



Hiroshi Ikeda (Facilitator)
General Manager of the Internal Control
& Audit Group

Reiko Yasue
Board Director
(outside)

Shinichi Tonomura
Board Director
(outside)

In 2024, the TOMY Group formulated its Medium- to Long-Term Management Strategy 2030, setting forth two key strategies to achieve its goals: “expansion of the regions” and “expansion of age groups.” In this section, we invited two outside directors to discuss how they evaluate efforts to enhance corporate value through strategic initiatives and what challenges they perceive.

Q What are your impressions of the TOMY Group’s Board of Directors?

Tonomura: Compared to the many large companies I have observed through my consulting work, discussions at TOMY’s Board meetings are remarkably open. I believe this reflects the Company’s corporate culture and its free and lively atmosphere.

Yasue: The Board respects the independent perspectives of its outside directors, ensuring that questions and confirmations regarding supervisory matters and risks are appropriately addressed. In addition, opinion exchanges that draw on each director’s area of expertise have advanced, enabling the Board to grasp the progress of growth strategies and clarify key challenges. I feel the quality of dialogue aimed at enhancing corporate value has been steadily improving. I believe the Board has established an environment where professional insights—based on each participant’s expertise and strengths—are fully reflected in the discussions.

Tonomura: In the past, discussions tended to focus mainly on individual budgets and specific agenda items. Since the launch of the Medium- to Long-Term Management Strategy 2030, however, the Board has been shifting toward more strategy-focused discussions, such as strengthening the global operating model and developing the next generation of executives.

Yasue: One challenge, as mentioned earlier, is that professional observations or suggestions might be interpreted or understood differently by each individual. I believe the Board’s most important role is to thoughtfully align diverse opinions and values. By establishing a shared understanding—including of our growth strategy priorities—we can ensure effective decision-making. I believe these ongoing dialogues enhance the effectiveness of the Board, and we are working together as one to continuously improve its quality.

Q Tell us about the progress and challenges of the Medium- to Long-Term Management Strategy 2030.

Tonomura: Our Medium- to Long-Term Management Strategy sets targets of ¥300 billion in net sales and a 10% operating margin for the fiscal year ending March 2030. To this end, there is a strong internal consensus around pursuing growth through “expansion of regions and age groups.” However, if we look beyond the ¥300 billion sales target and aim for even greater growth, there are challenges to address. While numerous major Japanese corporations aim to expand globally, not many have succeeded in building governance and management structures that function seamlessly on a global scale. The TOMY Group has attained a certain level of growth through its strong global IP assets like BEYBLADE and TRANSFORMERS. However, realizing additional growth will require us to reinforce our management model and governance structure in line with progressive globalization.

Yasue: Frankly speaking, there seemed to be a deeply rooted mindset among employees and even some executive officers that they were part of “a Japanese company making Japanese toys.” Thanks to the initiatives led by our current management team, grounded in their overseas experience, this mindset has been shifting significantly, and I see this change as a key foundation underpinning our steady growth in recent years. I believe our management’s stance of respecting foreign cultures while staying true to the Company’s own beliefs represents a distinctive approach that can be highly valued internationally. Having international experience myself, I hope the Company continues deepening this form of true global management and translating it into even greater results.

Tonomura: One concrete issue in our regional expansion is the need to increase the number of employees who have on-the-ground experience overseas. While financial management is crucial in governance, possessing exceptional financial expertise alone is insufficient. Without firsthand experience in the field, one cannot fully develop the ability to apply that knowledge effectively. A common tendency among Japanese companies is to adopt one of two extremes—either control everything from Japan or leave everything entirely to local operations—but neither approach provides employees with sufficient frontline experience. Direct communication with local members on the ground is important, and creating an environment allowing employees to gain such firsthand experience and grow through it is critical.

Yasue: In addition to what Mr. Tonomura mentioned, I believe it is important for staff from Japan, including those in strategy, finance and compliance, to go on-site and work closely with local departments at the operational level. There might be moments of disagreement, but it is through dialogue and collaboration that people and organizations grow. Progress cannot be achieved merely on paper or at a desk. Through such processes, it is important to identify individuals capable of forming strong, collaborative teams and to steadily advance the Group’s management on the ground, step by step.

Q Could you share your views on the abolition of the takeover defense measures and the executive compensation system? Also, what discussions took place regarding your response to U.S. tariff policies?

Yasue: Our discussion on takeover defense measures was grounded in the recognition that such actions could, in the future, threaten the Group’s corporate value or shareholders’ interests. We ultimately agreed that the best way to maximize shareholder value is through the sincere and continuous pursuit of management focused on enhancing corporate value. On that basis, we examined the issue from multiple perspectives, discussing the pros and cons based on various scenarios and case studies.

