group conducted third-party audits on human rights in the workplace at four major bases in Japan, including TOMY's head office. The audit bases have developed improvement plans to address any non-compliance with the applicable requirements and are carrying out initiatives to implement these improvements. We plan to expand the third-party audits not only to major domestic bases but also to overseas Group bases. The TOMY Group will continue to work on creating a comfortable and supportive work environment.

Sustainable procurement

Applicable Materiality 9

Key Initiatives

TOMY Group Responsible Procurement Guidelines

The TOMY Group strives to provide safe, high-quality products while also protecting human rights at factories, caring for the environment and contributing to society. Previously, we have demanded that manufacturing contractors comply with the TOMY Code of Conduct for Manufacturers, which includes items related to the environment and society. We also include the Code of Conduct in all contracts with business partners. In recent years, requests from the international community regarding human rights, environmental sustainability and other issues have been increasing more than ever.

In response, in fiscal 2019 the TOMY Group worked on revisions to the TOMY Code of Conduct for Manufacturers. We also formulated the TOMY Group Responsible Procurement Guidelines in May 2020.

This document sets clear standards for human rights, occupational health and safety, the environment, fair business practices, products and services, and so forth and is available in Japanese, English, Chinese, Thai and Vietnamese. In fiscal 2022, we began briefings to inform suppliers of the guidelines and collect consent forms. As of the end of March 2025, the consent form collection rate from the TOMY Group's domestic and overseas business partners reached 91.5%. In addition, we have introduced a self-assessment questionnaire to confirm compliance with the guidelines, and as of the same date, responses had been received from 108 companies. Furthermore, we have commenced audits at sites where the guidelines are being implemented, with the cooperation of 88 companies during the period from April 2024 to March 2025.

TOMY Hong Kong Group Initiatives

The TOMY Hong Kong Group is engaged in development, technical support, and quality and production management related to the manufacturing of products destined for Asia (including Japan), Europe and the Americas.

In product manufacturing, the TOMY Hong Kong Group works in line with the TOMY Group Responsible Procurement Guidelines to help ensure the ongoing management and operation of manufacturing sites in cooperation with our contract manufacturers. This includes supporting efforts to protect human rights at factories, ensure employee health and safety, and address environmental considerations. We provide this support through regular communication, factory audits and other activities.

As part of actual factory audits, we conduct processes in line with the CSR audit program based on the TOMY Group Responsible Procurement Guidelines. These include a kickoff meeting, inspection of facilities and equipment, interviews with management and employees, document audits and the issuance of audit reports. Based on the audit results, our contract manufacturers implement necessary improvements, with the TOMY Hong Kong Group providing follow-up support as needed.



Kickoff meeting



Inspection of facilities and equipment

Related URL
https://www.takaratomy.co.jp/english/company/csr/supply_chain/responsible_procurement.html



Initiatives for 11 Materialities

Governance supporting the creation of Asobi/
Risk management supporting the creation of Asobi

Applicable Materiality
10
11

Compliance Promotion

TOMY Group Code of Business Conduct

The TOMY Group has established ONE TOMY’s Promise, a promise to be observed by every employee. We also established the TOMY Group Code of Business Conduct (COBC) to provide clearer guidelines on two specific areas: “observing our company policy, the rule of law and good common sense,” and “competing honestly and following fair trade practices.” First and foremost, the Code conveys the basic spirit that we must never act in a way that presents adults in an unseemly light and must be a company that children, our most important customers, continue looking up to.

Educational materials on the TOMY Group COBC have been prepared in multiple languages to ensure accurate understanding on the part of officers and employees at all Group companies. We also provide offline and e-learning-based training on the Code. In addition, we conduct awareness-raising activities to encourage employees to consult with superiors and related departments or utilize the TOMY Group Hotline regarding violations or possible violations of laws, internal regulations or the TOMY Group COBC.

Compliance Training

In fiscal 2014, the TOMY Group established “Think about Compliance Day” (a Group-wide event) and has since continued to implement awareness-raising activities with the aim of reminding all domestic Group officers and employees of the importance of compliance. If compliance issues have occurred within the Group, the details, causes and countermeasures to address those issues are shared

Compliance Reporting and Consultation Hotline

Based on the TOMY Group’s ONE TOMY’s Promise of “Our sincerity and diligence will contribute to society and lead to our own success and happiness,” the TOMY Group promotes compliance across our entire organization. We emphasize adherence to laws and internal regulations, responsible conduct, free competition, and fair and

on “Think about Compliance Day” to prevent recurrences. Since the COVID-19 pandemic began in fiscal 2019, we have been distributing online videos and e-learning on an ongoing basis. In fiscal 2024, the e-learning program achieved a participation rate of 88.8% among domestic Group companies (including employees assigned to overseas Group locations).

