

Integrated Report 2025 **Quality Asobi.**

TOMY Company, Ltd.

(For the year ended March 31, 2025)

101st

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Integrated Report 2025 Editorial Policy

The purpose of this report is to provide stakeholders with a deeper understanding of the TOMY Group's medium- to long-term value creation, encompassing both financial and non-financial perspectives. Through dialogue with stakeholders, we aim to further enhance corporate value and establish a positive cycle of co-creation. This report distills the key strategies that drive our ambition to become a Global Asobi Company and presents them within the framework of our value creation process.

The report's editorial approach is based on the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Collaborative Value Creation developed by Japan's Ministry of Economy, Trade and Industry.



Disclaimer

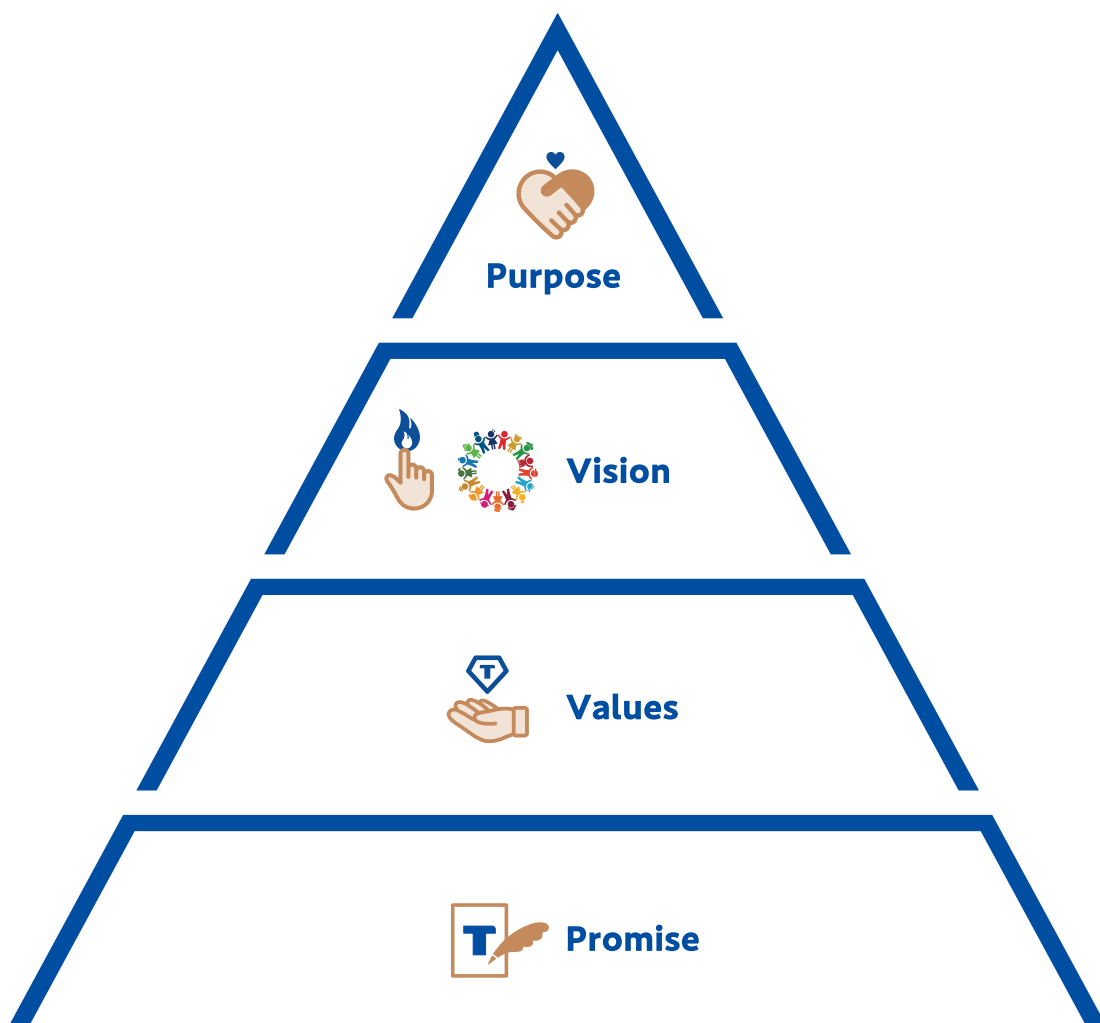
This report contains forward-looking statements including prospects, targets, plans and strategies. These are based on judgments and assumptions from the currently available information and do not guarantee or warrant any financial estimates or business development.

Cover Concept

In our 101st year, we step into the next century—spreading the light of Asobi across the sky.

ONE TOMY WAY

ONE TOMY WAY is a roadmap to
empower Group employees to take actions
as one based on guidelines,
and present a clear company vision and purpose.





Purpose

Quality Asobi can inspire and delight the world.



Vision 2030

Business Vision 2030

Becoming a globally adored Asobi powerhouse, known for its top-notch quality and boundless creativity.

Sustainability Vision 2030

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



ONE TOMY's Values

Eyes open
to a wide world

Creativity
with purpose

Embrace
the adventure

Relentlessly
pursue your
dreams



ONE TOMY's Promise

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

We will provide quality Asobi experiences.

We will observe our company policy, the rule of law and good common sense.

We will not tolerate anti-social behavior.

We will unleash our creativity by respecting our differences and communicating and collaborating with each other.

We will compete honestly and follow fair trade practices.

We will be a good corporate citizen toward society and the regions where we operate.

We will be considerate of resources and the natural environment.

TOMY Group History



AERO PLANE
BREGUET



B-29



JOHN DEERE*

1924 AERO PLANE BREGUET
1930 LOOPING PLANE
1935 AIR MAN
1937 TANK
1946 JOHN DEERE



Sky Ping-Pong



Plastic Train and Rail Set

1951 B-29
1953 Speedway Racer No. 3
1957 Bubble Blowing Elephant
1959 Sky Ping-Pong
Plastic Train and Rail Set



IICCA doll



The Game of Life

1960 Piggy Cook
Dakko-Chan
1964 Ohanashi Miko-Chan (Talking Miko)
1967 IICCA doll
1968 The Game of Life (Japanese Version)
Magic Skyrail
1969 Tumble Robot

TOMY'S FOCUS > Craftsmanship/ Wartime and postwar
INDUSTRY TREND > Metals and motors

TOMY'S FOCUS > Mass development and production/Economic growth
INDUSTRY TREND > Material revolution

1920

Founded Tomiyama Toy Seisakusho, the predecessor of today's TOMY

In 1924, Eiichiro Tomiyama founded Tomiyama Toy Seisakusho, the predecessor of today's TOMY Company, Ltd. The company manufactured numerous toy airplanes, establishing a reputation in the industry linking the Tomiyama name with toy airplanes. Later, the company expanded its business through one industry-leading initiative after another, including the establishment of the first factory in the toy industry with an assembly line system and the creation of a toy research department. Tomiyama also contributed greatly to the modernization of the toy industry through its determined efforts to improve the standing of toy manufacturers.

1950

Transferred from metal to plastic

After World War II, the company's B-29 Bomber friction toy became a major hit in and outside Japan, blazing the way for the export of large toys. In 1953, the company began its journey toward becoming a modern enterprise by incorporating, and in 1959 it established a sales subsidiary, which had been the founder's ardent wish since the founding. Around this time, waves of innovation in materials and technology rolled through the toy industry, ushering in a major turning point when metal was replaced with plastic and friction toys were succeeded by electric toys.

In 1955, Sato Vinyl Industries, a predecessor of TAKARA Co., Ltd., was founded.

1960

Early success in expanding overseas during the export boom

At a time when half of the toys it produced were exported, TOMY was quick to open representative offices in New York and Europe with the aim of making inroads directly. In Japan, the company established production bases, set up a development center—an unprecedented move in the industry—and took other steps to create a system uncompromisingly committed to good manufacturing.

TAKARA grew into a comprehensive toy manufacturer, propelled in its business expansion by hit products that made use of the company's vinyl processing technology.



Water Game



Pop Up Pirate



TOMICA

Koeda-Chan mini dolls
(Treena & Her Forest Friends)

Sensei

TOMIX Approved by East Japan
Railway Company

- 1970 TOMICA
G.I. Joe
- 1972 Henshin Cyborg
- 1974 Microman (Micronauts)
- 1975 Pop Up Pirate
Pocket Mate
Tuneyville Choo Choo
Kotetsu Jeeg
- 1976 Water Game
Amikko Knit Stitcher
Born Free
TOMIX
- 1977 Sensei
Koeda-Chan mini dolls
(Treena & Her Forest Friends)
- 1978 Black Racer



TRANSFORMERS



ZOIDS

Choro-Q
(Penny Racers)

GACHA*



Rock 'n' Flowers



Musican



BEYBLADE



LAMAZE*



Pokémon

- 1980 Choro-Q (Penny Racers)
Diaclone
- 1981 Pac-Man
UNO
- 1982 Japanese version Barbie
Tomy Tutor (Pyuta)
Orihime Weaving Machine/
Amuamu Knitting Machine
Mechabonica
Cotton Candy Maker
- 1983 ZOIDS
- 1984 TRANSFORMERS
Omnibot
- 1986 Jenny doll
- 1987 Palm Pets
Norakurokun Rock'n plush
- 1988 Rock 'n' Flowers
Mashin Hero Wataru character products
GACHA
Jenga
- 1989 Kentoshi Boxing Ring
Plush Goma-chan from Shonen Ashibe
Monopoly

- 1990 Musican
Dear Word Processor for children
Chibi Maruko-chan character products
- 1991 Healing Birds
- 1992 Thomas and Friends
Super Famicom software Legend of the
Hungry Wolf
- 1993 B-Daman
Pinkish
- 1994 Perfect Picture Maker
- 1995 Toshinden
LAMAZE
- 1996 Cella Sticker Machine
Lullaby Home Theater
- 1997 Pokémon (Toys)
BEAST WARS: TRANSFORMERS
- 1998 Polaroid Pocket Xiao
- 1999 Furby
BEYBLADE
Twister

[TOMY'S FOCUS] > Marketing/Growth of mass media
[INDUSTRY TREND] > Public information revolution

1970

Start-up of overseas production

After commissioning production in Hong Kong, TOMY opened its first factory in Singapore, making it one of the early companies to embark on overseas production. Masanari Tomiyama was appointed the second president and CEO in 1974, the company's 50th anniversary.

TOMY and TAKARA both released numerous long-selling products that remain popular to this day.

1980

Ongoing reform and expansion of sales channels

TOMY established the HT Laboratory in 1980 and popularized efforts in the industry to create barrier-free toys. In 1985, the Plaza Accord threw the company into a sudden management crisis, and drastic reforms were implemented, including the closure of factories in Japan. The following year, Kantaro Tomiyama was appointed the third president and CEO in a shakeup of the management structure.

TAKARA went public in 1984 and grew steadily, being listed on the Second Section of the Tokyo Stock Exchange in 1986. In 1988, the company switched from a focus on its core business of toys to diversified operations, rolling out products aimed at a wide range of fields.

1990

From "product out" to "market in"

TOMY prepared for regeneration with a new structure. With this, it announced a business diversification strategy focused on the three core areas of toys, general goods and multimedia products. It rolled out a stream of new measures, including entry into the character business and a business alliance with HASBRO, Inc., in the United States. In 1997, TOMY went public and in 1999 it was listed on the Second Section of the Tokyo Stock Exchange.

From the second half of the 1980s, TAKARA expanded its Hearty Series for enriching people's lives and released products based on TV characters that became hits. With this aggressive product expansion, the company was listed on the First Section of the Tokyo Stock Exchange in 1991.



DUEL MASTERS



Nohonzoku



Omnibot 17μ i-SOBOT



THE FIRST YEARS



Jinsei Ginko

- | | |
|--|--|
| 2000 e-kara
Nanchatte Phone
Aquaroid | 2005 Yumel
Video game software, NARUTO |
| 2001 Colorful Dakko-Chan
Bit Char-G
Sweet Bambini
DREAM FORCE 01 | 2006 Jinsei Ginko (Life Bank)
Aero Soaer
Akachan Kerotto Switch |
| 2002 Bowlingual
Nohonzoku
DUEL MASTERS
Micro Pet
Qi
Choco Q | 2007 Omnibot
17μ i-SOBOT
le-Soba
Home Soba Maker
Air Guitar
Pokémon Battrio |
| 2003 Meow-Lingual | 2008 Tomica Hero |
| 2004 Aero R/C
Yumemi Kobo
THE FIRST YEARS | 2009 Fresh Caramel Maker
Clockman |

TOMY'S FOCUS > Marketing/Growth of mass media
INDUSTRY TREND > Public information revolution



PRIPARA



ZOIDS WILD



OHaNAS



Licca Bijou Series



ANIA



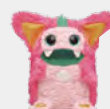
PRINTOSS
(KiiPix)



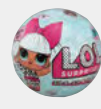
SHINKALION



SUMIKKO ATSUME



Rizmo



L.O.L. SURPRISE!



BATTROBORG 20



Mimicry Pet



HATCHIMALS
Umarete! Woomo

- | | |
|--|--|
| 2010 Pretty Rhythm
Furu Chara Sorbet Maker
Potech No Te | |
| 2011 Mimicry Pet | |
| 2012 Pokémon Tretta
BATTROBORG 20 | |
| 2013 ANIA | |
| 2014 PRIPARA
WIXOSS | |
| 2015 BEYBLADE BURST
Shinkansen Henkei Robo SHINKALION
OHaNAS
Linear Liner
Licca Stylish Doll collections | |
| 2016 Licca Bijou Series
Pokémon Ga-Olé
HATCHIMALS Umarete! Woomo | |
| 2017 TOMICA DRIVE HEAD
MIRACLE TUNES!
PRINTOSS (KiiPix) | |
| 2018 ZOIDS WILD
L.O.L. SURPRISE!
SUMIKKO ATSUME | |
| 2019 Rizmo
DUEL MASTERS PLAY'S | |

Linear Liner
Approved by JR Central



2000

Beginning of a new era in the toy industry

In 2000, its stock was transferred to the First Section of the Tokyo Stock Exchange. In pursuit of further growth, TOMY aimed for progress as a group, including the establishment of a development subsidiary and the founding of a new company for the planning and selling of stuffed toys and a company for utilizing new technology.

In 2000, TAKARA advocated expansion of the toy business and aggressively moved forward with the rollout of products and leveraged its planning and marketing prowess to continue offering a succession of popular products. In 2006, TAKARA and TOMY merged, becoming TOMY Company, Ltd. (known as TAKARATOMY in Japanese), with the aim of maximizing their respective strengths and becoming the world's top toy manufacturer.

2010

Toward tomorrow's hit products

Since 2010, TOMY has been accelerating its international expansion. It introduced an overseas version of TOMICA in Europe and North America. It began marketing METAL FIGHT BEYBLADE toys worldwide in conjunction with the introduction of a new TV anime. The toys are enjoying so much enthusiasm that an international competition was held in South Korea in the summer. In 2011, TOMY acquired U.S. toy manufacturer RC2 (the current TOMY International), establishing a platform for global expansion. The entire TOMY Group has started to move into action together, aiming to be a truly global toy company.

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Puni-runes

TOMICA Heroes Jobraver
Specially-equipped combined robotThe Game of Life for
Nintendo Switch™

Pokémon Frienda



Disney Lorcana Trading Card Game



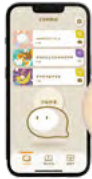
MIRACLE TUNES!