Tonomura: I believe the view that enhancing corporate value ultimately leads to maximizing shareholder returns has already become a mainstream perspective. Under the Medium- to Long-Term Management Strategy 2030, the TOMY

Group emphasizes the enhancement of both economic and social value, recognizing that focusing on improving corporate value is the best form of takeover defense. As with our earlier discussions on global governance, thoroughly exploring these issues should lead to greater corporate value. In that sense, I believe the direction we are taking is the right one.

Yasue: Our compensation framework for internal directors is straightforward, based on a clear policy that treats variable pay as a profit-sharing component relative to fixed compensation. Outside directors receive fixed compensation but are also allowed to participate in the officers' shareholding association. This allows them to share the same viewpoint as shareholders through potential value appreciation resulting from increased corporate value.

Tonomura: Fundamentally speaking, the primary role of outside directors lies in governance. Internal directors and executives are responsible for executing management, so introducing variable compensation for outside directors could risk undermining their discipline.

Yasue: The Board quickly took up the matter of U.S. tariff policy for deliberation. Our discussion focused on three main points. The first was the impact on manufacturing, such as the extent of tariffs imposed on products made in China. The second was the impact on end users, including the potential decline in consumer purchasing motivation in various countries due to inflation driven by tariffs. The third point concerned third-party trends, such as how competing companies might be affected. The Board of Directors has advised and confirmed that these matters be analyzed promptly.

Tonomura: While the topic of relocating production bases was raised, we need to expand our discussion to include how we should structure our global supply chain going forward. As many toys are manufactured in China, the industry is particularly vulnerable to tariff policies, making future adjustments essential. In any case, we are entering an era where unexpected and irrational events are increasingly likely, and how we incorporate such uncertainties into management will be put to the test.

Q To conclude, please tell us about your determination and outlook for enhancing governance going forward.

Yasue: Over the past five years, new challenges have emerged. These include companies utilizing social media for marketing—a change we never imagined before. In response to these developments, the Group has strengthened its governance framework for social media, including by establishing clear internal guidelines. While the external environment will continue changing rapidly, we are determined to build governance structures that address these shifts, supporting our business and driving further growth.

Tonomura: The essence of governance lies in making management as transparent and visible as possible. In addition to building a governance framework that encompasses global operations, the key is to leverage digital technologies to establish a solid foundation for management control. As an outside director, I hope to provide effective support for building foundational systems to manage operations and administration on a global scale.



Corporate Governance

Promoting Transparent Management

Three Distinctive Features of TOMY Corporate Governance

1 Outside directors are the majority of directors. Women constitute 33.3% of outside directors.

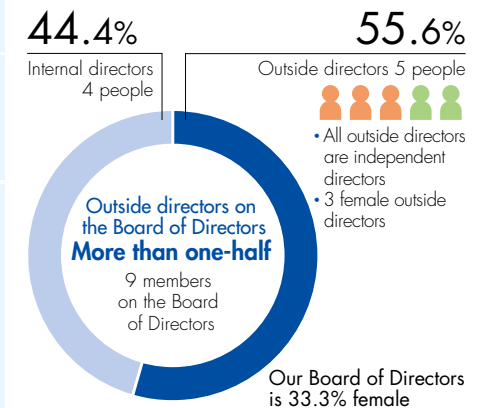
All outside directors are independent directors.

2 TOMY has a Board of Directors Nominating Committee and a Remuneration Committee

The Board of Directors Nominating Committee and the Remuneration Committee, composed of outside Directors and/or outside Audit Supervisory Board Members, were established as advisory bodies to the Board of Directors.

