Telephone Conference for the First Three Months of the Fiscal Year Ending March 31, 2026: Questions and Answers Section

- Q. Could you tell us about the impact of US tariffs?
- A. (Ito, Board Director, Senior Executive Officer, CFO) We are making efforts to flexibly respond to reducing the impact of US tariffs, such as by shifting production locations. As for the full-year profit, we still see uncertainty, including the potential for a decline in consumer spending.
- Q. If we subtract the first quarter's actual results from the first half's earnings forecast, the second quarter will show a decrease in both revenue and profit. I assume the profit is being affected by tariffs, but considering the first quarter's results, shouldn't revenue actually be increasing?
- A. (Ito, Board Director, Senior Executive Officer, CFO) We are carefully examining the situation, including the impact of tariffs. At this point, we do not anticipate the need to revise the earnings forecast for net sales, but we will disclose any changes as the situation evolves.
- Q. Could you tell us about the sales status of "BEYBLADE X" by region?
- A. (Ito, Board Director, Senior Executive Officer, CFO) Domestically, the market is holding steady, results in Asia surpassed the previous year, and sales in Europe and the US are also growing.
- Q. Could you tell us about the sales trends for "Disney LORCANA Trading Card Game" in the first quarter compared to the fourth quarter?
- A. (Ito, Board Director, Senior Executive Officer, CFO) Although sales were lower compared to the introductory phase in the fourth quarter, the actual results for the first quarter exceeded the sales plan.
- Q. Will collaborations like those with NIJISANJI for "DUEL MASTERS" continue, and will such trends persist in the future?
- A. (Ito, Board Director, Senior Executive Officer, CFO) We will hold collaborations as appropriate. We also have expectations for future sales trends and will keep a close watch on them.
- Q. Could you tell us if you are planning announcements of any major products at the International Tokyo Toy Show?
- A. (Ito, Board Director, Senior Executive Officer, CFO) At this stage, we cannot make any comments on this matter. Information will be disclosed as appropriate.

- Q. Is it correct to view the fiscal year ending March 31, 2026 as the peak for "BEYBLADE X," and will there be a short-term decline in revenue?
- A. (Ito, Board Director, Senior Executive Officer, CFO) We see this fiscal year as the peak in terms of the product cycle. However, while there may be a short-term decline in revenue, we are making efforts towards evergreen status by strengthening marketing and other initiatives. The TOMY Group's profit structure does not rely solely on "BEYBLADE." It is becoming stronger and more stable, reflecting the trading card games, various products from T-ARTS Company, and the development of character products at Kiddy Land.
- Q. Could you tell us about new product strategies?
- A. (Ito, Board Director, Senior Executive Officer, CFO) The key factor is to create value by combining and actualizing the IPs we own, such as "TOMICA," "PLARAIL," and "LICCA" with entertainment IPs, which are one of Japan's strengths. We will continue to invest resources in this effort.
- Q. Is it reasonable to expect the trend of increased revenue and profit to continue in the next fiscal year and beyond?
- A. (Ito, Board Director, Senior Executive Officer, CFO) We aim to achieve increased revenue and profit.
- Q. Could you tell us about the current situation of GACHA capsule toys in Japan and the trends expected from the second quarter onwards?
- A. (Ito, Board Director, Senior Executive Officer, CFO) The performance of GACHA capsule toys is steady, driven by demand from inbound tourists and an enhanced product lineup. We expect this steady performance to continue from the second quarter onwards.
- Q. Could you tell us about the product offering for "Disney LORCANA Trading Card Game?"
- A. (Ito, Board Director, Senior Executive Officer, CFO) We plan to continue releasing new products at the current pace of once every two months.
- Q. Could you tell us about the expansion of trading card games in China?
- A. (Ito, Board Director, Senior Executive Officer, CFO) In July, we launched the "DETECTIVE CONAN Card Game." We plan to continue expanding trading card games released in Japan to the Chinese market.
- Q. Could you tell us about the current status of "TRANSFORMERS" and the expansion of hobby

products?

A. (Ito, Board Director, Senior Executive Officer, CFO) "TRANSFORMERS" is selling well both domestically and internationally. Hobby products are a key focus area, and we are advancing their expansion as part of our strategy to broaden both regional and age demographics. Given the growing interest in hobby products not only in Japan but also overseas, we anticipate an increase in sales.

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