DUEL MASTERS PLAY'S



tomica+



coemo



BEYBLADE X



T-SPARK



SORA-Q Flagship Model



TOMICA PLARAIL BLOCK

- 2020 TOMICA EARTH GRANNER
- Pokémon MEZASTAR
- 2021 Shinkansen Henkei Robo SHINKALION Z
- Puni-runes
- 2022 TOMICA Heroes Jobraver
- Specially-equipped combined robot
- coemo
- 2023 The Game of Life for Nintendo Switch™
- 2024 Pokémon Frienda

- 2025 Disney Lorcana Trading Card Game
- tomica+
- T-SPARK
- TOMICA PLARAIL BLOCK

[TOMY'S FOCUS] > New technology/Analog toys with digital elements

[INDUSTRY TREND] > The personal revolution

WE WILL CREATE NEW VALUE FROM PLAY.

2020

2025

From "toys" to "asobi"

The TOMY Group shifted its focus from "toys" to "asobi," expanding its target age group to include the "kidults" segment. It also expanded its regional strategy to a global focus. TOMY introduced Japanese hit products, such as the tactile LCD care toy Puni-runes and BEYBLADE X, to drive its global expansion. Group companies, including TARTS and KIDDY LAND, also achieved growing success.

Toward a Global Asobi Company

To mark its 100th anniversary, in fiscal 2024, the Company revamped its management system with the launch of its Medium-to Long-Term Management Strategy 2030, setting ambitious goals of ¥300 billion in net sales and a 10% operating profit margin by the fiscal year ending March 31, 2030. The Company also clarified its significance in society by establishing a new Purpose, laying the foundation for future growth. Going forward, the Group will unite under ONE TOMY WAY to achieve this Purpose and become a beloved Global Asobi Company.

At a Glance



Net sales
(FY2024)

¥250.2 billion



Operating profit
(FY2024)

¥24.8 billion



ROE
(FY2024)

15.8%

Fiscal 2024 was a year in which the Company focused on expanding age groups and the regional axis in keeping with its Medium- to Long-Term Management Strategy 2030. We expanded our target age group to include the kidults segment, broadened our geographical reach globally and successfully captured inbound demand. These efforts by TOMY, T-ARTS and KIDDY LAND to expand business in Japan and Asia proved successful, resulting in record sales and profits for the fiscal year ended March 31, 2025, in a repeat performance of the previous fiscal year.

The TOMY Group owns more than 60 brands, including iconic names such as TOMICA, PLARAIL and LICCA dolls. These brands have successfully evolved with the times, appealing to many different age groups and regions while consistently delivering fresh excitement and joy to consumers as beloved, long-selling brands.



リカちゃん



プラレール



トミカ



Number of employees
(Consolidated)
(FY2024)

2,496

The TOMY Group has 2,496 employees worldwide. Innovative ideas that excite both children and adults come from a workplace that respects the individuality, skills and diverse values of its employees. We are committed to fostering an environment that supports employee growth and fulfillment, empowering them to achieve their full potential.



Overseas sales ratio
(FY2024)

34.9%



Subsidiary in Japan or overseas

(FY2024)



Japan

7



Overseas

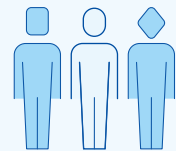
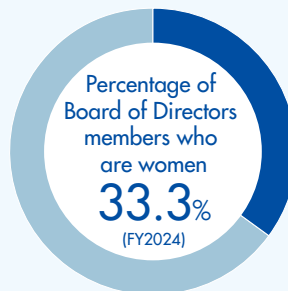
28

The TOMY Group operates a total of 35 subsidiaries worldwide. Seven are in Japan and 28 are overseas. With production bases in China*, Vietnam and Thailand, we supply a wide range of products to more than 130 countries and regions around the world.

Note: Including contract manufacturers

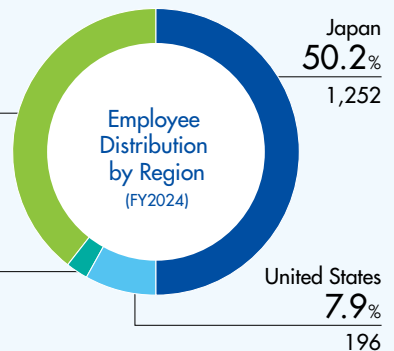
We aim to be a Global Asobi Company with product development, marketing and sales seamlessly integrated Group-wide by 2030. The TOMY Group promotes diversity, equity and inclusion (DEI), with a focus on empowering women. In fiscal 2024, 100% of TOMY's eligible female employees and 88.9% of TOMY's eligible male employees took childcare leave and returned from it.

In addition, employees from diverse backgrounds work at our domestic and overseas Group companies, creating new value based on this diversity. DEI Committee of TOMY International, which oversees our international business, includes members from North America, the United Kingdom and Europe. Together, they promote diversity from a global perspective.



Asia & Oceania
39.3%
982

Europe
2.6%
66



Pursuing “Quality Asobi” to drive transformation

Akio Tomiyama
Representative Director
President & CEO

富山 彰夫

Looking back on fiscal 2024

Fiscal 2024 was marked by numerous external uncertainties, including exchange rate fluctuations and geopolitical risks. Even so, we achieved record-high figures for both sales and profit, buoyed by favorable factors, such as growing demand from the kidult segment and inbound tourism. I feel we got off to a solid start in the first year of our Medium- to Long-Term Management Strategy 2030.

Under this strategy, we are targeting consolidated net sales of ¥300 billion and an operating margin of 10% for the fiscal year ending March 2030, with a focus on “expanding across regions and age groups.” As the TOMY Group has traditionally focused its business on children, some investors have questioned whether we can truly achieve “expansion across age groups.” However, TOMY Company’s TOMICA range has gained support from a wide range of people—not just car enthusiasts—through various collaborations with popular

characters. Likewise, T-ARTS Company enjoys a strong kidult fan base for its capsule toys (GACHA), as well as its plush toys, miscellaneous goods and amusement machines. In addition, our KIDDY LAND stores attract a large number of customers across wide-ranging age groups, including inbound tourists. Through initiatives that leverage the strengths of each Group company, I feel we are making good progress with respect to “expansion across age groups.” As for “expansion across regions,” we stepped up our global outreach more than ever before, showcasing BEYBLADE at Anime Expo® 2024 in Los Angeles and TOMICA at DIECAST EXPO 2024 in Malaysia and other locations. It was also a year when our executives and employees traveled abroad, experiencing local challenges firsthand and gaining valuable inspiration. This deepened their awareness of one of our core values: “Eyes Open to a Wide World.”



Embedding Our Purpose

Marking our 100th anniversary in February 2024, we took the opportunity to reaffirm our *raison d'être* in society and established a new Purpose: "Quality Asobi can inspire and delight the world." The "well-being" and "liveliness" that arise from play are fundamental needs of society, and we believe our ability to keep addressing such needs has allowed us to sustain our business over the years. We see this Purpose as our own interpretation and articulation of the reason the Group has continued for 100 years, and it expresses ideas that employees can readily relate to and embrace. For external audiences, it expresses our belief that the value we deliver will continue to be relevant across generations and that we will remain an indispensable presence in society for the next century as well.

In fiscal 2024, we held workshops and other forums to embed this Purpose throughout the Group. In

the workshops, we included sessions that encouraged participants to reflect on the meaning of the Purpose and on what "quality" means to each of them personally. When hearing the word "quality," many employees tended to think only of product quality, and in some departments, some people felt it didn't really relate to their own work. However, "Quality Asobi" refers to not only the quality of our products themselves but also the accumulation of "quality" at every phase of the Group's value chain. For instance, if we failed to provide proper customer support or lacked a solid governance framework, we would not be recognized as a company that brings "well-being" and "liveliness" to society. Over the past year, we have carefully explained this broader meaning of "quality" to each Group company and department, and I feel that understanding within the Group has advanced significantly as a result.

Challenges for future growth

One key challenge for our future growth is Japan's declining birth rate. The number of annual births in Japan has dropped by roughly 30% over the past decade—from more than one million in 2015 to just under 700,000 in 2024. On the other hand, Japan's toy market has grown by about 30%, from ¥800 billion to more than ¥1 trillion, driven by the expanding kidult segment. This surge in kidult demand is not limited to Japan but is spreading worldwide. In this environment, our path to growth lies in approaching new customers, including by expanding into the kidult market (expansion of age groups) and overseas markets (expansion of regions).

With respect to "expansion of age groups," the way we present and communicate the appeal of our products and services differs greatly between children and kidults, so we must learn and apply marketing approaches tailored to each age group. Moreover, products for the kidult segment can sometimes be priced in the tens of thousands of yen, requiring a level of "quality" that matches the higher price point. Therefore, it is important that we ensure a level of "quality" that, from the customer's perspective, feels truly worth purchasing.

On the other hand, the main challenge in "expansion of regions" lies in building strong local organizations overseas. While the Chinese market continues to grow,

our current activities there mainly focus on TOMICA and Pokémon, leaving considerable room for us to leverage the Group's brand assets. The same applies to the U.S. market. To establish Japan-originated brands in such markets, we need to build local organizations capable of operating independently. To achieve this, we must not only invest in human resources but also strengthen leadership with a global perspective that extends beyond Japan. At the same time, we must move with far more speed than before. Our competitive landscape is evolving not year by year, but from quarter to quarter—and sometimes even month to month. Therefore, it is crucial to make swift decisions on what actions to take and execute initiatives in line with our strategy.

Another immediate challenge is strengthening our quality control. Following an incident involving a product released in July 2025, we were forced to initiate a voluntary recall. Guided by the principle of "Quality Asobi," providing products that allow customers to enjoy themselves safely and with peace of mind is our greatest responsibility. Using this incident as a catalyst, we will rigorously strengthen our quality management, establishing a system to consistently deliver "quality" that satisfies our customers.

Strengths of the TOMY Group

In advancing our Medium- to Long-Term Management Strategy 2030, I believe the TOMY Group has two major strengths. The first is the presence of our long-selling brands. We have many brands that have been loved for decades, such as TOMICA, now in its 55th year, and LICCA dolls, which have been cherished for 58 years. These brands have been passed down not just from one generation but across two and three generations, thus strengthening the trust we have earned from our customers. In addition, long-loved brands generate positive ripple effects with respect to "expansion of regions." For example, the BEYBLADE anime series, now marking its 25th anniversary, has been broadcast in more than 40 countries and regions, enjoying global popularity. In this way, the presence of long-selling brands

that are supported by wide-ranging age groups—through lasting connections with customers across different regions and ongoing investment in brands over many years—is a key Group strength.

Our second strength lies in our "ability to bring ideas to life." Professionals in the digital design field often remark that TOMY's true appeal is its ability to actually make things—its power to materialize ideas. We often look with admiration toward digital spaces like the metaverse, but for designers working within those digital spaces, the ability to produce real, physical things appears to be what they find truly inspiring. In this age where digital is the mainstream, we will think deeply about how best to utilize our Group's "ability to bring ideas to life" and turn it into a future growth driver.

Promoting the well-being of children

As part of its ongoing commitment to sustainability, the Group has long focused on initiatives such as reducing CO₂ emissions, enhancing employee engagement and promoting diverse work styles. As part of our efforts to reduce CO₂ emissions, for example, we spent the past two years conducting research into using plastic mixed with cacao bean husks to produce PLARAIL trains, with the aim of reducing overall plastic usage. At the Tokyo Toy Show 2025 held in August 2025, we exhibited a prototype PLARAIL set made using this material. This was a hypothesis-testing initiative aimed at identifying potential issues. While we uncovered various challenges, such as cost and durability, we will continue our research into

alternative materials.

While we have undertaken various sustainability initiatives to date, UNICEF's report on children's well-being shows that Japan ranks quite low. This has led us to believe that we should address the social issue of "children's well-being" with the same seriousness as CO₂ reduction. The Group's sustainability vision is: "A creator of Quality Asobi that promotes the sustainable well-being of society." Among its themes, I pay particular attention to "children's well-being." With this in mind, we are currently examining how to connect the corporate value and social value we provide from the perspective of social impact.

Long-term enhancement of corporate value

With its 100th anniversary as a turning point, the Group has declared its Purpose and Medium- to Long-Term Management Strategy 2030 and is now in amid a major transformation. In fiscal 2025, we will shift gears to accelerate transformation—raising our momentum and, in a positive sense, breaking free from existing frameworks. Over the past year, our executives and employees have grown more confident in responding swiftly. I hope we will continue moving forward together, inspired by our Purpose and Values: "Eyes Open to a Wide World," "Creativity with Purpose," "Embrace the Adventure," and "Relentlessly Pursue Your Dreams." However, balancing "asobi" and "quality," as stated in our Purpose, is not without challenges. We must never let our focus on "asobi" come at the expense of "quality." We will continue striving to maintain a proper balance between the two as we work to "inspire and delight the world."

As a leader of the TOMY Group, I feel a strong sense of responsibility to drive transformation and realize sustainable growth and long-term enhancement of corporate value. At the same time, as a member of the founding family, I feel I can pursue transformation without hesitation, and I take pride in possessing both the drive and passion to make it happen. To achieve

growth as a truly global company, I will dedicate myself wholeheartedly to this endeavor—a commitment only I can make at this point in my career. I ask all of our stakeholders, including shareholders and other investors, for their continued understanding and support of the TOMY Group.

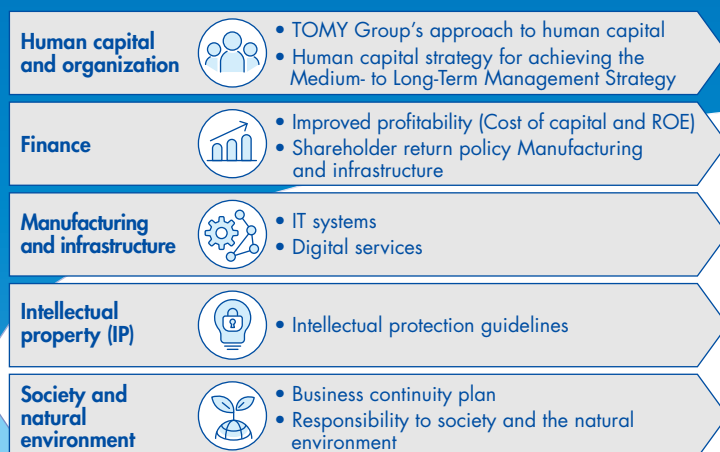


Purpose

Quality Asobi can inspire
and delight the world.

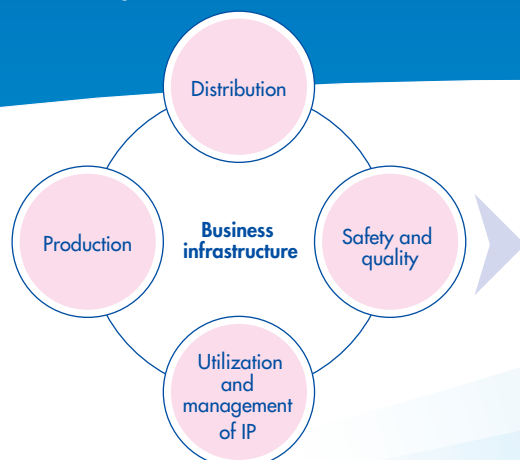
Corporate Strategies

Guidelines for creating and enhancing sources of value



Business Strategies

Methods for utilizing the key areas and strengths of the businesses



TOMY Group business activities

The Five Key Themes of Sustainability

Our passions

Through Asobi, contribute to a healthy society that has dreams

A workplace where employees can get absorbed in the work of creating Asobi that is noticed and loved all over the world

Materialities

① Contributing to an enriched society through Asobi

② Improving employees' well-being
③ Promoting employee growth

Business environment and issues

Aging population and declining birthrate in Japan

Diverse values

Vision

Business Vision 2030

Becoming a globally adored Asobi powerhouse, known for its top-notch quality and boundless creativity.