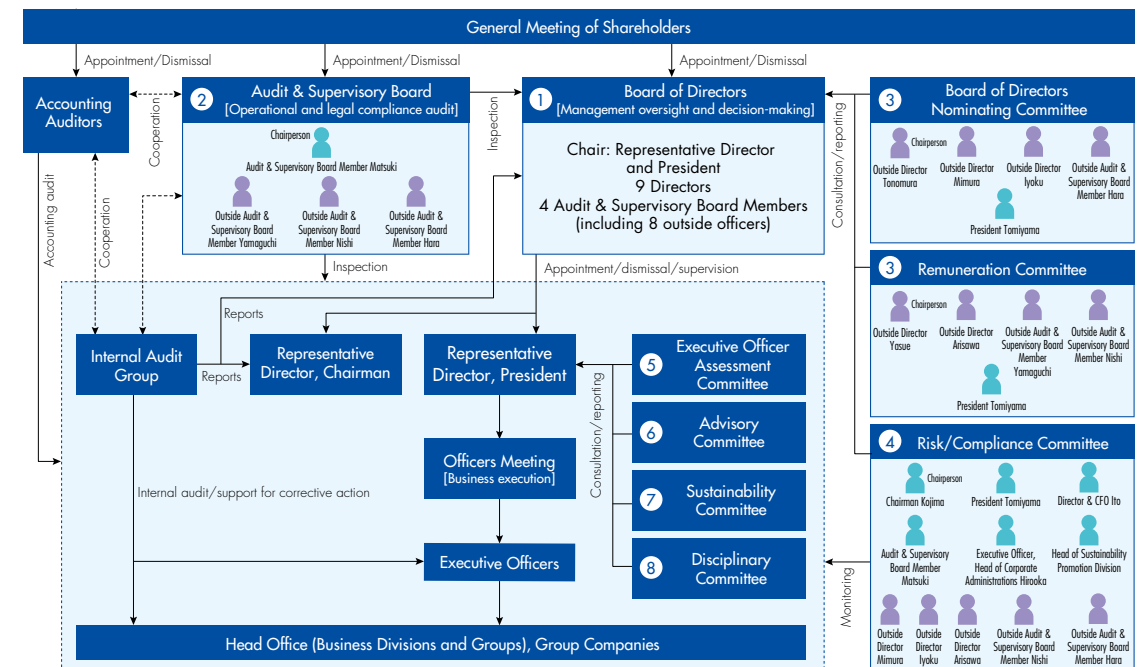
3 Group company management and support framework for outside directors and Audit & Supervisory Board members

In principle, TOMY appoints one or more TOMY officers or other employees to serve as part-time directors or part-time Audit & Supervisory Board members for each major Group. Based on internal regulations, these officers provide necessary management and guidance based on the characteristics and status of each Group and enable the regular exchange of information between the Head of Corporate Administrations of TOMY and the part-time Audit & Supervisory Board members, to strive for improved effectiveness of Group company management. Before each meeting of the Board of Directors, the outside officers are furnished with a pre-meeting briefing. The Internal Control & Audit Group provides organizational support for the work of the Audit & Supervisory Board members. These measures provide a support framework for the supervision and auditing of the execution of operations.



Basic Views

One of the most important management issues for the TOMY Group today is maintaining the trust of shareholders, customers and all our stakeholders while offering continual improvements in corporate value and building on sound and transparent management practices. Accordingly, we are conducting initiatives aimed at upgrading our management checking capabilities while striving to maintain managerial efficiency, strengthen our risk management and compliance systems and enrich our corporate governance.



Status of Response to the Corporate Governance Code

Please refer to the report posted on the official TOMY website for the status (summary) of the response to items required to be disclosed in the Corporate Governance Report.

<https://www.takaratomy.co.jp/english/ir/financial/governance.html>

Management Monitoring System

1. Board of Directors

The Board of Directors is composed of nine directors and four Audit & Supervisory Board members (eight of whom are outside officers) and is chaired by the Representative Director.

The Board of Directors formulates basic policies and strategies for the entire Group, makes decisions regarding the execution of important business and supervises business execution.

The Board of Directors holds regular meetings monthly and extraordinary meetings as necessary. From the 73rd Ordinary General Meeting of Shareholders held on June 26, 2024, up to May 2025, the Board of Directors met 15 times. The attendance rate of outside directors and outside Audit & Supervisory Board members was 100%.

Attendance at Board of Directors Meetings

(Meetings held 15 times) (June 26, 2024, to May 2025)

Name	Attendances	Attendance rate (%)
Board Director (outside) Mariko Mimura	15	100
Board Director (outside) Fumitoshi Sato	15	100
Board Director (outside) Shinichi Tonomura	15	100
Board Director (outside) Miwako Iyoku	15	100
Board Director (outside) Reiko Yasue	15	100
Audit & Supervisory Board Member (outside) Yuji Yamaguchi	15	100
Audit & Supervisory Board Member (outside) Michihiro Nishi	15	100

2. Audit & Supervisory Board

The Audit & Supervisory Board consists of four Audit & Supervisory Board members (three of whom are outside Audit & Supervisory Board members). The Audit & Supervisory Board meets once a month in principle, deliberating and making decisions on important matters necessary for supervising and auditing business execution by Directors.

In addition, when attending regular important meetings or ad hoc meetings, the Audit & Supervisory Board members receive reports on the status of management, business execution, finance and the implementation of internal audits, as well as risk management, compliance and other matters. Audit & Supervisory Board meetings are held monthly ahead of meetings of the Board of Directors and on an ad hoc basis as needed.

From the 73rd Ordinary General Meeting of Shareholders held on June 26, 2024, up to May 2025, the Audit & Supervisory Board met 14 times. The attendance rate of Audit & Supervisory Board members was 100%.

Attendance at Audit & Supervisory Board Meetings

(Meetings held 14 times) (June 26, 2024, to May 2025)

Name	Attendances	Attendance rate (%)
Outside Audit & Supervisory Board Member Yuji Yamaguchi	14	100
Outside Audit & Supervisory Board Member Michihiro Nishi	14	100

3. Board of Directors Nominating Committee and Remuneration Committee

The Company has established non-statutory committees equivalent to a Nomination Committee and Remuneration Committee.