In fiscal 2017, TOMY introduced a compliance leader system with the aim of further enhancing awareness of compliance and thoroughly ensuring that compliance requirements are observed. Each year, 30–40 compliance promotion leaders selected from the Group in Japan are divided into several teams to work on solutions to various compliance issues. In fiscal 2023, we tasked the compliance leader system with two new objectives: “personalize compliance” and “solve specific company issues and drive real change.” To support this, we invited an external director who is a lawyer to conduct a lecture for compliance leaders. The lecture focused on the importance of autonomous management in the first line of defense (business units) as part of the three lines of defense framework for compliance. In addition, as part of team-based activities, we worked to solve problems close to home, such as reducing overtime work, promoting the use of support systems (such as maternity and caregiving leave), examining differences in how harassment is perceived in Japanese and Asian cultures and customs, and taking countermeasures against near-misses in the workplace. The results of each activity were reported on “Think about Compliance Day.” Other efforts such as putting up posters at domestic Group companies and distributing e-mail newsletters were implemented to steadily raise awareness about compliance.

equitable transactions. To enable early detection and prevention of compliance-related issues, the Group has established a reporting and consultation hotline for TOMY Group officers and employees, as well as domestic business partners.

Whistleblowing System (TOMY Group Hotline)

We established the TOMY Group Hotline (whistleblowing system) to respect and protect the human rights of employees, control risks and ensure public trust.

The hotline is available to TOMY Group officers and employees (including employees seconded to the TOMY Group, contract employees, temporary employees, part-time employees, casual staff and retired employees). There are three ways to make reports: 1) a web-based reporting service, 2) internal reporting services (located at the head office and each Group company) and 3) multiple reporting services based in external law firms. Web-based reports can be submitted 24 hours a day, 365 days a year, and the system is available in more than 80 languages. When a report is received, we promptly confirm the facts. If a violation is found, we work to correct it and prevent a recurrence. In addition, internal regulations stipulate that whistleblowers will not be treated unfairly because of their reporting, and a system is in place to protect the privacy of whistleblowers. All reports and the results of investigations are sent to the Risk/Compliance Committee,

whose members include the Chairperson, the President and Representative Director, the Full-time Audit & Supervisory Board Member and outside directors.

At the annual Group-wide “Think about Compliance Day” event, employees are informed about the operation of the whistleblower system and asked to fill out questionnaires regarding its reliability. Any issues with the system identified through the questionnaire are reported to the Risk/Compliance Committee for deliberation aimed at making future improvements.

Compliance Reporting and Consultation Hotline for Domestic Business Partners

Starting in fiscal 2025, the TOMY Group has established a hotline to receive reports and consultations from domestic business partners of Group companies. The aim of the hotline is early detection and prevention of compliance-related issues. If business partners identify human rights violations or other specified compliance breaches, please use this reporting and consultation hotline.

Related URL
Compliance
https://www.takaratomy.co.jp/english/company/csr/organizational_governance/compliance.html

Related URL
Compliance Reporting and Consultation Hotline for Domestic Business Partners of TOMY Group Companies
<https://www.takaratomy.co.jp/english/company/csr/human-rights-dd/ts-soudan/>

Endorsement of Initiatives

Expressing Support for the UN Global Compact

In May 2021, the TOMY Group indicated its support for the United Nations Global Compact, the international framework for the global community to achieve sustainable growth. The Group will promote initiatives to achieve the 10 principles of the Global Compact that cover the areas of human rights, labour, the environment and anti-corruption throughout the supply chain.



The 10 Principles of the United Nations Global Compact	
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

External Recognition

ESG Index Selection

The TOMY Group has been included in various stock indexes in recognition of its efforts in the areas of the environment, society and governance. The Group will continue contributing to the development of a sustainable society.



FTSE4Good Index Series (selected in 2025)

This is a stock index provided by FTSE Russell in the United Kingdom. It is composed of companies around the world that demonstrate excellence in ESG (environmental, social and governance) practices and actively pursue sustainable management. The Company was selected in 2025.



FTSE Blossom Japan Index (selected in 2025)

This is a stock index provided by FTSE Russell in the United Kingdom. It reflects the performance of Japanese companies that demonstrate excellence in ESG (environmental, social and governance) practices in each sector. It is one of the ESG indices selected by Japan's Government Pension Investment Fund (GPIF). The Company was selected in 2025.