Sustainability Vision 2030

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

Creation of added value

Hit products in major countries and expansion in market share

Growth potential through attractive competitive strategies

Expansion of regional axis

Expansion of age groups

Large growth potential

Increase brand value

Non-toy revenue

Digital

Factors supporting growth

Our responsibilities

Ensuring high quality

Coexistence with the global environment

Sound management

④ Asobi that is safe, secure, and of high quality

⑤ Connecting with customers

⑥ Responding to climate change

⑦ Promoting eco-conscious package/product designs

⑧ Respecting human rights

⑨ Sustainable procurement

⑩ Governance supporting the creation of Asobi

⑪ Risk management supporting the creation of Asobi

Global expansion of the middle class

Political instability

Natural environment, etc.

Review of the Medium-Term Management Plan

Medium-Term Management Plan FY2018-2020

Results

Net sales	Operating profit	
¥141.2 billion	¥7.0 billion	
Operating profit margin	Return on equity(ROE)	Price-to-book ratio(PBR)
5.0 %	7.9 %	1.4 times

Basic Policy

Striving for a New Stage of Growth

Achievements

Businesses for grown-ups and elderly expanded

Business opportunities were identified in non-kids segments

- TOMICA Premium for adults sold well
- Although our target for the DUEL MASTERS PLAY'S app was not achieved, the app helped stabilize our revenue

The strategy for in-house original global brands was advanced

The "third pillar" has yet to be created, but we are sowing the seeds for future generations

- Bottleman, the next hobby project, was launched
- ZOIDS failed to achieve their target and struggled

Acknowledgement of the business environment

- Decline of the birth rate in Japan
- More adults buy toys

Medium-Term Management Plan FY2021-2023

Results

Net sales	Operating profit	
¥208.3 billion	¥18.8 billion	
Operating profit margin	Return on equity(ROE)	Price-to-book ratio(PBR)
9.0 %	10.5 %	2.5 times

Basic Policy

**Play will make the world better.
So TOMY will greatly respond
to the future global society
by creating play**

Ongoing challenges

- Continuing to improve ROI in the IP investment strategy
- Further strengthening foundations with the strengths of the digital game business as a starting point
- Further improving the profitability of existing brands from European and U.S. subsidiaries, and creating synergy with Fat Brain
- Continuing to build foundations in Asian markets
- Capturing the No. 1 position in the TCG category and solidifying our position in the hobby and pet toy categories

Acknowledgement of the business environment

- Rapidly declining birth rate in Japan
- Global increase in the "adults" demographic of adults who maintain a playful spirit

Achievements

Increased strategies for exits, ages and regions, with the “right goods in the right place” as key

Generating new sales by approaching a wide range of age groups

- Deploying the brand palette by leveraging the optimal combination of exits, age and region
- Improving Life Time Value through TOMICA, ZOIDS, Digital Arcade Game, App Games, etc.

Creation of hit products with Japan as the starting point

Create hit products and promote overseas expansion

- Create hit products originating from Japan through focused investment in strategic categories and collaboration with partner companies
- Promote expansion of Punirunes, an LCD care toy with a new texture, and BEYBLADE X, in Japan and overseas

Anticipating global growth with continued IP investment

Core brands × IP investment to expand business scale

- Expansion of standard products through animation series such as TOMICA Heroes Jobraver - Specially-equipped combined robot, Shinkansen Henkei Robo SHINKALION Z and Ania Kingdom

Launch of new businesses under the key concept of “play”

Accumulating extensive experience toward a new Medium-Term Management Plan

- Development of various products for a broader age range of customers
- LEV-2 (nickname SORA-Q) became the first Japanese robot to land on and photograph the lunar surface during the pinpoint landing mission of the SLIM (Smart Lander for Investigating Moon), which generated great interest

New value creation by utilizing DX in the value chain

Promotion of the use of the metaverse, provision of meticulous services, and utilization of AI

- Communication with fans through the official metaverse world BEYBLADE PARK
- Provision of services tailored to customer preferences through e-commerce, including TakaraTomy Mall
- Utilization of AI in daily operations and product development

Sustainability and CSR initiatives

Set medium-term sustainability targets and KPIs and implement activities

- Establishing task forces for themes requiring cross-sectional efforts, we executed and implemented initiatives and made new proposals
- Acquired Kurumin Certification (childcare support company)
- Acquired Eruboshi Certification (3 stars) (a company that does well at empowering women)

- Rapid promotion of DX due to IT advances
- Acceleration of the digital economy
- Changes to various values through ESG and the SDGs

Medium- to Long-Term Management Strategy 2030

Medium- to Long-Term Management Strategy FY2024-2030

— Targets (Year ended March 31, 2030) —

Net sales
¥300.0 billion

Operating profit
¥30.0 billion

Operating profit margin
10% target

Earnings per share (EPS)
Growth rate

Ongoing
10% or more

Return on equity (ROE)

Ongoing
11% or more

Equity ratio
Approx. 50%

Total payout ratio

Basically 50%

Price-to-book ratio (PBR)

3 times target

Basic Policy (purpose-oriented management)

Quality Asobi can inspire and delight the world.

Ongoing challenges

- Expansion of regional axis
Expanding through localization in North American and Chinese markets
- Expansion of age groups
Utilizing strengths for kids (long-standing IP, technical capabilities)
- Transition to management that is conscious of cost of capital
Achieving a balance between management efficiency and improvement of business value

Six Key Strategies

We seek to become a global Asobi company capable of independently handling the entire process from product development to marketing and sales in large overseas markets by 2030. For that purpose and in accordance with the Medium- to Long-Term Management Strategy, we will work to enter the North American and Chinese markets through localization and develop a global marketing function through the worldwide simultaneous rollout of products.



Strengthening the value chain

When implementing a series of business strategies, we use digital technologies and coordinate and more efficiently and closely strengthen value chains. This enables us to provide stable services and automate operations more speedily with lower expenses.

Corporate Strategy

We will take charge of management from the perspectives of finance, human resources, intellectual property, society and nature and pursue the expansion of our business and the qualitative improvement of the management of our business.

In terms of finance, we will improve our profitability (increasing ROE while remaining conscious of the cost of capital) and return profit to stockholders (by paying dividends and acquiring treasury shares) to maintain a sound financial condition and pursue the maximization of shareholder value.

Acknowledgement of the business environment

● Declining birth rate in Japan

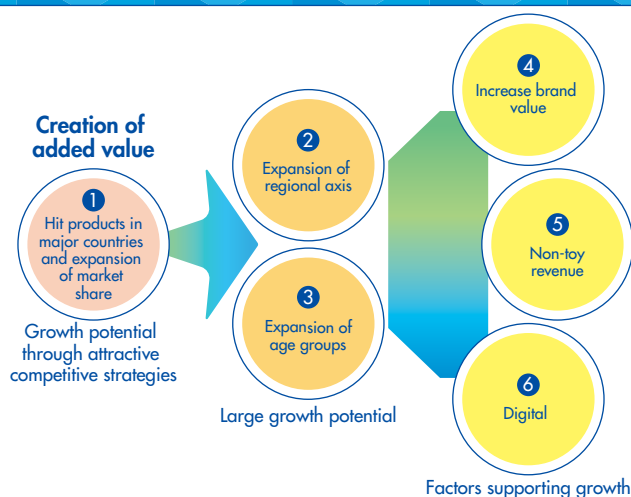
Focusing on expanding the regional axis and age groups. Accelerating expansion into growing overseas markets

● Progress in digital technologies

Promoting proactive initiatives adapted to technological evolution

● Increase in purchase prices due to yen depreciation

Reducing risk through efficient procurement strategies and forward exchange contracts



Development

- Researching eco-friendly materials and commercializing them
- Streamlining AI-based development processes

Supply chain

- Restructuring and streamlining distribution and production systems for reinforcing our competitiveness in the Asian and North American markets
- Building and operating a human rights due diligence system and a system for achieving sustainable procurement in cooperation with suppliers
- Regarding D2C, we will build a system that includes delivery to customers

Safety and security

- Increasing merchandise for kids and improving safety quality standards and systems to ensure competitiveness for global sales

Vision

Business Vision 2030

Becoming a globally adored Asobi powerhouse, known for its top-notch quality and boundless creativity.

Sustainability Vision 2030

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

Increase in corporate value

Human Resources Strategy

Intellectual Property Strategy

→P22 Corporate Strategy

→P34 Strengthening Intangible Assets | Human Capital

→P36 Strengthening Intangible Assets | Intellectual Capital

Regarding the Six Key Strategies

Growth potential through attractive competitive strategies

Large growth potential

Hit products in major countries and expansion in market share

Concept and efforts

Our strength lies in the creation of new hits in major countries including Japan. During the period of the previous Medium-Term Management Plan, we were committed to the creation of new value in asobi. Examples include BEYBLADEX, the fourth generation of the modern version of beigoma, a spinning top game; Punirunes, an LCD care toy with a new texture from TOMY Company, Ltd.; Pokemon-related businesses at T-ARTS; and the discovery of new characters at KIDDY LAND. With the Medium- to Long-Term Management Strategy 2030 announced in May 2024, we intend to expand further into North America and China as we expand into wider regions through the strengthening of supply chains. We will continue to strive to expand our global market share by maximizing our globally accepted brand palette (the "right people") and adapting products that are rolled out to the target age and market area (the "right place") on a brand basis.

Expansion of regional axis

Concept and efforts

The ways in which people have fun and their values have changed, and as a consequence kidults, or adults with a playful spirit, have begun to represent a certain segment of the market.

The Group owns diverse brands including TOMICA, PLARAIL and LICCA dolls, as well as BEYBLADE, TRANSFORMERS and ZOIDS.

We will fully utilize these IPs through in-house and partner brand portfolios and properly roll them out based on the target age groups, markets or regions for each brand, such as our expansion of character-linked plush toys and figures in North America. In addition, KIDDY LAND will continue to advance the expansion of our regional reach and target age groups as a trendsetting hub offering a wide range of character merchandise, as demonstrated by its strong popularity among foreign visitors to Japan.

We will leverage these diverse strengths of the Group to drive further growth.

Expansion of age groups

Factors supporting growth

Increase brand value

To expand into wider regions and age groups, it is necessary to have high brand value and fans who identify with that value. TOMY Planet, the next-generation toy & play park that launched in 2024, is designed to enhance brand value through “next-generation asobi” that extends the worldview of TOMY toys with the power of digital technologies. We will work to enhance the value of our brands, including TOMICA, PLARAIL and LICCA dolls, while building a fan community. We will also strive to enhance brand value by working with partner brands in addition to our own brands, combining them with the planning, development and commercialization technology capabilities of the TOMY Group.

Concept and efforts



Face-to-face event: Great Zoids Fair

Non-toy revenue

Today, we operate a licensing business that includes brands from TOMICA, PLARAIL, LICCA dolls and BEYBLADE. We are also focused on developing new services. Examples include the DUEL MASTERS PLAY'S card game app and the launch of long-time seller The Game of Life as software exclusively available on Nintendo Switch™. Furthermore, we organize many events such as the TOMICA Fair and the PLARAIL Fair to help increase non-toy revenue.

Concept and efforts



The Game of Life for Nintendo Switch™

Digital

We will advance the utilization of digital technologies in the implementation of these key strategies. We will utilize different types of infrastructure such as the digitalization of DUEL MASTERS PLAY'S and The Game of Life for Nintendo Switch™ on a smartphone or a game console and the expansion of e-commerce business including TakaraTomy Mall. We will also offer purchase opportunities by maximizing digital areas such as media, analytics and marketing automation to provide the right information to the right people at the right timing. With the use of digital tools such as language translation for raising operational productivity and increasing access to the world, we will expand the world of asobi more efficiently.

Concept and efforts





Building on record-high profits to strengthen our long-term growth foundation and deepen dialogue with the capital markets

Goshiro Ito

Board Director,
Senior Executive Officer & CFO

Looking back on fiscal 2024

In May 2024, we set the following targets for the fiscal year ending March 2030 under our Medium- to Long-Term Management Strategy 2030: net sales of ¥300 billion and operating margin of 10%. We also announced additional targets: a sustained EPS growth rate above 10%, ROE consistently above 11%, an equity ratio of around 50%, a total payout ratio of 50% in principle and a PBR of 3x.

In fiscal 2024, the first year of our Medium- to Long-Term Management Strategy 2030, our three core businesses—TOMY, T-ARTS and KIDDY LAND—performed strongly with results that far exceeded our initial expectations. Consolidated net sales reached a record high ¥250.2 billion, up 20.1% from ¥208.3 billion in fiscal 2023. The increase in revenue led to higher

gross profit, resulting in record highs for operating profit, ordinary profit and profit attributable to owners of parent.

The strong performance was driven by our “expansion of regions and age groups” strategy, which forms the pillar of our medium- to long-term management strategy. Behind this growth is the global acceptance of Japanese content and brands driven by the expansion of the kidult market, along with a significant rise in purchases by inbound tourists. When we first formulated the strategy, the global reach of Japanese culture was limited. In practice, however, our focus on “expansion of regions and age groups” has proved successful, and the results reflect how the market has surged and expanded faster than we expected.

Progress of the Medium- to Long-Term Management Strategy 2030



Stability backed by diverse revenue sources

I find it encouraging that our earnings structure is no longer dependent on a single hit product or piece of content. Our three core businesses—TOMY, T-ARTS and KIDDY LAND—have each become revenue drivers by leveraging their respective strengths, resulting in a more robust structure capable of generating higher profits than ever before. Conversely, compared with the period when annual net sales totaled around ¥160 billion—¥170 billion, our revenue has now grown to roughly 1.5 times that level—but the degree of risk associated with this expansion has not been contained to a mere 1.5-fold increase. The extent of our efforts to

strengthen defensive lines—such as preparing for further growth and enhancing infrastructure—has, if anything, increased not in simple proportion to sales growth, but actually doubling or even tripling in scale. Being responsible for overseeing the corporate divisions, my mission is to operate in a state of “constant transition,” accelerating our pace as we move toward the next goals. We must enhance our capabilities with respect to people, organizations and infrastructure, while improving our global business literacy, to keep pace with an evolving and expanding market environment.

Risks and opportunities

With a medium- to long-term perspective, the Group has consistently pursued a management strategy focused on “expansion of regions and age groups.” The greatest risk we face is the declining birth rate. In Japan, the number of annual births has continued to fall, from one million a decade ago to around 700,000 in 2024. Our former main market is undoubtedly shrinking, which we view as a significant risk.

However, it is also true that our “expansion of regions and age groups” strategy presents exciting new business opportunities that more than offset this challenge. Throughout the country, locations that have appeared in anime are drawing crowds of fans from around the world, becoming tourist destinations and revitalizing local economies. When I visited Japan Expo in France this year, I was struck by the sight of thousands of attendees dressed

as characters from Japanese anime—a vivid reminder that Japanese culture has evolved from subculture to mainstream culture. In this way, anime and other Japanese content possess a deep, long-accumulated intangible heritage and a powerful appeal that transcends nations and ethnicities. By combining this with the Group’s planning and development capabilities and IP assets, including TOMICA and LICCA, we are well positioned to ride this wave. We proudly tell the market and other external stakeholders that we are one of the few companies in the world capable of combining our planning and development expertise and proprietary IP assets with Japanese content to bring them to life through toys and other products. There remains vast potential for our “expansion of regions and age groups” strategy, and we are determined to turn this into a solid growth opportunity.

Cash allocation to strengthen our management foundation

We will continue working to increase the likelihood of achieving our targets for the fiscal year ending March 2030. Here, strengthening our management foundation is essential, and therefore we plan to invest several billion yen in infrastructure, including the development of a global IT system. Specifically, we will shift our profit-loss management framework from individual optimization to overall Group optimization, establishing a global system

that enables comprehensive evaluation of the entire supply chain—from procurement to final customer delivery. Through this initiative, we will review our product lines and regional portfolio to enhance corporate value from a long-term perspective.