Please refer to the official TOMY website below for details on the activities of each committee.

https://www.takaratomy.co.jp/english/company/csr/organizational_governance/system1.html

4. Risk/Compliance Committee

The Risk/Compliance Committee is chaired by the Company's representative director and is made up of outside directors and Audit & Supervisory Board members and was established to enhance and thoroughly implement the Company's compliance and risk management systems. The Committee deliberates key issues related to risks and compliance, with systems in place to report the results to the Board of Directors.

Advisory Bodies to the President and Representative Director

5. Executive Officer Assessment Committee

Due to the delegation of authority and other developments associated with the introduction of an executive officer system, the Group strives to speed up and streamline the execution of business in each Group company and division under the policies, strategies and supervision of the Board of Directors.

The Company has established the Executive Officer Assessment Committee, which is composed of full-time Directors, in pursuit of a wide range of advice concerning the evaluation of executive officers.

6. Advisory Committee

The Advisory Committee, which is composed of Outside Directors and Outside Audit & Supervisory Board members, was established in pursuit of a wide range of advice concerning the effectiveness of business execution at the Company and the Group.

7. Sustainability Committee

The Sustainability Committee provides advice and recommendations to the President and Representative Director regarding matters concerning the Group's sustainability and ESG issues.

Matters deliberated by the Sustainability Committee are reported and presented to the Board of Directors or Officers' Meeting as needed.

8. Disciplinary Committee

In the event an employee has engaged in conduct that constitutes a violation, misconduct or similar behavior, the Disciplinary Committee deliberates over disciplinary action in accordance with the Employment Regulations and provides the President and Representative Director with advice and recommendations.

Support Framework for Outside Directors and Audit & Supervisory Board Members

Staff of the Corporate Planning Division brief the outside directors and outside Audit & Supervisory Board members when the Board of Directors convenes, offers them advance briefings outlining motions and provides them with other necessary information. The Internal Control & Audit Group

furnishes a supporting organizational framework for the Audit & Supervisory Board members and works to strengthen coordination between audits by Audit & Supervisory Board members and internal audits.

Appointment and Dismissal of Senior Management by the Board of Directors, and Nomination of Candidate Directors and Audit & Supervisory Board Members

Director Qualifications and Nomination Procedures

- 1) The directors of the Company shall nominate multiple persons who have high ethical standards as well as an excellent personality, insight, ability and abundant experience from inside and outside the Company.
- 2) Regarding the nomination of directors, the Board of Directors Nominating Committee, which is made up of outside directors and outside Audit & Supervisory Board members, has been established as an advisory body to the Board of Directors. The committee makes recommendations and provides advice based on policies regarding the evaluation and appointment of each director.
- 3) All directors of the Company are subject to election every year by resolution of the General Meeting of Shareholders, and candidates for newly appointed Directors are approved by

the Board of Directors after undergoing a fair and transparent review by the Board of Directors Nominating Committee as discussed at the General Meeting of Shareholders.

- 4) The Company nominates persons who identify with the TOMY Group Philosophies to ensure that they have a clear understanding of the Company's business.
- 5) In the event that there are illegalities or serious violations of laws and regulations within the execution of a director's duties, or if it is deemed difficult for them to properly perform their duties, the Board of Directors Nominating Committee explains the reasons for dismissal, deliberates said reasons and receives pertinent advice. Afterward, a resolution is passed by the Board of Directors and submitted to the General Meeting of Shareholders.

Audit and Supervisory Board Member Qualifications, Selection, Dismissal and Nomination Procedures

- 1) As for Audit & Supervisory Board members, we will appoint multiple persons from inside and outside the Company who have abundant experience and the advanced expertise necessary for auditing.

- 2) After obtaining the consent of the Audit & Supervisory Board, draft selections of candidate Audit & Supervisory Board members are decided on by the Board of Directors and proposed to the General Meeting of Shareholders.