FTSE Blossom Japan Sector Relative Index (selected continuously since 2022)

This is a stock index provided by FTSE Russell in the United Kingdom. It reflects the performance of Japanese companies that demonstrate relatively strong ESG performance in each sector. It is one of the ESG indices selected by Japan's Government Pension Investment Fund (GPIF).

Note: FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that TOMY Company has become a constituent of the FTSE4Good Index Series, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index as a result of following an independent investigation. FTSE Russell indexes are widely used to create and assess sustainable investment funds and other products.

2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index (selected continuously since 2024)

This is a stock index provided by MSCI Inc. in the United States and is one of the ESG indices selected by Japan's Government Pension Investment Fund (GPIF) for its investment operations. The Company has been selected continuously since 2024 as one of the firms with relatively high ESG ratings.

2025 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Index (selected continuously since 2019)

This is a stock index provided by MSCI Inc. in the United States, consisting of Japan's top 700 companies by market capitalization that excel in gender diversity. It is one of the ESG indices selected by Japan's Government Pension Investment Fund (GPIF). The Company has been selected continuously since 2019.

Note: The inclusion of TOMY Company, Ltd., in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of TOMY Company, Ltd., by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



S&P/JPX Carbon Efficient Index (selected continuously since 2020)

This is a stock index jointly calculated and published by S&P Dow Jones Indices in the United States and the Japan Exchange Group in Japan. The index targets companies included in the TOPIX, weighting them based on their level of environmental information disclosure and carbon efficiency.



Morningstar Japan ex-REIT Gender Diversity Tilt Index (selected continuously since 2023)

This is a newly designed index provided by Morningstar Inc. in the United States. It focuses on companies that have well-established gender diversity policies integrated into their corporate culture and companies that promise equal opportunities for employees regardless of gender. TOMY was selected for inclusion in Group 1, the highest-rated category.

Note: Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, "Morningstar") has authorized TOMY Company, Ltd., to use the Morningstar® Japan ex-REIT Gender Diversity Tilt Logo ("Logo") to reflect the fact that, for the designated ranking year, TOMY Company, Ltd., ranks within the top group of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt Index™ ("Index") on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by TOMY Company, Ltd., solely for informational purposes. TOMY Company, Ltd.'s use of the Logo should not be construed as an endorsement by Morningstar of TOMY Company, Ltd., or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with TOMY Company, Ltd. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third-party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.



CDP

CDP is a non-governmental organization (NGO) managed by a British charity that maintains a global environmental database. TOMY Company, Ltd., discloses information on climate change and water security in accordance with CDP's requests. TOMY Company, Ltd., received a score of "B" in the Climate Change Report 2024 and a "B-" in the Water Security Report 2024.

External Evaluations of DE&I Initiatives



Kurumin Certification (acquired continuously since 2023; fifth acquisition for TOMY since 2007)

Companies that have established a general employer action plan, have reached goals defined in the plan and that meet certain criteria can apply to receive certification (Kurumin certification) from the Minister of Health, Labour and Welfare as companies that support child raising based on the Act on Advancement of Measures to Support Raising Next-Generation Children.








3-Star Eruboshi Certification (acquired continuously since 2023)

The Company received the highest 3-Star Eruboshi Certification from Japan's Ministry of Health, Labour and Welfare as a leading company in promoting the advancement of women.

We will continue striving to promote diversity, equity and inclusion throughout the Group.

Value Creation with Stakeholders

The TOMY Group aims to enhance its corporate value by addressing the expectations and needs of all stakeholders, while pursuing both a sustainable society and the growth of the Group.