Our cash allocation policy calls for a total payout ratio of approximately 50%, with half of profits returned to shareholders and the remainder directed toward growth-



oriented investments. While our business model does not require large-scale capital investments, we will proactively allocate management resources to areas that will drive us to the next growth stage—particularly along the regional axis. These include investments in talent, brand enhancement and promotion, and new store openings to further boost the strong performance of KIDDY LAND, as well as infrastructure like the aforementioned IT systems and initiatives leveraging AI to improve efficiency. This approach will not only help us achieve the goals of our

medium- to long-term management strategy but also lead to sustainable growth beyond it. In addition to investments for organic growth, we are exploring opportunities for M&As and alliances, including joint ventures overseas. A dedicated project team has been established within the Company, engaging external experts in discussions with the aim of executing M&A investments over the long term. In pursuing M&As, we place top priority on identifying suitable partners capable of delivering outcomes consistent with our strategy.

Shareholder returns and engagement

We regard returning profits to shareholders as a top management priority. By setting a total payout ratio target of around 50% as our benchmark and resolving at the 2025 General Meeting of Shareholders to abolish our takeover defense measures, we clearly communicated our “shareholder-first” approach.

I was particularly moved by the warm comments we received when we made the decision to end the takeover defense policy. These included messages from fans who expressed genuine trust in and support for our management, which filled me with joy. Likewise, the encouragement from our loyal shareholders has deepened my resolve to live up to their trust.

In April 2025, we invited shareholders selected by lottery to a special pre-opening preview of the new KIDDY LAND Shinjuku store. I feel this helped deepen shareholders’ understanding of the Group’s management.

We will continue enhancing engagement with our shareholders, both loyal fans and long-term investors, so that we can consistently meet their expectations.

We are also expanding our dialogue with the capital markets, both in quality and quantity. In the fiscal year ending March 2025, the number of meetings with institutional investors doubled. By increasing engagement opportunities with a broader range of investors, including through overseas, we have deepened their understanding of the Group’s growth potential and medium- to long-term management strategy. We will continue our dialogue with the capital markets to deepen discussions on management strategy and risk management, including resource allocation to ESG and human capital. By also providing high-quality information, we will help reduce our risk premium and cost of capital.

To our stakeholders

The TOMY Group possesses immense intangible assets accumulated over many years in Japan—a vast, invaluable legacy that has been touched and cherished by our customers. Moreover, Japan’s content industry still holds enormous potential, and opportunities for “expansion of regions and age groups” are particularly

attractive. As a member of a Japanese growth industry, we will continue transforming the vast intangible assets we have built over many years into tangible value while advancing our growth strategy. We sincerely ask for your continued support as we move forward.

Executive Roundtable: Expanding Across Regions and Age Groups



Toshihisa Kondo
T-ARTS Company, Ltd.
President & Representative
Director

Shui Jianfeng
TOMY (Shanghai) Ltd.
Director & General Manager

Hiroyuki Usami
TOMY Company, Ltd.
Board Director, Executive
Vice President

Takahiko Tsumura
KIDDY LAND CO., LTD.
President & Representative
Director

The TOMY Group has identified two growth strategies as pillars for achieving the numerical targets outlined in its Medium- to Long-Term Management Strategy 2030 announced in 2024: “Expansion of regional axis” and “Expansion of age groups.” In this section, management representatives of four Group companies—TOMY, T-ARTS, KIDDY LAND and TOMY (Shanghai)—discuss their individual initiatives for realizing the two strategies and their efforts to strengthen collaboration across the Group.



Could you tell us about the TOMY Group’s key strategies of “Expansion of regional axis” and “Expansion of age groups”?

Usami Although some predicted that the toy industry would continue shrinking alongside Japan’s declining birth rate, in reality it still holds significant growth potential. One growth driver is the rise of entertainment targeting so-called kidults—adults who have a playful mindset. Another factor is the strong global appeal of Japanese intellectual property (IP). This not only expands markets worldwide but also includes the inbound market of overseas visitors. Rather than facing headwinds, we see the current environment as a tailwind and an opportunity to grow our business.

In the Medium- to Long-Term Management Strategy 2030 announced in May 2024, we set the following targets for the fiscal year ending March 2030: Net sales of ¥300 billion and an operating margin of 10%. To achieve these targets, we are focusing on two main strategies as pillars of growth. The first is “Expansion of regional axis,” which means expanding our business footprint into such regions as China and elsewhere in Asia, as well as Europe, the United States and Australia. The second is “Expansion of age groups,” which means broadening our age segments by tailoring the development of individual brands to specific target age groups.



First, could you tell us about each company's initiatives for "Expansion of regional axis"?

Usami As part of our regional expansion initiatives, we signed a memorandum of understanding with SEGA Corporation and Mitsubishi Corporation to explore a joint venture in North America, aiming to build a business model that leverages the strengths of all three companies. SEGA has a strong presence in the prize market, with crane games rapidly expanding in North America, and owns popular IP that is evolving into media-mix content beyond gaming. Mitsubishi Corporation has strengths in overseas business development and an extensive network of local partners. By collaborating with these two companies, the TOMY Group—leveraging its GACHA business and diverse IP—began discussions on creating entertaining spaces that combine crane games and GACHA with merchandise sales. Together, we plan to open a test store in North America around the end of 2025. We expect this collaboration to become a powerful driver of the TOMY Group's North American expansion.

In addition, we have TOMY International in North America, where we have begun online sales of products for kids, such as T-SPARK and TOMICA LIMITED VINTAGE. We are also planning a test launch of LICCA dolls in collaboration with local distributors.

Kondo At T-ARTS, our regional expansion strategy focuses on North America as the highest priority area. In addition to the three-company project just mentioned, we are preparing for further growth in the region by partnering with various other companies. We also began test sales of GACHA in Australia in April 2025.

To date, we have focused primarily on the Japanese market, so our biggest challenge now is how quickly we can expand GACHA globally, particularly in North America, as well as China and across Asia and Australia. To this end, our strength lies in our ability to "curate" concepts using IP. Distributors in North America often tell us that, even when using the same characters, our products sell better than others. It seems that our unique Japanese sense in curation resonates well in North America. We believe this will serve as a major strength as we compete globally going forward. We also see strong sales of GACHA in areas of Japan with heavy inbound tourism. This indicates that GACHA, as a part of Japanese culture, has high potential to take root overseas.

Tsumura KIDDY LAND's business is grounded on specialty retail within Japan, so its approach differs somewhat from overseas expansion. Nevertheless, we are stepping up efforts to attract inbound customers. Among our outlets, the Shinsaibashi PARCO store in Osaka has the highest share of inbound sales, which account for roughly 80% of that store's revenue. The second highest is our Harajuku store in Tokyo at about 70%, followed by the Kyoto Shijo-Kawaramachi store at around 65%. All three stores, located in areas with large numbers of inbound tourists, are showing steady growth. Buoyed by this trend, we opened our Shinjuku store in April 2025. While the area sees many foreign tourists, inbound sales account for only around 50% of total store revenue. With this in mind, we are currently working to establish a cycle where inbound customers visit our store after obtaining information beforehand through social media and travel sites, and their reviews then attract subsequent customers.

Shui TOMY (Shanghai) operates a sales business in China centered on three lines: TOMICA, PLARAIL and Pokémon. Our business expansion symbolizes the TOMY Group's "Expansion of regional axis" strategy in China, a key region in Asia. To date, we have made steady progress with both market expansion and sales growth, primarily in urban areas like Shanghai and Beijing, with TOMICA in particular achieving growth for 10 consecutive years. TOMICA's strength lies in its high quality and reasonable pricing. Although China is vast and highly competitive with many local manufacturers, we are working with distributors to create sales spaces and host events while also using our official social media account to raise brand awareness. We have stepped up promotions in Shanghai and Beijing to build our brand power and plan to expand into Guangzhou and other major provincial capitals going forward.



Could you tell us about your respective companies' initiatives with respect to "Expansion of age groups"?

Usami

We are moving in two main directions with this strategy. First, we are working to broaden our customer base by leveraging the brand power of existing lines, such as TOMICA and PLARAIL. Here, our aim is to re-engage people who enjoyed these products in the past and bring them back as fans. Second, we are working to expand our core fan base by developing high-value-added brands and diversified product lines, such as TOMICA Premium and TOMIX, that cater specifically to fan communities.

Kondo

At T-ARTS the three pillars of our business are GACHA, plush toys and amusement machines. Among these, we have already rolled out GACHA and plush toys widely to the kidults segment, thereby expanding our target age groups, and we will continue strengthening these efforts.

Tsumura

At KIDDY LAND, we have been developing specialty stores targeting women in their 20s to early 30s for about 15 years. While this differs somewhat from the kidults segment, it shows that we have a long track record in targeting adults. Building on this trend, in November 2024 we opened the official shop of hololive production—one of the world's largest VTuber agencies—at Tokyo Character Street in Tokyo Station. This initiative targets men in their 20s and early 30s—a demographic that rarely visited our traditional specialty stores—and has resulted in 80% of our customers being male. We believe that leveraging this successful case study to develop specialty stores tailored to the target demographics of each character IP could lead to future "Expansion of age groups."

Shui

Currently, TOMICA accounts for more than 80% of TOMY (Shanghai)'s sales, and a notable trend is the rapid growth of the kidults segment as more and more adults buy our products. Of course, developing products for children is also important, so we are pursuing a brand strategy centered on TOMICA with a dual focus on children and kidults. In September 2024, we opened the first TOMICA brand store in Shanghai. This store targets families and children. For the kidults segment, we are developing TOMICA Kidult Select Stores, each about 30–40 m² in size, in major cities like Shanghai and Beijing. By further expanding this format, we plan to drive "Expansion of age groups."



Could you tell us about collaboration within the Group?

Kondo

With respect to our company's overseas expansion, we are working closely with the Europe, America and Australia Business Integration HQ, which was established in April 2025. With support from a team with extensive expertise in overseas business and strong execution capabilities, we have significantly accelerated the pace of our North American operations.

We are also working with TOMY (Shanghai) to introduce plush toys to the Chinese market for the first time.

Usami

The Europe, America and Australia Business Integration HQ was built from the ground up and includes members who had previously been responsible for North America, so we are now coordinating with T-ARTS, which until recently had been active only in Asia. We have also been engaged



in business negotiations and otherwise building strong connections locally.

Shui Regarding Pokémon, which is a focus area for TOMY (Shanghai), we have been test-marketing T-ARTS's Pokémon plush toys for the kidults segment since fiscal 2024. The results appear favorable, so we plan to continue expanding this initiative in collaboration with T-ARTS. We are also in negotiations regarding other plush toy products.

Tsumura At KIDDY LAND, we leverage the character IP and expertise of TOMY and T-ARTS to commission limited offerings, such as SNOOPY TOMICA and Miffy plush toys, which we then sell through our specialty stores. By continuing to collaborate within the TOMY Group to plan and develop products and then sell them through our specialty stores, we believe we can establish a cycle that leads to stable sales.

Kondo In fiscal 2024, TOMY announced its new Purpose: "Quality Asobi can inspire and delight the world." Rather than letting this purpose remain a slogan, we are actively working to embed it throughout the Group, and posters displaying our Purpose and related values can now be seen at our offices. When speaking with employees, I often hear the words of the Purpose come up, and I feel that everyone is gradually starting to move in the same direction. We expect this to serve as a powerful common language across the Group as we work together to implement our Medium- to Long-Term Management Strategy 2030.



Finally, could you share your outlook and thoughts on future growth driven by "Expansion of regional axis" and "Expansion of age groups"?

Usami Going forward, expansion of regions and age groups will be indispensable to the TOMY Group's growth strategy. The three companies gathered here today each have significant growth potential, and I believe they can play a central role in driving our future growth. That said, our focus is not limited to expansion of regions and age groups alone. In terms of regions, trading card games and BEYBLADE X toys are showing strong growth in Japan as well. And while the kidults segment is expanding, we have no intention of neglecting children, who remain a vital part of our business. During summer vacation, for example, families travel from afar so their children can attend events like TOMICA Expo and PLARAIL Expo. We believe that children, who will continue growing, are the ones we must cherish most.

Our starting point has always been delivering "dreams" to children. Even as we evolve from a toy company into an "Asobi company," our commitment to children remains unchanged. In that sense, our two strategies—"Expansion of regional axis" and "Expansion of age groups"—are fundamentally about "expansion" and do not deviate from our starting point. On this topic, we will not waver. With even greater speed, the TOMY Group will unite to achieve its targets of ¥300 billion in net sales and a 10% operating margin in the fiscal year ending March 2030. Beyond that, we will continue pursuing further growth.



Strengthening Intangible Assets | Brand Value

The TOMY Group's concept of "Quality Asobi" goes beyond the reliability and safety that have long underpinned the quality of our toys. Through the experience of "Asobi," which fosters dreams, hope, emotional connection, creativity, learning and growth, we strive to create moments and spaces where people can be truly engaged. By pursuing this "Quality Asobi," we aim to establish our raison d'être within society and ultimately enhance our brand value.

To help realize our Purpose and ensure it permeates throughout the Group, we are implementing various initiatives, such as displaying our philosophy framework (Purpose, Vision, Values and Promise) and holding executive roundtable discussions with the President. Through these efforts, we share management's perspectives and encourage employees to embody the Values that serve as individual guidelines for action.

Purpose
**Quality Asobi can inspire
and delight the world.**

Yoshikazu Abe

Managing Executive
Officer
Head of Business
Headquarters
TOMY Company, Ltd.



I was impressed by how the President broadened the concept of "quality" and incorporated it into the Company's philosophy. The new philosophy framework has been highly praised externally, and I feel that it embodies the strength needed to thrive in the coming era.

I feel great potential in the expression "Quality Asobi," because it is not confined to a single definition but allows us to pursue quality through a variety of approaches.

Kazuyuki Hori

Senior Executive
Officer
Head of Production
Strategy
TOMY Company, Ltd.



Mina Tanimura

Head of Sustainability
Promotion Division
Corporate
Administrations
TOMY Company, Ltd.



I feel we were able to create wonderful words that reflect not only the voices of our employees and President Tomiyama's vision but also the spirit and aspirations of our founder.

What does "Quality Asobi" mean to us?

I am gratified that, at this 100-year milestone, we were able to reaffirm our own Purpose and stand at a new starting point for creating the next generation of Asobi.

Keisuke Shiragami

Head of Production
Strategy Division
Production Strategy
TOMY Company, Ltd.



Masaru Yamaguchi

Head of Sales
Management Division
TOMY Company, Ltd.



I feel this carries a strong message about taking our first step toward the next 100 years. The future has become much clearer, and I now have a sharper sense of what we need to accomplish.

Toshihisa Kondo

President and
Representative Director
T-ARTS Company, Ltd.



It is important for management to first understand and empathize with our Values, and then consistently communicate them in words and actions to ensure they take root in the workplace.

I believe that shared values are the foundation of a company's strength and longevity, and that establishing a new Purpose and philosophy framework is essential to becoming a better organization.

Yoshimitsu Ogoshi

President and
Representative Director
TOMY MARKETING
COMPANY, LTD.



Masaomi Sato

President and
Representative Director
PENNY COMPANY,
LTD.



At Penny, "Quality Asobi" represents the very essence of our service quality. We are working to deepen understanding of this concept and pursue world-class quality that delights customers both in Japan and overseas.

By replacing the word "Asobi" in our Purpose with our own expression of "Kawaii" (cute), which reflects who we are as a company, we've created a sense of affinity that employees can more easily empathize with and understand.