Board of Directors Effectiveness Evaluation and Process

Evaluation Method

At least once a year, TOMY distributes questionnaires on the overall effectiveness of the Board of Directors as a survey to all Directors and Audit & Supervisory Board members attending the Board of Directors meeting to conduct a self-evaluation. The Risk/Compliance Committee, an advisory body to the Board of Directors, engages in discussions based on the results of the responses to the questionnaire. The evaluation results and issues are then shared at subsequent Board of Directors meetings and to the Corporate Planning Division, which serves as its secretariat, leading to improvements that will enhance the effectiveness of the Board. (Survey period: December 23, 2024, to January 31, 2025)

Survey Items

- (1) System necessary for deliberations by the Board of Directors
- (2) Knowledge, experience and abilities of the members of the Board of Directors
- (3) Enhancement of corporate value
- (4) Risk management and internal control management
- (5) Ensuring appropriate information disclosure
- (6) Planning for the development of management executives

Overview of Evaluation Results

The results have confirmed that TOMY's Board of Directors has

established a structure that enables the approval of important management matters and supervision of business execution to be conducted properly, that TOMY has formulated and is managing the progress of its Medium- to Long-Term Management Strategy to enhance corporate value, and that active information disclosure is being carried out. Moreover, the results indicate that pre-briefing sessions for Board of Directors meetings have taken root, allowing appropriate time for deliberation and active exchange of opinions at Board of Directors meetings.

Although there have been improvements in terms of increasing the ratio of female executives and securing new management-level talent with the formulation of succession plans, the results suggest various action is still required, such as ensuring greater diversity among members of the Board of Directors, enhancing discussions concerning medium- to long-term management strategies (monitoring of new and overseas businesses, risk management including compliance and BCPs, and development and promotion of management executives including overseas Group companies), and thoroughly ensuring that the operation of meetings is well-structured.

TOMY will pursue initiatives aimed at ensuring further effectiveness of the Board of Directors while taking these issues into account.

Remuneration

Basic Policy on Remuneration for Directors

TOMY's basic policy on director compensation holds that compensation should be linked to business results and the enhancement of corporate value in the medium to long term, that the compensation system should be designed to share value with shareholders, that compensation levels should be determined by comprehensively taking the levels at other companies and other factors into account, and that compensation should be determined after a process that is objective and transparent to stakeholders. In addition, the Remuneration Committee deliberates over the amounts and details of individual compensation and reports to the Board of Directors for resolution. The Remuneration Committee is chaired by an outside director and comprises five members including the chairperson. Except for the inside director in charge of governance, all members of the committee are independent outside directors and outside Audit & Supervisory Board members. This structure has been adopted to ensure objectivity and transparency in the determination of officer compensation.

Remuneration Structure and Levels

The remuneration of executive directors excluding outside

directors is made up of fixed basic compensation, performance-linked compensation as officer bonuses and stock-based compensation as non-monetary remuneration. Regarding stock-based compensation, the stock-based compensation stock option system was eliminated by a resolution of the 70th Ordinary General Meeting of Shareholders held on June 23, 2021. At the same time, a performance-linked stock-based compensation system was introduced with the aim of raising directors' motivation to contribute to improved business performance and enhanced corporate value in the medium to long term by further clarifying the link between the directors' compensation and the Company's business performance and share price and having directors share the benefits and risks of share price fluctuations with shareholders.

The details of each element making up compensation are as follows.

1. Fixed compensation

For basic compensation, the amount is determined based on the position and responsibilities of the officer and paid as fixed monetary compensation monthly.

2. Performance-linked compensation

For officer bonuses, performance-linked compensation reflecting key performance indicators (KPIs) is paid as

monetary compensation to raise directors' motivation to improve business performance for each fiscal year. Profit attributable to owners of parent in the consolidated income statement for the fiscal year is multiplied by a certain rate, and a cash bonus is calculated depending on the level of achievement of consolidated ordinary profit. The bonus is paid at a certain time after the end of the fiscal year in question. KPIs, targets and results (each on a consolidated basis) related to officer bonuses for the fiscal year ended March 31, 2023, are as follows.

Business performance indicators	Year ended March 31, 2025	
	Targets	Results
Consolidated ordinary profit	¥19.5 billion	¥24.0 billion
Profit attributable to owners of parent	¥12.5 billion	¥16.3 billion

3. Stock-based compensation

From fiscal 2021, the TOMY Group introduced a performance-linked stock-based compensation system for directors (excluding outside directors and part-time directors). The purpose of the system is to increase directors' motivation to contribute to improved business results and enhanced

corporate value in the medium to long term by further clarifying the link between directors' compensation and the Company's business performance and share price and having directors share the benefits and risks of share price fluctuations with shareholders. Note that the performance-linked indicator used in the second applicable period of this system (the three-year period from the fiscal year ending March 31, 2025, to the fiscal year ending March 31, 2027) will be the consolidated return on equity set as a target in the medium-term management plan.

Outside directors are paid only basic compensation, from the perspective of their role and in the interests of independence. The compensation of Audit & Supervisory Board members comprises basic compensation only, from the perspective of emphasizing independence and objectivity regarding management, and the compensation amount of each Audit & Supervisory Board member is determined through discussions among the members. Compensation levels are set appropriately, informed by objective compensation market research data provided by outside professional organizations.