	Expectations and Needs	Engagement channels	Main Outcomes/Outputs	Toward Enhanced Value Co-Creation
 Customers	<ul style="list-style-type: none"> Developing products and services that make the world healthier and more vibrant Sharing the worldview of the brand Offering attractive products that can be enjoyed by everyone from children to adults Providing products and services that ensure confidence, safety and quality Adapting to sales channels that meet “customer” needs Providing trusted after-sale services 	<ul style="list-style-type: none"> In-store communication Collating results from questionnaires conducted at events and included with products Customer Service Department: approximately 140,000 consultations handled in fiscal 2024 Providing information utilizing various media including websites 	<ul style="list-style-type: none"> Building fan communities through the evolution of face-to-face events Conducting thorough quality inspections across the TOMY Group Bolstering voice of customer (VOC) activities Creating toys and Asobi that take into account universal design/ DEI perspectives 	<ul style="list-style-type: none"> Pursuing the quality of Asobi via the penetration of purpose throughout the Group <ul style="list-style-type: none"> → P2 The TOMY Group Philosophies → P30 Strengthening Intangible Assets Brand Value → P44 Materiality 1: Contributing to an enriched society through Asobi → P48 Materiality 4: Asobi that is Safe, Secure, and of High Quality → P49 Materiality 5: Connecting with Customers
 Employees	<ul style="list-style-type: none"> Ensuring the success of a diverse range of human resources Providing workplace environments conducive to innovation Promoting DEI (Diversity, Equity, and Inclusion) 	<ul style="list-style-type: none"> Conducting employee work engagement surveys Providing opportunities for dialogue between employees and management through labor unions and otherwise Operating the TOMY Group Hotline 	<ul style="list-style-type: none"> Employee work engagement: 55.5% (industry average: 49.5%) Group-wide percentage of female manager ratio: 24.4% (target: 30%) Number of participants in education and training programs*: 909 Overseas trainees: 2 <p><small>*Training programs on formulating business strategies, finance, marketing, branding, DX marketing, organizational vitality and management that boost skills for executing management strategies</small></p>	<ul style="list-style-type: none"> Promoting the Vision of the Human Capital Strategy <ul style="list-style-type: none"> → P34 Strengthening Intangible Assets Human Capital → P46 Materiality 2: Improving Employees' Well-Being → P47 Materiality 3: Promoting Employee Growth
 Shareholders and Investors	<ul style="list-style-type: none"> Providing opportunities for dialogue on improving corporate value Ensuring fair, impartial, and timely information disclosure Balancing a sustainable society and economic viability 	<ul style="list-style-type: none"> Holding general meetings of shareholders and financial results briefings Holding financial results briefings Issuing an integrated report Holding individual IR meetings Disseminating information through websites Holding shareholder events 	<ul style="list-style-type: none"> Return on equity (ROE): 15.8% (target of maintaining 11% or higher) Annual dividend: 64 yen per share Total payout ratio: 53.4% (in principle 50%) 	<ul style="list-style-type: none"> Strengthening of management foundations through proactive growth investments that contribute to further enhancement of corporate value Enhancing engagement with shareholders and investors <ul style="list-style-type: none"> → P22 Corporate Strategy
 Business Partners	<ul style="list-style-type: none"> Continuing to engage in trustworthy business dealings Developing products with brand power Establishing sustainable supply chains Building streamlined logistics systems Providing expertise for developing attractive sales floors Making sales floor proposals that cater to each sales location 	<ul style="list-style-type: none"> Conducting daily procurement activities Running briefing sessions for partners Promoting awareness of the CSR Procurement Guidelines Conducting supplier surveys Opening a compliance reporting/consultation hotline for business partners (Japan) 	<ul style="list-style-type: none"> Constructing and implementing a human rights due diligence system Collaborating with suppliers to build and implement a system achieving sustainable procurement (conduct SAQs, audits and briefings) 	<ul style="list-style-type: none"> Improving CSR through audits of suppliers focusing on human rights, safety and environmental aspects <ul style="list-style-type: none"> → P54 Materiality 8: Respecting Human Rights → P55 Materiality 9: Sustainable Procurement
 Society and the Global Environment	<ul style="list-style-type: none"> Providing eco-friendly products and services Promoting regional revitalization through events and collaborative projects Engaging in business activities that take human rights into account Creating employment opportunities in local communities at business locations and production sites Developing environmental management systems Implementing anti-corruption measures Supporting next-generation education 	<ul style="list-style-type: none"> Providing online classes utilizing the SDGs Game of Life Holding sessions to exchange feedback Holding the TOMY Kids' Symposium Engaging in social contribution activities (e.g., community events, sports support, toy donations) 	<ul style="list-style-type: none"> Formulating a CO₂ reduction road map through 2030, visualizing CO₂ emissions across the TOMY Group and implementing an energy efficiency assessment for the TOMY Company head office building Transitioning to renewable energy at key domestic bases (five bases including TOMY Company) (starting in April 2025) Conducting research into eco-friendly materials Creating eco-toys (toys that meet in-house standards for ecofriendliness) Reducing the impact on the environment from production and procurement activities Reducing waste materials (appropriate inventory control, promotion of the 3Rs, reassessment of containers and packaging) including trial material recycling for products Next-Generation Education Support Activities 	<ul style="list-style-type: none"> Advancing the CO₂ reduction road map Continuing efforts to visualize CO₂ emissions <ul style="list-style-type: none"> → P44 Materiality 1: Contributing to an Enriched Society through Asobi → P50 Materiality 6: Responding to Climate Change → P53 Materiality 7: Promoting Eco-Conscious Package/Product Designs

Note: Results as of March 31, 2025