Takahiko Tsumura

President and
Representative Director
KIDDY LAND CO.,
LTD.



Naohito Momiyama

President and
Representative Director
TOMY TEC CO., LTD.



I think it's wonderful that our Purpose is expressed in words that connect to global happiness and vibrant communication.

While working rigorously to embed our new philosophy into our company, I will stay focused on day-to-day operations to help achieve our medium- to long-term targets.

Hidemitsu Honda

President and
Representative Director
T-FIELDTEC Company,
Ltd.



Seiichiro Wasahara

President and
Representative Director
TOMY IBIS CO., LTD.



We will consistently meet the "quality" level expected of us, then pass the relay baton to the next department or Group company to realize "Quality Asobi." I want always to keep this relay in mind.

→ P2 | The TOMY Group Philosophies

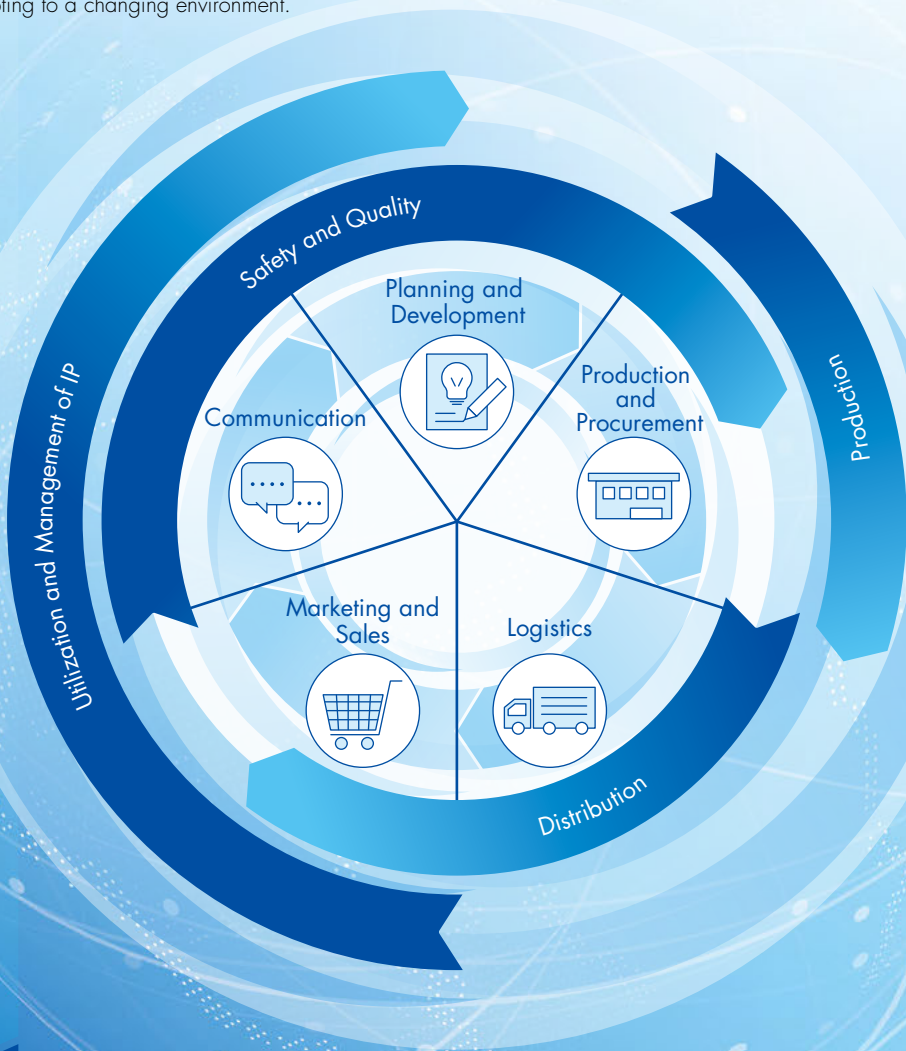
→ P34 | Strengthening Intangible Assets | Human Capital

→ P46 | Materiality 2 | Improving employees' well-being

→ P48 | Materiality 4 | Asobi that is safe, secure and high quality

Strengthening Intangible Assets | Strengthening the Value Chain

The TOMY Group continuously enhances its entire value chain, which is composed of Planning and Development, Production and Procurement, Logistics, Marketing and Sales, and Communication, thereby advancing its business activities on an ongoing basis. Through these efforts, we maximize the use of the Group’s capital and create new value while adapting to a changing environment.



Planning and Development

Main Capital

- | | |
|--|---|
| Human Capital/
Intellectual Capital | <ul style="list-style-type: none"> • Planning, development and technical capabilities for creative new products |
| Social and Relationship Capital | <ul style="list-style-type: none"> • Collaboration with external IP holders for animation, characters and other IPs |
| Intellectual Capital | <ul style="list-style-type: none"> • Research over many years and expertise in designing products loved across generations • Gathering feedback from customers across generations |

Initiatives to Enhance Capital

- | |
|---|
| <ul style="list-style-type: none"> • Streamlining through the use of AI in toy development |
| <ul style="list-style-type: none"> • Researching eco-friendly materials and expanding their use in products |
| <ul style="list-style-type: none"> • Developing new forms of asobi by promoting open innovation • Introduction of AI technologies |



Production and Procurement

Main Capital

Manufacturing Capital	<ul style="list-style-type: none"> • Production sites (9 countries)
Human Capital/Intellectual Capital	<ul style="list-style-type: none"> • Dedicated personnel who implement quality control/production control
Social and Relationship Capital	<ul style="list-style-type: none"> • Collaborative relationships with Japanese and overseas suppliers and manufacturers
Intellectual Capital	<ul style="list-style-type: none"> • Accumulation of production technologies
Natural Capital	<ul style="list-style-type: none"> • Use of environmentally friendly materials

Initiatives to Enhance Capital

- Establishment of a stable supply system in Asia
- Safety and quality education and awareness-raising programs for all Group employees in Japan and overseas
- Strengthening of management systems aimed at compliance with the TOMY Group Responsible Procurement Guidelines
- Strengthening of technological capabilities to phase in digital design practices (DX)
- Building and operating a system for achieving sustainable procurement



Distribution

Main Capital

Intellectual Capital	<ul style="list-style-type: none"> • Flexible and streamlined logistics systems tailored to customer needs
Social and Relationship Capital	<ul style="list-style-type: none"> • Collaborative relationships with logistics, warehousing and delivery providers in Japan and overseas
Natural Capital	<ul style="list-style-type: none"> • Utilization of packaging and transportation methods that reduce the impact on the environment

Initiatives to Enhance Capital

- Restructuring and streamlining systems in the Asian and North American markets
- Further streamlining of logistics through joint delivery and other innovations



Marketing and Sales

Main Capital

Human Capital	<ul style="list-style-type: none"> • Human capital catering to global customer needs
Social and Relationship Capital	<ul style="list-style-type: none"> • Sales promotion systems with retail chains, e-commerce companies and mass merchandisers • Ties with fan communities
Intellectual Capital	<ul style="list-style-type: none"> • Expertise in the use of social media and digital marketing

Initiatives to Enhance Capital

- Accurately understanding the needs of local communities and diverse age groups
- Strengthening coordination with planning and development
- Reallocating human capital globally
- Developing new sales channels that contribute to customer convenience
- Expanding forays into digital domains
- Promoting efforts to build fan communities, including face-to-face events
- Building a data-driven operating structure



Communication

Main Capital

Intellectual Capital	<ul style="list-style-type: none"> • Accumulating voice of customers (VOC) feedback from a variety of platforms, and managing that data for visualization
Social and Relationship Capital	<ul style="list-style-type: none"> • Relationships of trust with shareholders, investors and financial institutions • Collaborative creation initiatives with local communities and educational institutions • Next-generation education support

Initiatives to Enhance Capital

- Strengthening of mechanisms enabling collected VOC feedback to be utilized in the planning and development of products and service
- Strengthening of information management systems
- Disseminating information and providing opportunities to build ongoing relationships with customers
- Efforts to address social challenges

The Vision of the Human Capital Strategy

TOMY Company's human capital strategy is integral to its corporate strategy, which serves as the foundation for the Medium- to Long-Term Management Strategy 2030. The vision of the human capital strategy is to create an environment where employees can become absorbed in creating "asobi," fostering an organization that can achieve self-driven, sustainable growth. In 2024, we revised our personnel system to foster each employee's development and work fulfillment and enable them to perform at their best.

The human capital of the domestic and overseas Group companies involved in creating asobi is essential to the Company. We will strive to enhance the well-being of our employees and strengthen our organizational culture to achieve sustainable growth as a company based on our Purpose, Vision, Values, and Promise.

Initiatives under the Medium-Term Human Capital Strategy for FY2024 to FY2026

Developing human resources to fulfill our Purpose, Vision, Values and Promise

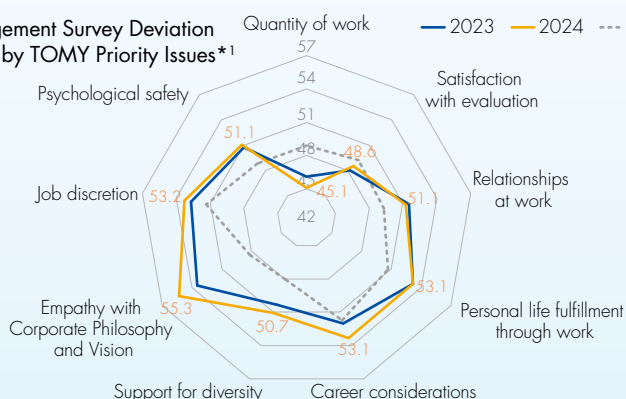
The TOMY Group will support employee development by encouraging each employee to consider their own career, aim to enhance their skills and abilities, and explore new possibilities in line with the vision of the human capital strategy. We are working to reform our career plans and evaluation and compensation systems, allowing a diverse workforce to work with a sense of fulfillment, maximize personal growth, and help fulfill our Purpose, Vision, Values, and Promise.

As one such initiative, each year we conduct an engagement survey to visualize employee work engagement (voluntary actions and positive feelings toward work). This helps us identify the TOMY Group's strengths and where challenges lie in motivating personnel. In fiscal 2024,

TOMY's work engagement deviation value was 55.5, maintaining a high level that exceeds the industry average. Items that fall under "Empathy with Corporate Philosophy and Vision," which provide a benchmark for the penetration of our Purpose, Vision, Values and Promise, increased 1.9 points from the previous year.

Ongoing improvement in the employee work engagement deviation value also helps "improving employees' well-being," one of the material issues identified to realize our Sustainability Vision 2030. To address the issues identified from the engagement results, we will promote improvements through feedback provided to each department and work to continually advance employees' well-being.

Engagement Survey Deviation Value by TOMY Priority Issues*1



Work engagement (deviation value)*3

Fiscal 2023 54.9 → Fiscal 2024 55.5

*1 We conduct engagement surveys through a third party (Advantage Risk Management Co., Ltd.) and present the results in terms of deviation scores against Advantage Risk Management's entire customer base. The above results are the non-consolidated survey results for TOMY.

*2 Refers to the industry average deviation calculated by Advantage Risk Management from December 2023 to November 2024.

*3 Work engagement is an indicator of "enthusiasm and attitude toward work." This includes "voluntary actions" and "positive feeling."

Considering the FY2024 Results

Quantity of work	We conducted interviews with departments deemed to have high workloads in fiscal 2024. Organizational revitalization training and training for managers ranked section chief and up are under way.
Satisfaction with evaluation	We plan to make partial revisions to the evaluation system that was changed in fiscal 2024 and conduct training to strengthen the operational capabilities of those conducting evaluations.
Relationships at work	We plan to conduct individual information gathering sessions with departments that have experienced challenges to identify communication issues and formulate improvement measures.
Support for diversity	Efforts are under way to improve operational issues with the wide range of work styles and systems for balancing work and family life we have introduced to date, along with measures to raise awareness of these systems.

Values Awards

Since fiscal 2024, we have been operating the Values Awards. These are designed to commend individuals who have best embodied the TOMY Group's "Values," which are necessary for realizing the TOMY Group's vision and serve as the guidelines for how each employee should act. These employees are recognized as Values MVPs and Values Contribution Award recipients. Presenting the award recipients as role models is expected to produce a range of positive effects, such as helping instill our philosophies, encouraging the development of human resources who will embody the Values, enhancing employees' career outlook, advancing self-actualization, and reinvigorating organizations.



ONE TOMY's Values



Global Human Resource Development

We have introduced an overseas site training program from the perspective of global human resource development. We will target positions and locations related to development technologies, production control, and safety and quality, then gradually expand it to other functions.

Overseas Trainees Program assignees



Riho Takahashi
Intellectual Property Admin.
Team, Intellectual Property
Group, TOMY

As an overseas trainee, I had the valuable opportunity to spend time reexamining the TOMY Group's business and what I want to achieve within the Group, and to broaden my perspective. I spent time working with local employees in an environment that differs from my regular one and was inspired in many ways.

I hope that through these efforts, asobi in the TOMY Group can reach and be loved by even more people. I will continue to value the relationships forged through training and hope to serve as a bridge that connects both sides in these opportunities for collaboration.



Minano Omori
R&D Team, Pokémon
Business Group, TOMY

I gained an understanding of the local environment and the process up to shipping, and learned the importance of considering the balance between quality, cost and delivery. Through the training, I was able to learn things I never would have through my regular work, and it gave me more confidence. Sharing meals with the local personnel was also a valuable experience to deepen exchanges.

Through my experience as a trainee, going forward I hope to contribute to the development of high-quality toys that put smiles on the faces of children and adults alike by clearly communicating important points and priorities during mass production to local personnel, coordinating with production technology and quality control departments from the planning and development stages, and working with them to address potential issues.

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

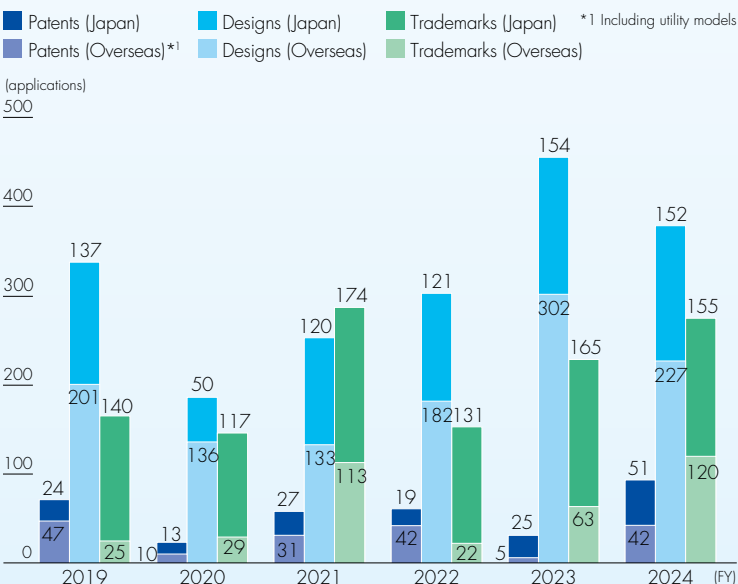
For protection, we proactively file applications to register inventions and other innovations related to asobi IP as patent and design rights, and brands related to asobi IP as trademark rights.