Total Amount of Compensation for Each Director Category, Type of Compensation and Number of Applicable Directors (in the fiscal year ended March 31, 2025)

Officer category	Total amount of remuneration (Millions of yen)	Total amount of remuneration (Millions of yen)					Number of eligible officers
		Fixed compensation	Performance-linked compensation		Non-performance linked compensation	Compensation listed on the left that is non-monetary compensation	
			Basic compensation	Officer bonuses	Performance-based stock compensation		
Directors (excluding outside directors)	422	153	195	73	–	73	5
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	18	18	–	–	–	–	1
Outside directors	44	44	–	–	–	–	5
Outside Audit & Supervisory Board members	20	20	–	–	–	–	3
Total	505	237	195	73	–	73	14

Decision-Making Authority Regarding Officer Compensation and Policies for Determining the Method of Its Calculation

The Remuneration Committee deliberates over the amounts and details of individual compensation and reports to the Board of Directors for resolution. The Remuneration Committee is chaired by an outside director and comprises five members including the chairperson. Except for the inside director in charge of governance, all members of the committee are independent outside directors and outside Audit & Supervisory Board members. This structure has been adopted to ensure objectivity and transparency in the determination of officer compensation. In fiscal 2024, the Remuneration Committee convened eight times. The main details of the Committee's deliberations are as follows.

Number of times	Date of committee meeting	Details of deliberations
1	April 2024	Deliberation over payment of FY2023 officers' bonuses Review of revisions to the system of remuneration for officers (remuneration levels, remuneration structure, design of short-term and long-term incentives)
2	May 2024	Deliberation over new system of remuneration for officers (remuneration levels, remuneration structure, design of short-term and long-term incentives)
3	June 2024	Deliberation over remuneration details for individual directors and retirement benefits for officers
4	February 2025	Review of revisions to the upper limit of total monetary compensation for directors and officer remuneration (including performance-linked bonuses) Review of revisions to the maximum amount of stock-based remuneration
5	March 2025	Review of the remuneration details for individual directors
6	March 2025	Deliberation over revisions to the upper limit of total monetary compensation for directors and officer remuneration (including performance-linked bonuses) Deliberation of revisions to amounts of remuneration for outside directors Deliberation over the maximum amount of stock-based remuneration
7	April 2025	Deliberation over payment of FY2024 officers' bonuses
8	April 2025	Deliberation over payment of FY2024 officers' bonuses

Dialogue with Shareholders and Investors

To promote an understanding and accurate valuation of the Group among shareholders and investors, TOMY discloses information in accordance with the Financial Instruments and Exchange Act and the Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities (the “Timely Disclosure Rules”) stipulated by the Tokyo Stock Exchange. Information falling under the timely disclosure regulations defined in the Financial Instruments and Exchange Act and the Timely Disclosure Rules, as

well as other material information, is promptly registered on the Timely Disclosure Network (TDnet) system provided by the Tokyo Stock Exchange. To ensure timeliness and fairness, information registered on TDnet is also disclosed on the TOMY website. In addition, shareholders are informed about the status of TOMY’s business, products, sustainability, CSR and other efforts through shareholder newsletters.

Risk Management

The following major risks could impact the operating results or financial position of the TOMY Group. The Group is striving to strengthen its risk management system, including risk avoidance and responses in the event of risk occurrence based on a recognition of the likelihood of each risk occurring.

— Particularly Material Risks —

1. Risks involving the impact on hit products
2. Risks involving product safety
3. Disaster-related and other similar risks

— Material Risks —

1. Variations in quarterly performance
2. Exchange rate fluctuation
3. Risks associated with overseas business development
4. Impact of changing raw material prices
5. Risks related to agreements with a material impact on management
6. Information leaks
7. Risks associated with valuation and impairment of intangible fixed assets

☞ Please refer to the official TOMY website below for details on each risk.
<https://www.takaratomy.co.jp/english/ir/risk/>

Risk Management

TOMY has developed a company-wide risk management system integrated with internal control. The system comprises the Risk/Compliance Committee and the department responsible for internal control.

The Risk/Compliance Committee is chaired by the Company’s representative director and is made up of outside directors and Audit & Supervisory Board members and was established to enhance and thoroughly implement the company’s compliance and risk management systems. The Committee deliberates key issues related to risks and compliance, with systems in place to report the results to the Board of Directors. In addition, the department responsible for internal control and the department responsible for internal audits, organizations that fall directly under the jurisdiction of the representative director, audit the compliance status of TOMY and the TOMY Group and report to the representative director and Audit & Supervisory Board as

needed. On compliance, risks and information management, we have developed related regulations common across the Group. At the same time, we have worked to foster a Group-wide awareness of compliance and establish a risk management system from a company-wide perspective, with the Risk/Compliance Committee and department responsible for internal control playing central roles.

