

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

- Q. With regard to goodwill of TOMY International, Inc., is it correct to understand that the entire amount recorded this time has been impaired?
- A. (Ito, Board Director, Senior Executive Officer, CFO): We have recognized impairment loss on all of the goodwill allocated to the United States, where there is risk. The portion of TOMY International Inc.'s goodwill allocated to Asia remains unchanged.
- Q. Are current inventory levels appropriate, and is any possibility that this could lead to inventory loss?
- A. (Ito, Board Director, Senior Executive Officer, CFO): Working capital has expanded following the increase in sales. As a result, inventory increased somewhat for Kiddy Land, which performed favorably. Overseas product inventories have also been impacted by foreign exchange rates. Accordingly, we do not believe that our current inventory levels will lead to losses. We will continue to maintain appropriate inventory while aiming to expand our business.
- Q. Given the various external factors such as foreign exchange and tariffs, could you share how you intend approach to next year?
- A. (Ito, Board Director, Senior Executive Officer, CFO): We are promoting a variety of measures with a view to achieving the medium- to long-term management strategy. To achieve global business expansion, we will adopt a new management structure and promote investments into the necessary measures, thereby increasing the probability of success for the medium- to long-term management strategy.
- Q. What are the key catalysts for next fiscal year?
- A. (Ito, Board Director, Senior Executive Officer, CFO): I am not able to tell you at present. We are preparing various initiatives, and we appreciate your continued interest.

Q. Results for the Japan segment in the third quarter shows an increase in sales and a decrease in profits. What items have increased year on year, including expenses. Please also explain the details of those items, their continuity, and effects.

A. (Ito, Board Director, Senior Executive Officer, CFO): One of the increases was investments in video. These related directly to our business and represent advanced investments in our core business. Another is human resource investment. We have invested not only in management personnel and other human resources but also widely in human capital for establishing and strengthening our foundations. We believe all of these, including other expenses, are investments for the future.

Q. What products are the main drivers of net sales for T-ARTS Company? Also, do you expect this momentum to continue in the fourth quarter?

A. (Ito, Board Director, Senior Executive Officer, CFO): The main driver is the amusement machine business. Performance is particularly strong in Asia, and we have succeeded in replacing the products with new models. We expect this momentum to continue in the fourth quarter and onward.

Q. What are your thoughts about earnings in the next fiscal year?

A. (Ito, Board Director, Senior Executive Officer, CFO): I cannot talk about that at this stage. We are implementing measures with a focus on growth toward achieving the medium- to long-term management strategy.

Q. What is the status of the trading card game, “HAIKYU!! VOBACA!! BREAK”? Also, please share your strategy for trading card games going forward.

A. (Ito, Board Director, Senior Executive Officer, CFO): “HAIKYU!! VOBACA!! BREAK” has recorded higher than expected shipment volume. Our strategy for trading card games is to expand the range of IP used in them and expand the areas where we market them going forward. We believe trading card games is a product group that can be expected to grow.

Q. Regarding the GACHA capsule toys business in North America, what is the status of the joint retail stores by three companies and the development into a local platform?

A. (Ito, Board Director, Senior Executive Officer, CFO): At this stage we are testing and collecting a range of valuable experience. We will renew the joint retail store by three companies with SEGA FAVE CORPORATION and Mitsubishi Corporation in Santa Monica, United States, and sell products in categories in which Japan has strengths, such as plush toys. In our development into a local platform with GENDA we have installed several thousand GACHA capsule toy machines.

We are currently investigating aspects such as which areas perform well and what kind of IP is popular.

- Q. For the fourth quarter, subtracting third-quarter results from full-year forecasts results in decreased sales and increased profits. What is your thinking in this regard?
- A. (Ito, Board Director, Senior Executive Officer, CFO): We believe that net sales will be approximately at the same level year on year. Regarding profit, although we will continue to make investments in infrastructure development, advertising expenses are expected to be somewhat restrained compared to the same period of the previous fiscal year. We will work toward achieving the full-year forecast for operating profit of 23.5 billion yen.

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