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

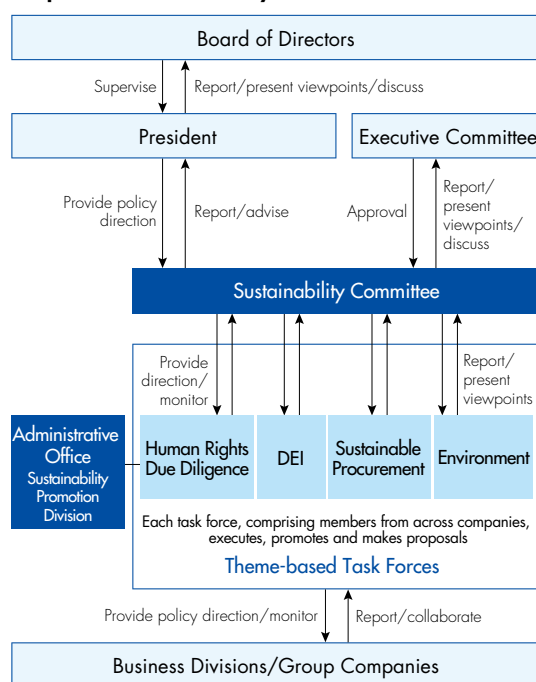
In July 2024, the TOMY Group established the Sustainability Committee as an advisory body to the president to address sustainability issues with the intent of more actively promoting sustainability management.

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.

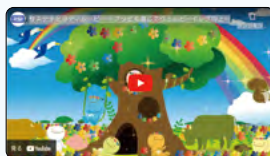
We are committed to creating environments where our employees can passionately devote themselves to providing Quality Asobi.

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>



TOMY Group Sustainability Ambassador
Nohonzoku Peaceful White

 The Process of Identifying New Materialities
<https://www.takaratomy.co.jp/english/company/csr/materiality/>



Pillars	Materiality	Risks	Opportunities
Our passions	<p>Contributing to the creation of a sound society with dreams through Asobi</p> <p>1</p> <p>Contributing to an enriched society through Asobi</p>	<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
	<p>Providing workplaces facilitating a passion for work that produces Asobi garnering global attention and love</p> <p>2</p> <p>Improving employees' well-being</p>	<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
	<p>3</p> <p>Promoting employee growth</p>		<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



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

Medium-term Sustainability Targets/KPIs (FY2024–2026)	FY2024 Achievement Rate	Comments on FY2024 Achievement Rate
<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
<ul style="list-style-type: none"> Continual upswing in the employee work engagement score (positive feelings/voluntary action toward work) 	◎	<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)
<ul style="list-style-type: none"> 30% female manager ratio within the Group through a fair personnel evaluation system 	○	<ul style="list-style-type: none"> 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
<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 <p>*Training programs on formulating business strategies, finance, marketing, branding, DX marketing, organizational vitality, management, etc. that boost skills for executing management strategies</p>	◎	<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
<ul style="list-style-type: none"> 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"> 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

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

Pillars		Materiality	Risks	Opportunities
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
		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
	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
		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
	Sound management	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
		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
		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
		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

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

Medium-term Sustainability Targets/KPIs (FY2024–2026)	FY2024 Achievement Rate	Comments on FY2024 Achievement Rate
<ul style="list-style-type: none"> Promote product safety/chemical substance management system 	◎	<ul style="list-style-type: none"> Created the TOMY Group Product Restricted Substance List Started operation of a chemical substance management system
<ul style="list-style-type: none"> Bolster voice of customer (VOC) activities (Share customer comments with management/relevant divisions and utilize them to improve the quality of products/services) 	◎	<ul style="list-style-type: none"> Expanded and enhanced analysis reports from the Customer Service Department to promote Voice of Customer (VOC) activities
<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 	◎	<ul style="list-style-type: none"> 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
<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 	◎	<ul style="list-style-type: none"> Expanded the product lineup using forest certified paper for packaging, including for TOMICA, PLARAIL, and LICCA T-ARTS developed new, environmentally friendly, lightweight capsules
<ul style="list-style-type: none"> Construct and implement a human rights due diligence system 	◎	<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
<ul style="list-style-type: none"> Collaborate with suppliers to build and implement a system achieving sustainable procurement (conduct SAQs, audits, and briefings) 	◎	<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)
<ul style="list-style-type: none"> Expand and publicize the internal whistleblower system 	▲	<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
<ul style="list-style-type: none"> 100% participation rate for compliance training/planning 	▲	<ul style="list-style-type: none"> 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”

Interview on Initiatives for Medium-Term Sustainability Targets/KPIs

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.

	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.



DEI
Diversity,
Equity & Inclusion



Group work in the Purposes Workshop

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.

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



TOPIC

Environmental Task Force (Eco-Design)	Materialities	Medium-Term Sustainability Targets/KPIs (FY2024–FY2026)
	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



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.

©1968,2025 Hasbro. All Rights Reserved.



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



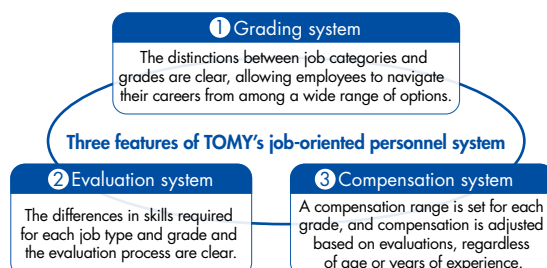
Promoting employee growth

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.

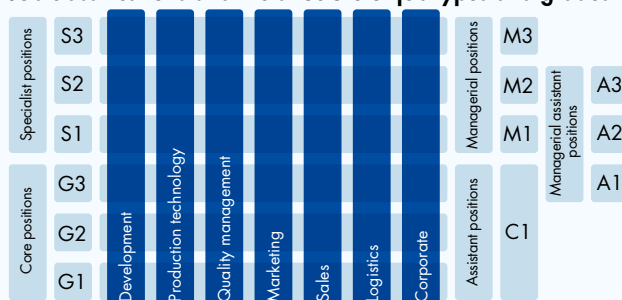


Grading system

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

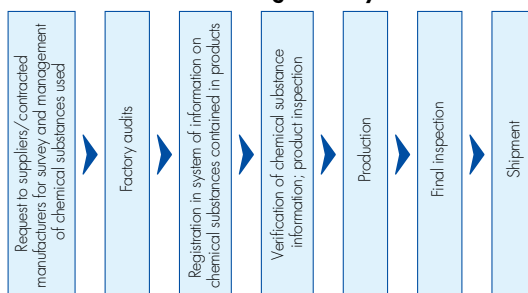
Promoting Chemical Substance Management

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

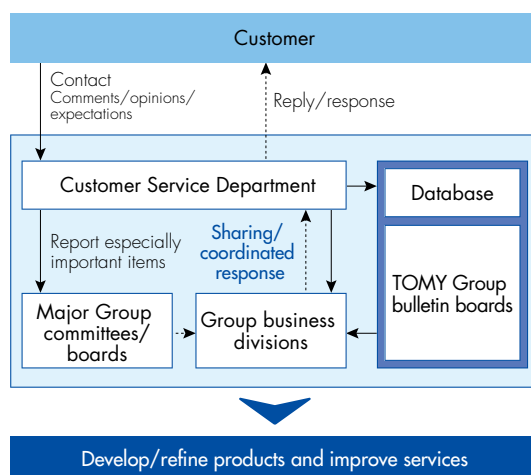
The TOMY Group Customer Service Department responds to customer inquiries by phone, e-mail or Web chat. All opinions offered by customers are recorded in a database as instructive, prized information and are shared on bulletin boards that employees can access. Customer opinions are also fed back to relevant 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)

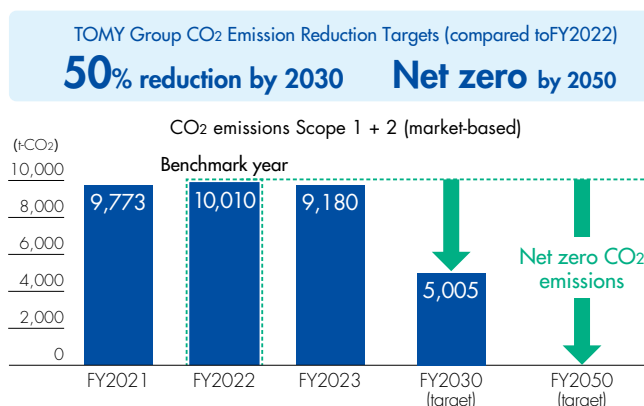
The TOMY Group has identified the following risks and opportunities arising from climate change and its various associated impacts.

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 1 m³

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

ECO Mark

Ahead of other companies in the industry, TOMY was the first to obtain the ECO Mark for a toy. The ECO Mark is applied to products certified by the Japan Environmental Association ECO Mark Office as benefiting environmental conservation. The mark is designed to make it easier for customers who wish to live in eco-friendly ways to choose products.

Saving resources

Blending recycled materials into our products



Eco Straight Rail

50% blend



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



Screen (drawing surface) can be replaced

Oekaki Sensei

Designed to grow with the child

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 

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

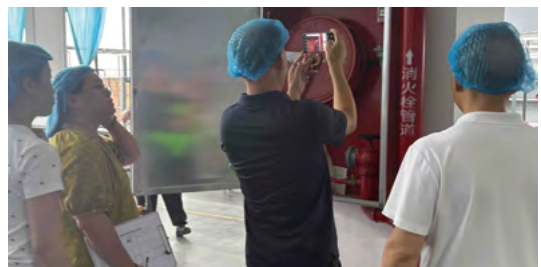
The TOMY Hong Kong Group is engaged in development, technical support, and quality and production management related to the manufacturing of products destined for Asia (including Japan), Europe and the Americas.

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


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

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.

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

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.

WE SUPPORT



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

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

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

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.



Japan ex-REIT Gender Diversity
Tilt Index

TOP CONSTITUENT 2025

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 IndexSM ("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
 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
 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
 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
 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)
 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)

Main Outcomes/Outputs	Toward Enhanced Value Co-Creation
<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
<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
<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
<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
<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

A Dialogue between Outside Directors: Corporate Governance



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.



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.



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.



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

A Dialogue between Outside Directors: Corporate Governance

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.



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.

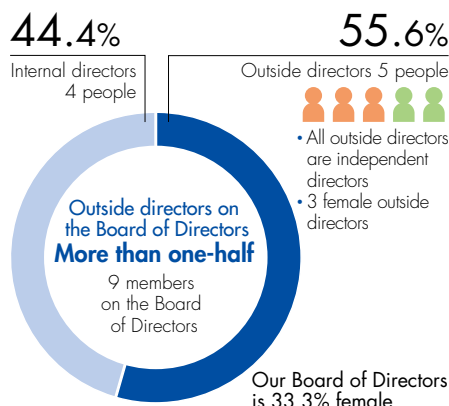
All outside directors are independent directors.

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.

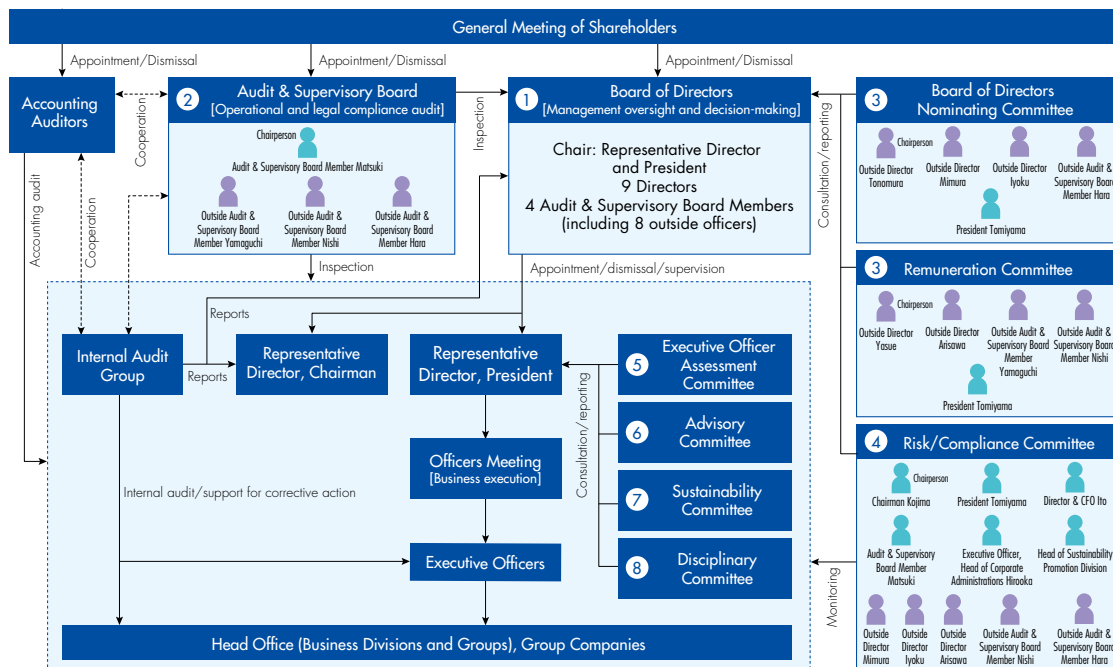
3 Group company management and support framework for outside directors and Audit & Supervisory Board members

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	Stock options		
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.

Management | Directors / Audit & Supervisory Board Members

(as of June 26, 2025)



Kazuhiro Kojima
Representative Director, Chairman



Akio Tomiyama
Representative Director, President & CEO



Mariko Mimura
Outside Director

Shinichi Tonomura
Outside Director

Miwako Iyoku
Outside Director

Reiko Yasue
Outside Director

Masato Arisawa
Outside Director



Hiroyuki Usami

Board Director, Executive Vice President



Goshiro Ito

Board Director, Senior Executive Officer & CFO



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)

Management | Director Skills and Reasons for Appointment (as of June 26, 2025)

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.

Position/Name			Number of Shares Held (shares)	Attendance at the Board of Directors Meetings	Reasons for Appointment
	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.
	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.
	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.
	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.
	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.

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>



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
—	●	●	●	●			●	●		●
—	●	●	●	●	●	●				●
—	●	●	●	●	●					
—	●	●		●			●	●	●	●
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	●			●				●		●
Deputy CEO, Caggemini Asia Pacific / Representative Director and Chairperson, Caggemini Japan K.K. / Outside Director, DAINICHI CORPORATION / Outside Director, JOMON Associates, Inc.	●		●	●		●				
Outside Director, GAKKEN HOLDINGS Co., Ltd. / Outside Director, Audit Committee Member, Bewith, Inc. / External Director, giftee Inc.	●	●	●			●				
Outside Director, Lion Corporation / Senior Officer, JSR Corporation / Outside Director, DENTSU SOKEN INC.	●		●	●		●				
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.

Review of Fiscal 2024 (the fiscal year ended March 31, 2025)

Toy Market

The size of the Japanese toy market in fiscal 2024 was ¥1.992 trillion on a suggested retail price basis, setting a record high for the second straight year. The biggest factor behind this progress was further expansion of the card game and trading card markets, driving increased demand across a wide range of genres from character-related goods to

general merchandise. The kidults demographic and growth in inbound demand were also factors driving up the overall market, and these results demonstrate that there continues to be room for growth in the toy market despite the declining birth rate becoming increasingly evident.

(Source: Japan Toy Association website)

Performance Highlights

Looking at the business environment surrounding the TOMY Group, the situation is trending toward a modest recovery thanks to the improvements in the employment and income environment, as well as to factors such as an increase in inbound demand. Meanwhile, overseas, the situation remained unpredictable, mainly due to the impact of concerns of a downturn in economies, rising prices, and fluctuations in the financial and capital markets.

Under these conditions, the Company has focused on expanding age groups and the regional axis as major growth drivers in keeping with its Medium- to Long-Term Management Strategy 2030.