In addition, TOMY has a system in place to promptly set up a Risk Management Task Force when an unforeseen situation occurs to take swift and appropriate action, minimize losses and damage, and institute recurrence prevention measures. In terms of product safety, we have established the Safety and Quality Assurance Group, which works to strengthen processes to provide high-quality products that offer peace of mind. We respond to social issues and corporate ethics matters related to sustainability primarily through the Sustainability Promotion Division.

Message from the Chairman

Strengthening our management foundation for new challenges by raising each employee’s awareness of compliance

In February 2024, the TOMY Group celebrated its 100th anniversary and began its journey toward the next century. As we take on bold new challenges in a new and different stage of our history, we recognize that failure is an unavoidable part of the process. For this reason, we must foster a culture where people are not afraid to make mistakes and take on bold challenges. We also need to build a resilient management foundation that can minimize the impact of any failures that might occur. Here, we have identified improving compliance awareness, strengthening governance, and enhancing risk management and internal control systems as key priorities.

Improving compliance awareness and strengthening governance are often viewed simply as “tightening the brakes.” As we are aiming for sustainable growth, however, we believe these elements must instead be advanced as an integral part of our growth strategy.

Compliance awareness means not only avoiding legal violations but also refraining from any inappropriate behavior. Each of us is expected to act according to our conscience—doing what feels right and avoiding what feels wrong. That straightforward mindset is what ultimately strengthens compliance. When an employee senses that something might be inappropriate, it is essential to stop and seek advice immediately. To foster an environment where such consultation is encouraged, we have appointed compliance leaders in each department for one-year terms and are strengthening our internal reporting system. By establishing a wide range of consultation channels, including internal systems, web-based platforms, and external law firms, we are helping raise awareness and strengthen compliance awareness in the field.

Governance is a vital framework for overseeing the proper management of the Company on behalf of shareholders. We view maintaining a strong governance structure as the foundation that supports the Group’s growth, as well as a means of instilling confidence in the capital markets and ultimately enhancing corporate value. As global expansion accelerates through regional growth, the importance of Group governance, both in



Kazuhiro Kojima
Representative Director, Chairman

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Japan and overseas, is becoming increasingly significant. Rather than leaving governance to others, each individual must understand laws, regulations, and social norms considering the characteristics of their region and take personal responsibility for acting accordingly. This is what truly strengthens governance.

In last year’s Integrated Report, I emphasized that fostering compliance and governance awareness among all officers and employees—and allowing that awareness to permeate the organization like a mesh—is essential to building a comprehensive compliance system and a robust governance framework. My view on this remains unchanged.

The Group will continue steadily strengthening compliance and governance as drivers of sustainable growth. We appreciate the ongoing support of all stakeholders in our ongoing initiatives.



Kazuhiro Kojima
Representative Director, Chairman



Akio Tomiyama
Representative Director, President & CEO



Hiroyuki Usami
Board Director, Executive Vice President



Goshiro Ito
Board Director, Senior Executive Officer & CFO



Mariko Mimura
Outside Director

Shinichi Tonomura
Outside Director

Miwako Iyoku
Outside Director

Reiko Yasue
Outside Director

Masato Arisawa
Outside Director



Hajime Matsuki
Audit & Supervisory
Board Member

Yuji Yamaguchi
Audit & Supervisory
Board Member (outside)

Michihiro Nishi
Audit & Supervisory
Board Member (outside)

Natsuyo Hara
Audit & Supervisory
Board Member (outside)










TOMY believes that incorporating diverse perspectives into management furthers sustainable business development and globalization, while also leading to appropriate oversight. For this reason, we appoint directors from among human resources with the broad expertise and experience needed to make management decisions, while considering the diversity and appropriate composition of top management.

Notice of Convocation of the General Meeting of Shareholders (Japanese only)
https://www.takaratomy.co.jp/ir/stock/call.html