In terms of expanding age groups, measures aimed at kidults have contributed to performance. With the TOMICA brand of die-cast miniature cars, we expanded the fan base to adults as well as children with the rollout of new offerings such as the TOMICA Premium line of high-detail models. In addition, we expanded the rollout of the T-SPARK hobby label aimed at older customers, while also broadening the fan base for BEYBLADE X through cross-media development aimed at a wide range of age groups and the hosting of tournaments and other events without age restrictions. In the trading card game segment, we worked to further develop the customer base with the start of two new titles in addition to DUEL MASTERS. We expanded the installation of

GACHA machines, which are popular across a wide range of age groups, in commercial facilities and elsewhere. At KIDDY LAND, popular character merchandise and general goods gained support from a wide range of age groups, leading to expanded sales.

In expanding the regional axis, the first overseas brand store for TOMICA opened in Shanghai, China, marking further progress in brand penetration. Sales of BEYBLADE X overseas, particularly in Europe and the United States, also gained momentum. We also made progress with the expansion of GACHA and plush toys overseas, with a focus on character merchandise. To cater to inbound demand, at retail KIDDY LAND locations we stocked a wide range of character merchandise, proving highly popular especially at our flagship stores, driving an expansion in sales.

By pursuing these measures targeting age groups and the regional axis, we achieved healthy performance in Japan and Asia, while also producing solid results in the Americas. As a result, we posted net sales of ¥250,235 million (up 20.1% year on year) and operating profit of ¥24,870 million (up 32.2% year on year), both record highs demonstrating steady progress under our new management structure.

Overview by Regional Segment

Japan

TOMY generated a year-on-year increase in sales of classic brands including TOMICA and PLARAIL due to their expansion into a wide range of age groups and regions, while the renovation and reopening of the TOMICA PLARAIL SHOP TOKYO also attracted attention. BEYBLADE X gained popularity among people of all ages, from children to adults, during the year-end sales seasons thanks to development of the media mix and the hosting of tournaments with no age restrictions. In addition, along with the full-scale launch of overseas sales, particularly in Europe and the United States, efforts with broadcasters in various countries by our U.S. subsidiary T-Licensing led to the creation of synergies

with merchandise releases, thanks to our animated titles reaching a wider broadcast audience. We also pursued international measures, such as holding the BEYBLADE X ASIA CHAMPIONSHIP 2024 in December. With DUEL MASTERS, in addition to growth resulting from collaboration with popular VTubers, we expanded the customer base through the smartphone app DUEL MASTERSPLAY'S, and this contributed to expanded business performance. Our own Punirunes IP has proven popular in Japan and Asia, and we began exporting to Europe and the United States in April in an effort to create global content from the IP. In addition, in May we launched the DETECTIVE CONAN

Card Game, which is based on the enormously popular comic and targets a broad customer base, while in January we released Disney LORCANA Trading Card Game, generating new sales. In October, we launched the pet toy Hatchimals Alive (Umaerete! Woomo Alive), also contributing to sales. In November, we opened TOMY Planet, a new format enabling customers to enjoy hands-on attractions that combine the worldview of TOMY's IPs such as TOMICA and PLARAIL. February saw the launch of the new T-SPARK series, a hobby label aimed at older age groups. At T-ARTS, sales of plush toys and other Pokémon-related merchandise increased. In addition, in the GACHA capsule toy business, we succeeded in expanding the number of items offered, including character products. We also expanded our installation of GACHA sales spaces in commercial facilities, airports and other locations, such as the opening of the large-scale GACHA specialty store, GACHA WORLD, and the festival-themed GACHA specialty store,

GACHA MATSURI in Kansai International Airport. These efforts continued with expansion overseas to drive continued favorable performance. In addition, in amusement machines, we began operating Himitsu no AIPRI in April and Pokémon FRIENDA in July, enjoying better launches than previous products. In the KIDDY LAND retail business, we continued to offer fresh and topical character goods and miscellaneous items, earning popularity among people of all ages in Japan and abroad. Operating under these conditions, inbound demand and the continued popularity of characters led to strong performance at flagship stores such as in Harajuku and Umeda. Combined with character specialty stores and a favorable response to special events, this contributed to expanded business performance.

As a result, net sales were ¥211,022 million (up 24.1% year on year), with operating profit of ¥27,692 million (up 24.3% year on year).

Overseas

Americas

Net sales were ¥31,108 million (up 3.5% year on year) with an operating loss of ¥155 million

(versus an operating loss of ¥495 million in the previous fiscal year). Due to the overall slump in the toy market, sales of agricultural machinery toys decreased, while sales of toy products, hobby products and the baby products "The First Years" and "Boon" remained strong, and net sales of Fat Brain Holdings increased from the previous fiscal year.

Europe

Net sales were ¥7,154 million (up 7.7% year on year), and we recorded an operating loss of

¥333 million (versus an operating loss of ¥724 million in the previous fiscal year). Although the toy market was sluggish overall, there were steady sales of toy and hobby products such as "Pop-up Pirate," bath toys and T-ARTS Company's GACHA capsule toys. Sales of agricultural machinery toys also increased.

Oceania

Net sales were ¥2,755 million (up 8.2% year on year). Operating profit was ¥132

million (down 30.4% year on year) due to a deterioration in the gross profit margin caused by factors such as higher transportation costs. Sales were steady in toy and hobby products such as agricultural machinery toys, baby products and "Pop-up Pirate."

Asia

Net sales were ¥68,277 million (up 18.0% year on year), and operating profit was ¥2,668

million (up 39.9% year on year). In addition to seeing strong sales mainly due to the popularity of the "TOMICA" brand among people of all ages, the Company opened the first "TOMICA" overseas brand store "TOMICA BRAND STORE" in Shanghai, China, in September to further deepen the penetration of the brand. While "BEYBLADE X" continued to gain in popularity in the Philippines and other parts of Southeast Asia, excitement did not reach the anticipated levels in South Korea, resulting in sales remaining at the same level as the previous fiscal year. In addition, sales grew in part due to the start of the TV animation broadcasting of "SHINKAION CHANGE THE WORLD" in Hong Kong in July and in Taiwan in September, after the sales of related toys launched in April. Furthermore, we released the "DETECTIVE CONAN Card Game" series in nine countries and regions, including Hong Kong, South Korea and Taiwan, in May, simultaneously with its release in Japan, generating new sales.

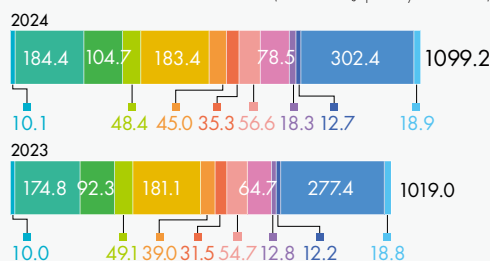
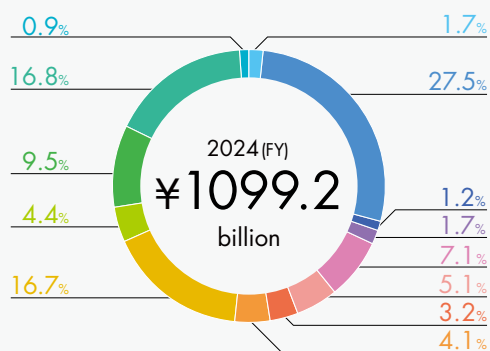
Other factors included an increase in overseas-bound exports of "BEYBLADE X" and other products at the manufacturing subsidiary TOMY (Hong Kong). Net sales were ¥68,277 million (up 18.0% year on year), and operating profit was ¥2,668 million (up 39.9% year on year).

Review of Fiscal 2024 (the fiscal year ended March 31, 2025)

(Millions of yen)

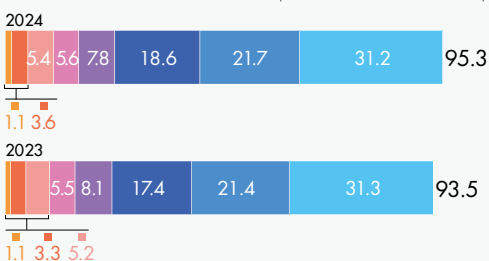
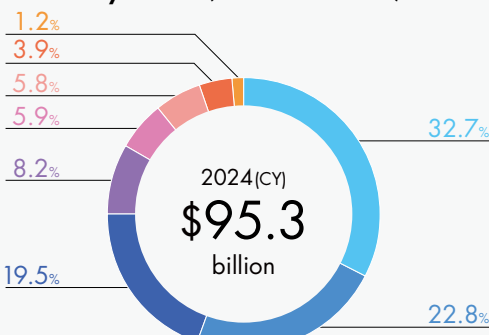
	2024.3	2025.3	Change	Change (%)
Net sales	208,326	250,235	41,909	20.1
Japan	170,097	211,022	40,925	24.1
Americas	30,063	31,108	1,044	3.5
Europe	6,640	7,154	513	7.7
Oceania	2,545	2,755	209	8.2
Asia (other than Japan)	57,869	68,277	10,407	18.0
Eliminations and corporate	(58,891)	(70,083)	(11,191)	–
Operating profit (loss)	18,818	24,870	6,052	32.2
Japan	22,265	27,682	5,416	24.3
Americas	(495)	(155)	340	–
Europe	(724)	(333)	391	–
Oceania	189	132	(57)	(30.4)
Asia (other than Japan)	1,907	2,668	760	39.9
Eliminations and corporate	(4,324)	(5,123)	(798)	–

Japanese Toy Market (Billions of yen)



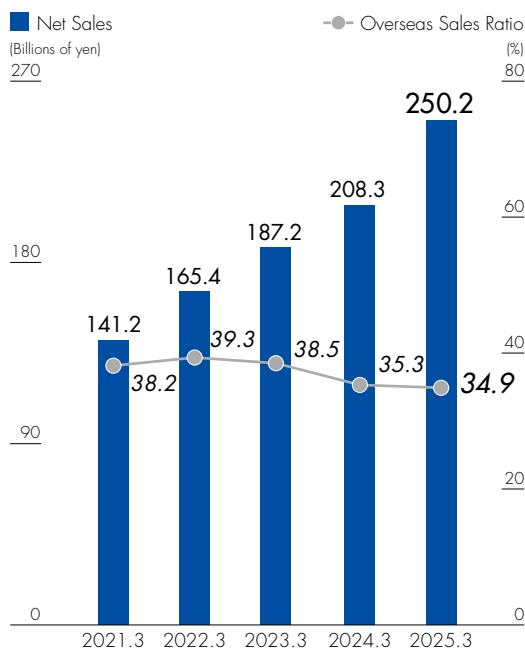
- Games
- Card games, trading card games
- Jigsaw puzzles
- Interactive toys
- Characters
- Ride-on toys
- Dolls, role play
- Stuffed toys
- Educational toys
- Seasonal toys
- Stationery, gifts, etc.
- Hobbies
- Others

Global Toy Market (Billions of U.S. dollars)

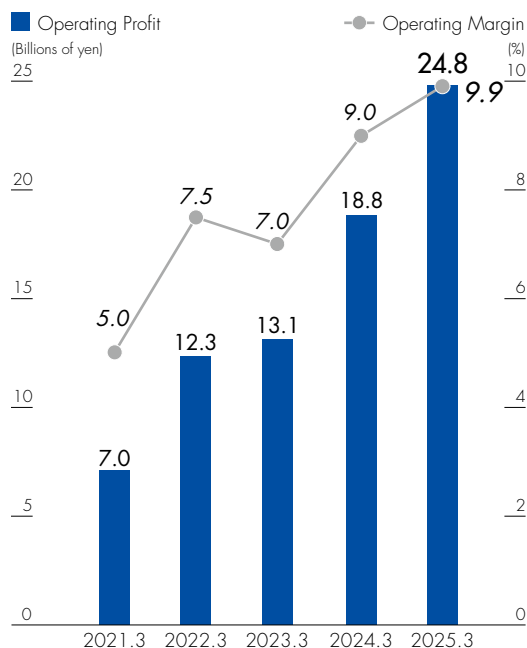


- North America
- Western Europe
- Asia Pacific (ex-Japan)
- Latin America
- Japan
- Eastern Europe
- Middle East and Africa
- Australasia

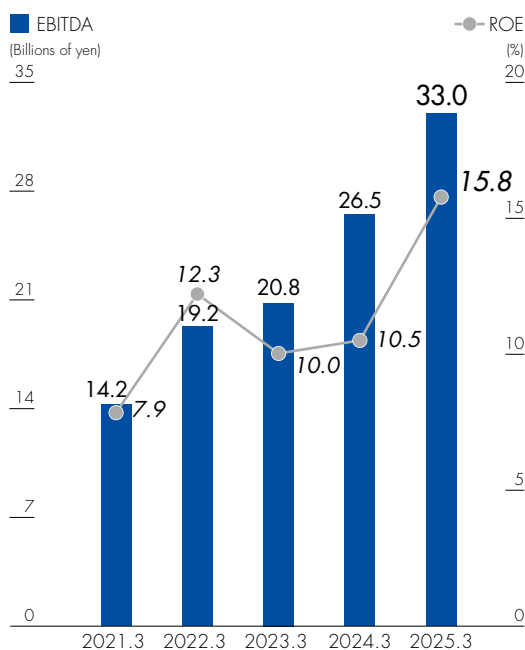
Net Sales/Overseas Sales Ratio



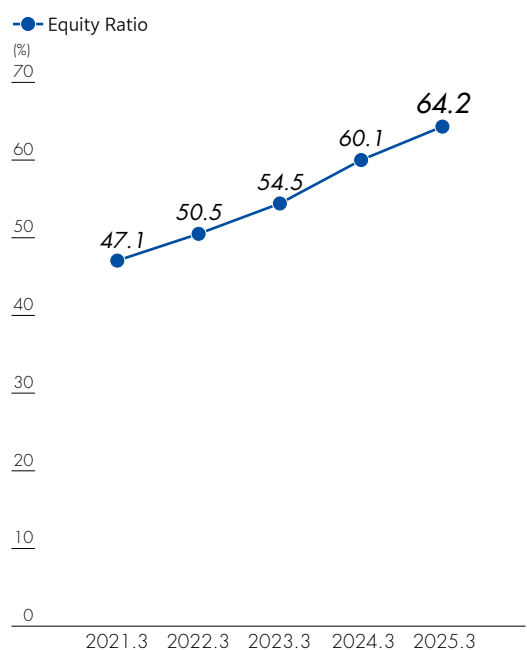
Operating Profit/Operating Margin



EBITDA¹/Return on Equity (ROE)²



Equity Ratio³



1. EBITDA = Operating profit + Depreciation + Amortization of goodwill

2. Return on equity = Profit attributable to owners of parent ÷ Average of total equity* × 100

*Equity = Net assets – Subscription rights to shares – Non-controlling interests

3. Equity ratio = Equity ÷ Total assets × 100

Eleven-Year Financial and Non-Financial Summary

	2025	2024	2023	2022
Net sales	250,235	208,326	187,297	165,448
Gross profit	101,349	84,960	72,348	66,606
Total selling, general and administrative expenses	76,478	66,141	59,229	54,261
Operating profit	24,870	18,818	13,119	12,344
Ordinary profit	24,033	17,807	12,043	12,666
Profit (loss) before income taxes	23,805	14,869	11,642	13,772
Profit (loss) attributable to owners of parent	16,350	9,808	8,314	9,114
EBITDA ¹	33,061	26,564	20,804	19,241
R&D expenses	5,852	4,971	4,542	4,607
Depreciation and amortization	8,191	7,746	7,685	6,897
Cash flows from operating activities	16,999	29,175	16,223	16,405
Cash flows from investing activities	(8,099)	(5,324)	(2,134)	(2,488)
Cash flows from financing activities	(16,771)	(27,149)	(13,689)	(12,991)
(As of March 31)				
Total assets	165,770	166,252	159,519	156,090
Net assets	106,398	99,999	87,167	79,174
Interest-bearing debt	4,172	10,364	29,121	35,357
Per Share Data (Yen)				
Earnings per share	182.20	107.73	90.66	98.23
Dividend per share	64.00	50.00	32.50	32.50
Net assets per share	1,186.44	1,104.07	950.39	860.74