Directors
https://www.takaratomy.co.jp/english/company/about.html



Position/Name	Number of Shares Held (shares)	Attendance at the Board of Directors Meetings	Reasons for Appointment	Significant Posts Concurrently Held	Expertise and Experience									
					Management & business strategy	Toy & entertainment business	Innovation & new business	Global business	IP brand business	DX	Finance & accounting	Law, compliance & corporate ethics	HR, labor & human resources development	ESG and sustainability
 Representative Director, Chairman Kazuhiro Kojima	152,238	16 out of 16 meetings (100%)	Based on his extensive experience as a domestic investment fund management and business manager at TOMY, Mr. Kojima has developed a consolidated management structure to improve corporate value, strengthened TOMY's financial base, and promoted our human resource strategy. We have determined that Mr. Kojima is able to drive overall management of the TOMY Group by drawing from his advanced expertise and experience, and have therefore appointed him as Representative Director and Chairman.	—	●	●	●	●			●	●		●
 Representative Director, President & CEO Akio Tomiyama	843,100	16 out of 16 meetings (100%)	Mr. Tomiyama has extensive experience as a manager of TOMY and its overseas subsidiaries and possesses global insight. He has built and implemented TOMY's corporate strategies globally and spearheaded improvements to corporate value. We have determined that Mr. Tomiyama's extensive experience, insight and ability to take action will enable him to drive the TOMY Group's overall management and enhance its corporate value, and have therefore appointed him as Representative Director, President and CEO.	—	●	●	●	●	●	●				●
 Board Director, Executive Vice President Hiroyuki Usami	28,445	16 out of 16 meetings (100%)	Mr. Usami has a wealth of experience as president and representative director of a TOMY subsidiary and possesses deep insight into the amusement and general merchandise industries. We have determined that Mr. Usami will be able to advance overall management of the TOMY Group by drawing from his extensive experience and insight, and have therefore appointed him as Board Director and Executive Vice President.	—	●	●	●	●	●					
 Board Director, Senior Executive Officer & CFO Goshiro Ito	4,576	12 out of 12 meetings (100%)	Mr. Ito has served as Chief Financial Officer (CFO) and Head of Corporate Administrations, and possesses experience and expertise, including in global matters. He has strengthened our financial base to enhance corporate value, advanced our human resource strategy and built a global governance structure. We have determined that Mr. Ito is able to drive overall management of the TOMY Group with his advanced knowledge and experience, and have therefore appointed him as Director and Managing Executive Officer.	—	●	●		●			●	●	●	●
 Board Director (Outside Director, Independent Officer) Mariko Mimura	0	16 out of 16 meetings (100%)	Ms. Mimura possesses a wealth of experience and knowledge as a lawyer and corporate manager. As she is expected to provide oversight and advice to further improve corporate governance, in particular, by leveraging this insight, she has been appointed as Outside Director.	Of Counsel, Nishimura & Asahi, Foreign Law Joint Enterprise / Outside Director, TANAKA Holdings Co., Ltd. / Outside Corporate Auditor, MICIN, Inc. / Outside Director, Member of the Audit and Supervisory Committee, Suntory Beverage & Food Limited / Director, Hamamatsu University School of Medicine	●			●				●		●
 Board Director (Outside Director, Independent Officer) Shinichi Tonomura	0	16 out of 16 meetings (100%)	Mr. Tonomura possesses a wide range of experience and knowledge concerning global corporate management and digital transformation gained through corporate planning and new business planning at manufacturers, and the operation of cross-border customer service and organizational management at Europe's largest management and IT consulting firm. As he is expected to leverage this insight to provide oversight and advice regarding important management decisions and business execution, he has been appointed as Outside Director.	Deputy CEO, Caggemini Asia Pacific / Representative Director and Chairperson, Caggemini Japan K.K. / Outside Director, DAINICHI CORPORATION / Outside Director, JOMON Associates, Inc.	●		●	●		●				
 Board Director (Outside Director, Independent Officer) Miwako Iyoku	369	16 out of 16 meetings (100%)	Ms. Iyoku has repeatedly launched new businesses as an intrapreneur and possesses proven expertise as a corporate manager of a Group company. As she is expected to leverage this insight to provide oversight and advice regarding important management decisions and business execution, she has been appointed as Outside Director.	Outside Director, GAKKEN HOLDINGS Co., Ltd. / Outside Director, Audit Committee Member, Bewith, Inc. / External Director, giftee Inc.	●	●	●			●				
 Board Director (Outside Director, Independent Officer) Reiko Yasue	727	16 out of 16 meetings (100%)	Ms. Yasue possesses diverse insight in the ICT sector from technology to business development, has extensive experience in international business and has demonstrated aptitude as a corporate manager of an IT systems company. As she is expected to leverage this insight to provide oversight and advice regarding important management decisions and business execution, she has been appointed as Outside Director.	Outside Director, Lion Corporation / Senior Officer, JSR Corporation / Outside Director, DENTSU SOKEN INC.	●		●	●		●				
 Board Director (Outside Director, Independent Officer) Masato Arisawa	0	Appointed in June 2025	Mr. Arisawa holds an MBA and possesses a wealth of experience and knowledge concerning global corporate management and human capital strategy across multiple sectors including precision machinery, non-life insurance and food & beverage production. As he is expected to leverage this insight to provide oversight and advice regarding important management decisions and business execution, he has been appointed as Outside Director.	Senior Executive Officer, CHRO, EVP, HR Division, ISUZU MOTORS LIMITED	●			●			●		●	

Notes: 1. For outside directors, up to four areas have been marked with a ● to indicate those where, out of all the directors' skills, they are expected to particularly utilize their wealth of experience and knowledge. The chart does not indicate all the knowledge and experience possessed by each outside director.
2. IP (intellectual property): In the entertainment industry, intellectual property rights are used to represent titles and characters.