¹ EBITDA = Operating profit + Depreciation + Amortization of goodwill

(Millions of yen)

2021	2020	2019	2018	2017	2016	2015
141,218	164,837	176,853	177,366	167,661	163,067	149,938
55,256	66,364	73,478	72,217	63,736	57,339	52,704
48,177	55,681	59,071	59,018	55,992	54,641	50,237
7,079	10,683	14,407	13,199	7,744	2,698	2,466
7,170	10,204	14,303	12,420	7,823	1,459	2,014
7,462	7,601	13,784	9,967	7,127	(6,711)	206
5,374	4,507	9,302	7,962	5,372	(6,703)	(1,817)
14,246	18,723	22,490	22,311	16,275	11,692	11,194
4,066	4,666	3,963	3,533	3,225	3,144	2,598
7,166	8,040	8,082	9,111	8,531	8,994	8,728
18,064	9,006	21,492	16,346	24,896	8,675	6,827
(8,606)	(3,381)	(4,038)	(3,692)	(3,793)	(3,974)	(2,428)
6,817	(12,274)	(10,057)	(24,670)	(1,927)	(6,014)	(10,022)
147,614	129,253	143,364	139,815	157,693	145,652	159,638
69,928	67,410	67,315	56,322	51,611	37,824	49,650
42,363	29,655	35,465	42,793	64,748	71,776	75,337
57.07	47.30	97.85	84.74	61.88	(78.74)	(19.91)
17.50	30.00	24.00	14.00	10.00	10.00	10.00
742.45	703.07	700.26	591.00	548.45	432.87	567.91

Eleven-Year Financial and Non-Financial Summary

	2025	2024	2023	2022
Major Financial Indices				
Operating margin (%)	9.9	9.0	7.0	7.5
Overseas sales ratio (%)	34.9	35.3	38.5	39.3
Return on equity (ROE) (%) ¹	15.8	10.5	10.0	12.3
Return on assets (ROA) (%) ²	14.5	10.9	7.6	8.3
Equity ratio (%) ³	64.2	60.1	54.5	50.5
Dividend payout ratio (%) ⁴	35.1	46.4	35.8	33.1
Stock Data				
Stock price at year-end (Yen)	3,466	2,813	1,481	1,221
PER (Times)	19.0	26.1	16.3	12.4
Number of shares outstanding (Thousand shares) ⁵	89,650	90,543	91,554	91,623
Company Data				
Number of subsidiaries	35	35	35	34
Number of employees (Consolidated)	2,496	2,423	2,476	2,418
Number of employees (Non-consolidated)	578	553	562	557
Average age of employees (Non-consolidated)	42.8	44.3	44.0	43.9

1. Return on equity = Profit attributable to owners of parent ÷ Average of total equity* × 100 *Equity = Net assets – Subscription rights to shares – Non-controlling interests

2. Return on assets = Ordinary profit ÷ Total assets × 100

3. Equity ratio = Equity ÷ Total assets × 100

4. Payout ratio = Dividend per share for common stock with the record date in the corresponding fiscal year (Total) ÷ Earnings per share × 100

5. Treasury stock has been excluded from these figures.



2021	2020	2019	2018	2017	2016	2015
5.0	6.5	8.1	7.4	4.6	1.7	1.6
38.2	32.9	33.7	36.5	36.8	41.6	42.8
7.9	6.8	15.2	14.9	12.2	(15.7)	(3.7)
5.2	7.5	10.1	8.3	5.2	1.0	1.3
47.1	51.6	46.5	39.9	32.4	25.5	30.2
30.7	63.4	24.5	16.5	16.2	–	–
1,005	762	1,142	1,092	1,113	822	714
17.6	16.1	11.7	12.9	18.0	–	–
93,656	94,797	95,239	94,343	93,103	85,814	84,856
34	32	33	34	35	34	38
2,379	2,568	2,665	2,199	1,951	2,042	2,086
547	541	509	504	495	491	490
43.2	42.3	41.5	41.8	41.3	40.9	40.4

Our Products

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



© TOMY

TOMICA, Japan's first series of palm-sized diecast mini cars, was launched in 1970. At a time when foreign-made mini cars were seeing booming popularity, the TOMICA brand was created out of the strong desire to have Japan's children play with the miniature versions of the domestically produced cars they were familiar with, and today the series have been loved across three generations. Until now, a cumulative 10,000+ models have been released in Japan and abroad, with lifetime sales surpassing one billion pieces (as of December 2024).

In recent years, TOMY has expanded its lineup of mini cars. In addition to core products, TOMY now

offers the Dream TOMICA series, created through collaborations with popular characters and content, and the TOMICA Premium series, a TOMICA series for adults. Moreover, since 2016 we have expanded licensing of the adult-focused TOMICA brand, operated TOMICA Expo as the largest TOMICA-related event and launched TOMICA Shop locations as brand specialty stores. Furthermore, in September 2024 we opened the TOMICA BRAND STORE, the first official overseas shop, in Shanghai, China. These efforts have expanded the TOMICA ecosystem beyond product sales.



プラレール®

© TOMY

PLARAIL, our long-selling railway toy brand (sold by TOMY Company, Ltd.), celebrated its 65th anniversary in 2024 as a brand loved across three generations of customers. The original (1959) PLARAIL was the Plastic Train and Rail Set. Unlike other toys of that era, which were generally made of metal and wood, PLARAIL was made with plastic, a new material at the time. Its distinguishing blue rails were sized for playing on the small round tea tables around which Japanese families of that time would gather and spend quality time. The brand's rail size specifications have not changed over its 60-year existence. Moving forward, we will continue to develop the PLARAIL brand according to the same familiar and admired railway theme, releasing products that enable children to learn about society, encourage creativity and other child growth and development, and foster communication between parents and their offspring. Approximately 2,083 PLARAIL products have been released in Japan, selling more than 191.40 million units (as of December 2024).

リカちゃん®

With the LICCA dolls brand of dress-up dolls that debuted in 1967, we have consistently released products that reflect the times and trends, giving shape to children's dreams and aspirations. The dolls make the perfect companion for playing house and dress-up, and come complete with profiles describing her age, family and friends. In recent years, the LICCA series has been expanding into a brand loved by adults who have grown up with the LICCA doll. LICCA has been widening her field of activity as a celebrity talent, and her own social media accounts are also big topics.



© TOMY

Our Products

TOMY



TRANSFORMERS

TRANSFORMERS toys and cartoons launched in the United States in 1984 and in Japan in 1985. This series of shape transforming robots immediately became a worldwide hit. TRANSFORMERS celebrated its 40th anniversary this year. The brand boasts cumulative sales of more than 730 million pieces in more than 130 countries and regions.



ZOIDS

ZOIDS is a major franchise developed as an original IP from toys in 1983. ZOIDS come with either electric motors or springs and feature the ability to move as if it were a real life form after assembly is complete.



THE GAME OF LIFE

The Game of Life was released in September 1968 as a board game in which players spin a roulette wheel to advance through the squares with the aim of becoming millionaires through various life events. In 2023, the game celebrated its 55th anniversary and to commemorate the occasion we launched the eighth generation of the flagship The Game of Life board game.



BEYBLADE

This series of competition-style next generation spinning tops has recorded cumulative shipments of more than 520 million units to more than 80 countries and regions throughout the world. In July 2023, we launched sales of the fourth-generation BEYBLADE X. BEYBLADE is evolving into a kind of GEAR SPORT with a greater focus on its sporting qualities.



DUEL MASTERS

Launched in 2002 as a full-fledged trading card game easy for kids to play, this popular series has shipped more than 7 billion units and every year numerous regional events are held. At the end of 2019, we also began distributing an authentic DUEL MASTERS card game app.



ANIA

This is a series of palm-sized animal figures that can be moved and played with that have been on the market since 2013. The products can be enjoyed together with parents as elements of "three-dimensional animal encyclopedias" to stimulate the intellectual curiosity of children who are interested in different types of animals and their characteristics.

GROUP (DOMESTIC)



T-ARTS Company, Ltd.

Gacha Business

Capsule toys were imported to Japan in 1965 and are now marketed by T-ARTS under the registered trademark "Gacha." Worldwide GACHA capsule toy machine shipments have surpassed 600,000. Spaces where GACHA machines are installed have also grown to include commercial facilities, train stations, airports and so on.



Amusement Business

The amusement business provides a new asobi and communication that cannot be experienced at home. Introduced at events and other gatherings, amusement activities are devised to encourage interaction among players and enrich children's imaginative powers.



Life Business

This segment is chock-full of hit products ranging from cooking toys to party goods, which generate plenty of buzz with the surprise and delight they bring to customers.



Stuffed Toy Business

Centered on characters beloved by families worldwide, this segment markets appealing content in the form of stuffed toys.



Candy Toy Business

As the name suggests, this segment brings together two favorites of children's everyday lives: candy and toys. Popular content is used to offer low-priced products children can easily purchase with their allowance.

GROUP (DOMESTIC)

KIDDY LAND®

KIDDY LAND CO., LTD.

KIDDY LAND sells toys, fancy goods and character merchandise, and in recent years has launched many character specialty stores. Banking on Japan's "kawaii" culture, KIDDY LAND attracts many customers from Japan and overseas alike.



Chiikawa Land

SNOOPY TOWN Shop
© PEANUTS Worldwide LLC www.snoopy.co.jp

Snoopy Town Shop

miffy style
© Mercis bv

miffy style

すみっぐらし shop
Everyday with Sumikko.

Sumikko Gurashi Shop

Rilakkuma store
Happy life with Rilakkuma!
© SAN-X CO., LTD. ALL RIGHTS RESERVED.

Rilakkuma Store



TOMYTEC

TOMYTEC CO., LTD.

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

TOMY International (OVERSEAS)



THE FIRST YEARS

Baby products that help parents outsmart the obstacles, taking them from rookies to parenting pro.



BOON

Boon products are designed to solve problems before parents even think of them - simply, stylishly, and with attitude.



Fat Brain

A digitally native vertical brand, that offers children and their families a "smarter way to play" through innovative, modern designs that intriguing and delight.



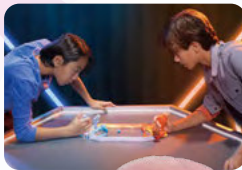
PRESCHOOL

Featuring levels of discovery and learning in every toy, the featurefull portfolio of products includes family-favorite characters and licenses that are designed to delight & engage preschoolers around the globe.



TOMY GAMES

From nostalgic hits like Pop Up Pirate to cuttingedge innovations like Human Controller, we create unforgettable play for every generation.



TOMY TOYS

From toys to collectibles, the TOMY Toy portfolio offers a wide array of innovative products that encourage play at any age. From gamers to collectors, action-seekers to plushie-lovers, the range has something for everyone.



ERTL

Celebrating 80 years of producing fan favoured highly detailed farm and construction replicas.



TOMY PLUS

Where fantastic dreams become reality! Collector toys that bring a touch of magic to the world of pop culture items.

External Evaluations

TOMY's integrated reports and annual reports have won numerous awards at the two major annual report competitions in the United States, the LACP Vision Awards and the International ARC Awards, earning kudos overseas for both their content and expressive power.

2024



2025 WINNER



International ARC Awards Bronze in the Toy Manufacture and Sales/Summary Annual Review Category




LACP [2023/2024 Vision Awards] 70th among the Top 100 Worldwide; Gold in the Consumer/Consumables Industry



2023



2024 WINNER



International ARC Awards Gold in the Toy Manufacture and Sales/Summary Annual Review Category





LACP [2022/2023 Vision Awards] 22nd among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Worldwide Special Achievement (Creative Category)



2022



2023 WINNER



International ARC Awards Honors in the Toy Manufacture and Sales/Summary Annual Review Category





LACP [2021/22 Vision Awards] 24th among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Most Creative Report



2021



2022 WINNER



International ARC Awards Bronze in the Toy Manufacture and Sales/Summary Annual Review Category





LACP [2020/21 Vision Awards] 33rd among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Most Creative Report



2020



2021 WINNER



International ARC Awards Honors in the Toy Manufacture and Sales/Summary Annual Review Category





LACP [2019/20 Vision Awards] 14th among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Most Creative Report



2019



2020 WINNER



International ARC Awards Gold in the Toy Manufacture and Sales/Summary Annual Review Category





LACP [2018/19 Vision Awards] 14th among the Top 100 Worldwide; 1st (Platinum) in the Consumer/Consumables Industry and Best Report Cover



Company Name	TOMY Company, Ltd.	Major Group Companies
Head Office	7-9-10 Tateishi, Katsushika-ku, Tokyo 124-8511, Japan	Japan T-ARTS Company, Ltd. TOMY MARKETING COMPANY, LTD. PENNY COMPANY, LTD. KIDDY LAND CO., LTD. TOMY TEC CO., LTD. T-FIELDTEC Company, Ltd. TOMY IBIS CO., LTD.
Date of Establishment	January 17, 1953	Overseas TOMY International, Inc. Fat Brain Holdings, LLC. TOMY Asia Limited. TOMY SOUTHEAST ASIA PTE. LTD. TOMY (Shanghai) Ltd. T-ARTS Korea Co., Ltd. TOMY (Hong Kong) Ltd. TOMY (Shenzhen) Ltd. TOMY (Thailand) Ltd. TOMY (Vietnam) Co., Ltd. T-Licensing Inc.
Paid-in Capital	¥3,459.53 million	
Business Domain	Planning, manufacturing and selling of products such as toys, general merchandise, card games and baby care products, etc.	
Number of Employees (as of March 31, 2025)	2,496 (consolidated) 578 (non-consolidated)	
Number of Consolidated Subsidiaries	35	

Stock Information (as of March 31, 2025)

Number of Shares Authorized:
384,000,000
Number of Shares Issued:
93,616,650
Trading Unit of Shares:
100
Number of Shareholders:
181,677

Distribution of Ownership among Shareholders

Individual Investors	46.83%
Foreign Corporations and Investors	21.11%
Financial Institutions	20.31%
Other Corporations	7.87%
Treasury Stock	3.89%

Major Shareholders

Name	Number of Shares Held	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,670,900	12.97
Tsukasa Fudosan	6,565,312	7.30
Custody Bank of Japan, Ltd. (Trust Account)	3,844,536	4.27
Kantaro Tomiyama	1,703,866	1.89
STATE STREET BANK WEST CLIENT - TREATY 505234	1,249,750	1.39
JP MORGAN CHASE BANK 385781	1,247,931	1.39
STATE STREET BANK AND TRUST COMPANY 505001	1,211,392	1.35
Administration trust (account of Fumie Tomiyama) Trustee SMBC Trust Bank Ltd.	1,000,000	1.11
THE BANK OF NEW YORK MELLON 140044	968,920	1.08
STATE STREET BANK AND TRUST COMPANY 505103	967,349	1.08

1.TOMY owns 3,639,595 shares as treasury stock, but is excluded from the above list of major shareholders.

2.The percentages shown by [Major Shareholders] are calculated excluding treasury stock.

3.TOMY has implemented a Stock Issuance Trust for Directors and a Stock Issuance Trust for Executive Officers. Custody Bank of Japan, Ltd. (Trust Account)[hereinafter "the Trust Account"], holds 326,000 shares of TOMY stock. TOMY shares held by the Trust Account are not included in TOMY treasury stock.

TOMY Company, Ltd.

7-9-10 Tateishi, Katsushika-ku, Tokyo 124-8511, Japan

<https://www.takaratomy.co.jp/english/>